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Shanghai Conant Optical Co., Ltd.
上海康耐特光學科技集團股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2276)

**ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

The board (the “**Board**”) of directors (the “**Directors**”) of Shanghai Conant Optical Co., Ltd. (the “**Company**”) is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2024 (the “**Reporting Period**”) together with the audited comparative figures for the year ended 31 December 2023.

In this announcement, “we”, “us”, and “our” refer to the Company and where the context otherwise requires, the Group.

HIGHLIGHTS

- Revenue for the year ended 31 December 2024 amounted to approximately RMB2,060.8 million, representing an increase of approximately 17.1% as compared with 2023.
- Gross profit for the year ended 31 December 2024 amounted to approximately RMB795.1 million, representing an increase of 20.8% as compared with 2023.
- Profit for the year attributable to owners of the parent for the year ended 31 December 2024 amounted to approximately RMB428.3 million, representing an increase of approximately 31.0% as compared with 2023.
- Earnings per share for the year ended 31 December 2024 were approximately RMB1.03, representing an increase of approximately 33.8% as compared with 2023.
- For the year ended 31 December 2024, total sales volume of our products amounted to approximately 178.0 million pieces, representing an increase of approximately 12.1% as compared with 2023.
- The Board has recommended the payment of a final dividend of RMB0.16 (tax inclusive) per share for the year ended 31 December 2024. Together with the interim dividend paid, a total dividend of RMB0.28 per share (2023: HK\$0.20 per share) for the year was paid, amounting to a total dividend payout of approximately RMB128,500,000.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2024

		2024	2023
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	3	2,060,767	1,759,641
Cost of sales		<u>(1,265,667)</u>	<u>(1,101,507)</u>
Gross profit		795,100	658,134
Other income and gains	3	57,842	48,248
Distribution and selling expenses		(129,847)	(103,174)
Administrative expenses		(193,932)	(174,991)
Impairment losses under expected credit loss model, net of reversal		(17,267)	(14,386)
Other expenses		(1,651)	(6,996)
Finance costs	5	(10,228)	(13,649)
Share of results of a joint venture		63	(50)
Share of results of an associate		<u>(2,718)</u>	<u>(126)</u>
PROFIT BEFORE TAX	4	497,362	393,010
Income tax expense	6	<u>(69,078)</u>	<u>(65,988)</u>
PROFIT FOR THE YEAR		<u>428,284</u>	<u>327,022</u>
Attributable to:			
Owners of the parent		<u>428,284</u>	<u>327,022</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic	8	<u>RMB1.03</u>	<u>RMB0.77</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2024

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
PROFIT FOR THE YEAR	<u>428,284</u>	<u>327,022</u>
OTHER COMPREHENSIVE INCOME (EXPENSE)		
Other comprehensive income (expense)		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	<u>2,473</u>	<u>(13,746)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>430,757</u>	<u>313,276</u>
Attributable to:		
Owners of the Company	<u>430,757</u>	<u>313,276</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	<i>Notes</i>	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		586,852	455,483
Investment properties		14,188	15,520
Right-of-use assets		32,045	15,053
Other intangible assets		559	351
Investment in a joint venture		63	–
Investment in an associate		57,386	60,104
Time deposits		50,000	–
Prepayment for acquisition of property, plant and equipment		20,338	11,203
Deferred tax assets		8,378	11,916
		<hr/>	<hr/>
Total non-current assets		769,809	569,630
CURRENT ASSETS			
Inventories	<i>9</i>	562,857	486,508
Trade receivables	<i>10</i>	355,862	291,710
Amount due from a related party		12	–
Prepayments, deposits and other receivables		48,720	84,944
Financial assets at fair value through profit or loss ("FVTPL")		149,454	221,000
Pledged bank deposits		3,000	–
Cash and cash equivalents		499,070	330,521
		<hr/>	<hr/>
Total current assets		1,618,975	1,414,683
CURRENT LIABILITIES			
Trade payables	<i>11</i>	189,287	126,158
Other payables and accruals		177,245	137,923
Contract liabilities		47,144	45,567
Interest-bearing bank and other borrowings		289,623	95,247
Lease liabilities		2,548	1,375
Amount due to a related party		1,247	–
Tax payable		25,134	25,431
		<hr/>	<hr/>
Total current liabilities		732,228	431,701
		<hr/>	<hr/>
NET CURRENT ASSETS		886,747	982,982
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,656,556	1,552,612
		<hr/>	<hr/>

	2024	2023
<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
NON-CURRENT LIABILITIES		
Interest-bearing bank borrowings	–	110,000
Retirement benefit obligations	10,103	10,341
Lease liabilities	25,373	8,331
Deferred tax liabilities	28,926	20,352
Deferred income	6,597	8,688
	<hr/>	<hr/>
Total non-current liabilities	70,999	157,712
	<hr/>	<hr/>
NET ASSETS	1,585,557	1,394,900
	<hr/>	<hr/>
EQUITY		
Equity attributable to owners of the parent		
Share capital	426,600	426,600
Share premium and reserves	1,158,957	968,300
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TOTAL EQUITY	1,585,557	1,394,900
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NOTES TO FINANCIAL STATEMENTS

1.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRS Accounting Standards (which include all standards and interpretations, International Accounting Standards (“**IASs**”) and Standing Interpretations Committee interpretations) approved by the International Accounting Standards Board (the “**IASB**”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at FVTPL which have been measured at fair value. These financial statements are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

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

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

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

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

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

1.2 APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

1.2.1 Amendments to IFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (the "IASB") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to IFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current</i>
Amendments to IAS 1	<i>Non-current Liabilities with Covenants</i>
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements</i>

The application of the amendments to IFRS Accounting Standards in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

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

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ³
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity ³
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11 ³
Amendments to IAS 21	Lack of Exchangeability ²
IFRS 18	Presentation and Disclosure in Financial Statements ⁴

¹ Effective for annual periods beginning on or after a date to be determined

² Effective for annual periods beginning on or after 1 January 2025

³ Effective for annual periods beginning on or after 1 January 2026

⁴ Effective for annual periods beginning on or after 1 January 2027

Except for the new IFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all other amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

1.2.2 Impacts on application of Amendments to IFRS 18 *Presentation and Disclosure in Financial Statements*

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

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

2. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the manufacture and sale of resin spectacle lenses.

IFRS 8 Operating Segments requires operating segments to be identified on the basis of internal reporting about components of the Group that are regularly reviewed by the chief operating decision-maker in order to allocate resources to segments and to assess their performance. The information reported to the directors of the Company, who are the chief operating decision-makers, for the purpose of the resource allocation and assessment of performance does not contain discrete operating segment financial information and the directors reviewed the financial results of the Group as a whole. Therefore, no further information about the operating segment is presented.

Geographical information

(a) Revenue from external customers

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Mainland China	655,433	575,351
Americas	474,261	405,599
Asia (except the Mainland China)	522,452	378,923
Europe	319,046	299,901
Oceania	65,373	75,865
Africa	24,202	24,002
	<u>2,060,767</u>	<u>1,759,641</u>

The revenue information of continuing operations above is based on the locations of the customers.

(b) Non-current assets

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Mainland China	639,679	535,582
Thailand	51,990	–
Japan	19,762	21,841
United States	–	291
	<u>711,431</u>	<u>557,714</u>

The non-current asset information of continuing operations above is based on the locations of the assets and excludes deferred tax assets and time deposits.

Information about major customers

No customer contributes over 10% of the total revenue of the Group for the years ended 31 December 2024. Revenue of approximately RMB183,190,000 was derived from a single customer for the years ended 31 December 2023, including sales to a group of entities which are known to be under common control with that customer.

3. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Revenue from contracts with customers	<u>2,060,767</u>	<u>1,759,641</u>
Revenue from contracts with customers*		

(a) *Disaggregated revenue information*

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Type of goods or services		
Multifunctional lenses	755,154	570,541
Standardised lenses	906,853	833,404
Customised lenses	395,281	353,522
Others	<u>3,479</u>	<u>2,174</u>
	<u>2,060,767</u>	<u>1,759,641</u>
Geographical markets		
Mainland China	655,433	575,351
Americas	474,261	405,599
Asia (except the Mainland China)	522,452	378,923
Europe	319,046	299,901
Oceania	65,373	75,865
Africa	<u>24,202</u>	<u>24,002</u>
Total revenue from contracts with customers	<u>2,060,767</u>	<u>1,759,641</u>

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Timing of revenue recognition		
Goods transferred at a point in time	<u>2,060,767</u>	<u>1,759,641</u>

The following table shows the amounts of revenue recognised in the Reporting Period that were included in the contract liabilities at the beginning of the Reporting Period:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Revenue recognised that was included in contract liabilities at beginning of the Reporting Period:		
Sale of resin spectacle lenses	<u>45,567</u>	<u>23,152</u>

* The Company has further divided the standard lens category into general standard lenses and multifunctional lenses.

(b) *Performance obligations*

(i) Performance obligations under the contracts entered into with the customers

Sales of goods

The Group sells resin spectacle lenses directly to the customers according to the orders of the customers and the framework contracts entered into with the customers. In respect of domestic sales, revenue will be recognised upon transfer of controlling rights of the goods to the customers, i.e. when the goods are delivered to the customers or the third-party logistic companies. For overseas sales, revenue will be recognised according to the International Commercial Terms. The normal credit period is 30 to 90 days from the day of good delivery, except for new customers where payment in advance is normally required. The transaction amounts received by the Group will be recognised as contract liabilities until the relevant obligations are performed.

Customers may be offered volume rebates under certain contracts, for which variable consideration with binding effect will be generated.

(ii) Transaction amount allocated to the remaining performance obligations under the contracts entered into with the customers

All performance obligations for the sales of resin spectacle lenses shall be fulfilled within one year. Pursuant to IFRS 15, the transaction amounts allocated to the unperformed contracts will not be disclosed.

An analysis of other income and gains is as follows:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
<u>Other income</u>		
Government grants and subsidies	18,007	7,758
Gross rental income from investment		
property operating leases	12,678	12,073
Bank interest income	5,874	3,565
Gain on disposal of property, plant and equipment	1,650	–
Others	6,159	3,623
	44,368	27,019
<u>Gains</u>		
Foreign exchange differences, net	9,384	13,757
Gain on financial assets at FVTPL	4,090	7,472
	13,474	21,229
	57,842	48,248

4. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Cost of inventories recognised as an expense (including write-down of inventories amounting to RMB 9,428,000 (2023: RMB 6,462,000))	1,246,714	1,080,868
Depreciation of property, plant and equipment	69,760	55,346
Depreciation of right-of-use assets	3,194	2,210
Depreciation of investment properties	1,332	1,332
Amortisation of other intangible assets	149	223
Research and development costs	88,336	70,091
Auditor's remuneration	1,950	1,700
Employee benefit expense (including directors' and chief executive's remuneration):		
Wages, salaries and other allowances	334,551	303,643
Pension scheme contributions and social welfare	96,210	83,889
	430,761	387,532
Impairment loss recognised on property, plant and equipment	18,953	20,639
Impairment loss recognised on investment in a joint venture	–	2,249
(Gain)/loss on disposal of property, plant and equipment	(1,650)	2,231
Write-down of inventories to net realisable value	9,428	6,462
Gross rental income from investment properties	12,678	12,073
Direct operating expenses (including repairs and maintenance) arising from rental-earning investment properties	100	76

5. FINANCE COSTS

An analysis of finance costs is as follows:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Interest on bank loans	9,204	13,325
Interest on lease liabilities	993	293
Interest on defined benefit obligations	31	31
	<u>10,228</u>	<u>13,649</u>

6. INCOME TAX

Under the Law of the PRC on Enterprise Income Tax (the “EIT”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

For certain Group’s subsidiaries operating in the PRC are eligible for certain concessions, which were accredited as “High and New Technology Enterprise”, and were therefore entitled to a preferential EIT rate of 15%.

The directors of the Company are of the view that it is very probable that the subsidiaries which are accredited as “High and New Technology Enterprise” are able to extend their accreditation upon expiry.

Hong Kong profits tax was provided at the rate of 16.5% on the estimated taxable income arising in Hong Kong during the year.

Pursuant to the relevant tax laws, the subsidiary incorporated in the United States was subject to federal corporation income tax at the rate of 21% (2023: 21%) on the federal taxable income as well as Georgia’s state corporate income tax at the rate of 5.75% (2023: 5.75%) on its Georgia taxable income during the year.

Pursuant to the rules and regulations of Japan, the subsidiary incorporated in Japan was subject to corporate tax, inhabitant tax and enterprise tax, and the effective statutory tax rates for these taxes were 34.26% for the year ended 31 December 2024 (2023: 34.26%).

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Current – Mainland China	45,999	39,619
Current – Japan	8,517	5,286
Current – United States	2,398	2,184
Current – Hong Kong	460	664
Deferred tax expense	11,704	18,235
	<hr/>	<hr/>
Total tax charge for the year	69,078	65,988
	<hr/>	<hr/>

A reconciliation of tax expense applicable to profit before tax at the statutory rate for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the income tax expense at the effective tax rate, and a reconciliation of the applicable rates (i.e., the statutory tax rates) to the effective tax rates, are as follows:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Profit before tax	497,362	393,010
	<hr/>	<hr/>
Tax at the statutory tax rate of 25%	124,341	98,253
Different tax rates for specific provinces or enacted by local authority	(37,010)	(25,298)
Adjustments in respect of current tax of previous periods	(1,540)	1,358
Effect of withholding tax at 5% on the distributable profits of the Group's subsidiaries	–	(664)
Profits and losses attributable to a joint venture and an associate	664	44
Expenses not deductible for tax	408	653
Additional deduction on research and development expenses	(19,578)	(10,886)
Temporary difference not recognised	–	1,207
Tax losses not recognised	1,870	2,715
Tax losses utilized previously but not recognised as deferred income tax assets	(126)	(1,517)
Others	49	123
	<hr/>	<hr/>
Tax charge at the Group's effective rate	69,078	65,988
	<hr/>	<hr/>

7. DIVIDENDS

The proposed 2023 final dividend of RMB0.20 (tax inclusive) per ordinary share was approved by the Company's shareholders at the annual general meeting on 4 June 2024. The above-mentioned declared dividend was paid on 2 August 2024.

The interim dividend for the year of RMB0.12 per share (2023: nil) was paid on 15 October 2024. The Board recommends the payment of a final dividend of RMB0.16 per share (2023: RMB0.20 per share) for the year ended 31 December 2024, which, together with the interim dividend paid, will result in a total dividend of RMB0.28 per share (2023: HK\$0.20 per share) for the year. The final dividend is subject to approval by the shareholders at the forthcoming annual general meeting. The final dividend has been proposed after the end of the Reporting Period and, therefore, has not been recognised as a liability at the end of the Reporting Period.

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

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 416,841,000 (2023: 426,600,000) in issue during the year.

The Group had no potentially dilutive ordinary shares in issue during the year ended 31 December 2024 (2023: Nil).

9. INVENTORIES

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Raw materials	223,969	186,716
Finished goods	321,567	281,560
Work in progress	17,321	18,232
	<u>562,857</u>	<u>486,508</u>

10. TRADE RECEIVABLES

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables	414,407	332,997
Impairment	<u>(58,545)</u>	<u>(41,287)</u>
	<u>355,862</u>	<u>291,710</u>

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally three months. Most customers have a maximum credit limit.

The Group seeks to maintain strict control over its outstanding receivables and reconciled the balance to customers monthly. Overdue balances are reviewed regularly by the sales and financial department. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral over its trade receivable balances. In order to protect the default risk of customers, the Group has purchased certain insurance against credit risk. Trade receivables are non-interest-bearing.

The following is an aged analysis of trade receivables net of allowance for credit losses presented based on the invoice date at the end of the reporting period, which approximated the respective revenue recognition dates:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Within 3 months	305,441	239,999
3 to 6 months	41,772	45,521
6 to 12 months	7,569	5,053
1 to 2 years	<u>1,080</u>	<u>1,137</u>
	<u>355,862</u>	<u>291,710</u>

The movements in the loss allowance for impairment of trade receivables are as follows:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
At beginning of year	41,287	36,970
Impairment losses recognised	23,566	8,107
Amount written off as uncollectible	(6,308)	(3,790)
	<hr/>	<hr/>
At end of year	<u>58,545</u>	<u>41,287</u>

The increase (2023: increase) in the loss allowance was due to the following significant changes in the gross carrying amount:

- (a) Increase in the loss allowance of RMB23,566,000 as a result of an increase in trade receivables which were past due (2023: RMB8,107,000); and
- (b) Decrease in the loss allowance of RMB6,308,000 (2023: RMB3,790,000) as a result of the write-off of certain trade receivables.

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers will comply to the Group's policy. In addition, trade receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

In addition, the measurement of ECL on those trade receivables with high credit risk are assessed on an individual basis, and the remaining trade receivables are assessed collectively using provision matrix. Details of the quantitative disclosures are set out below in this note.

The following table provides information about the exposure to credit risk for trade receivables which are assessed based on collective basis within lifetime ECL as at 31 December 2024:

As at 31 December 2024

	Current	less than 3 months	3 to 6 months	Past due 6 to 12 months	1 to 2 years	2 to 3 years	Over 3 years	Total
Expected credit loss rate	1.16%	3.50%	15.77%	21.40%	72.92%	100.00%	100.00%	14.13%
Gross carrying amount (RMB'000)	146,875	164,528	49,595	11,538	3,987	328	17,354	394,205

As at 31 December 2023

	Current	less than 3 months	3 to 6 months	Past due 6 to 12 months	1 to 2 years	2 to 3 years	Over 3 years	Total*
Expected credit loss rate	1.24%	5.53%	15.06%	19.73%	70.41%	100.00%	100.00%	12.40%
Gross carrying amount (RMB'000)	207,598	54,793	33,584	6,563	3,815	611	16,235	323,199

During the year ended 31 December 2024, trade receivables amounting to RMB20,202,000 (2023: RMB9,798,000) with high credit risk are assessed for ECL individually.

* The aggregate gross carrying amount RMB414,407,000 as at 31 December 2024 was separately presented with RMB394,205,000 for collectively assessed and RMB20,202,000 for individually assessed.

11. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the Reporting Period, based on the invoice date, is as follows:

	2024 RMB'000	2023 RMB'000
Within 3 months	122,469	104,843
3 to 6 months	62,859	18,107
6 to 12 months	2,549	2,281
Over 1 year	1,410	927
	<u>189,287</u>	<u>126,158</u>

Trade payables are non-interest-bearing and are normally settled on 90-day terms.

BUSINESS REVIEW AND OUTLOOK

Overview

Conant is a leading resin spectacle lens product and one-stop service provider in the PRC. With our three production bases across the world, namely the Shanghai Production Base and Jiangsu Production Base in the PRC and the Sabae Production Base in Japan, we are capable of providing our customers with standardized resin spectacle lens of various specifications, as well as customized lens with personalized, differentiated and high-end features. Our customer base includes not only internationally renowned ophthalmic optic companies, but also a large range of retailers with world-wide coverage. Leveraging on our extensive experience and our advanced technique in the spectacle lens industry, we have been providing products and services to over 90 countries across the world, including but not limited to the PRC, the United States, Japan, India, Australia, Thailand, Germany and Brazil.

Building on the foundation made in the financial year of 2023, our results for the financial year of 2024 experienced further growth. Our revenue increased by 17.1% from RMB1,759.6 million for the year ended 31 December 2023 to RMB2,060.8 million for the year ended 31 December 2024, and our profit increased by 31.0% from RMB327.0 million for the year ended 31 December 2023 to RMB428.3 million for the year ended 31 December 2024, primarily due to the increase in our sales volume from 158.8 million pieces in 2023 to 178.0 million pieces in 2024. Meanwhile, we had further optimized our product structure, and were benefited from the business development of our customized lenses products and end-to-end services. In 2024, the total annual production volume of our three production bases reached 208.6 million pieces, representing a 15.1% year-on-year growth.

Outlook for 2025

Going forward, we will continue to strengthen our market position and increase our market share by pursuing the following strategies:

Further enhancing our production capacity and continuous upgrading of our automation level. For our future layout, we plan to further enhance the production capacities of our Shanghai customised processing centre and Jiangsu Production Base. Over the past years, the Company has been gradually commencing production capacity enhancement and automation projects in an orderly manner. Currently, the investment programmes were basically completed in phases. As of the end of 2024, we have successively invested in customised automated production equipment involving different production processes to improve manpower efficiency, reduce wastage and enhance production efficiency effectively. In 2025, we will continue to drive the pace of capacity upgrades and automation to expand our competitive advantage.

Strengthening product development capabilities. We believe that the research and development capability of the Company at this stage is crucial for the Company to further enhance its competitiveness in the domestic and international markets. In addition, the Company has also been actively laying out the planning of national-level R&D centres, including the new XR (Extended Reality) R&D centre. The Company will continue to invest, strengthen the project and intellectual property management mechanism, and focus on the transformation of R&D results and industrial synergies. Moreover, the Company has been researching and developing superimposed and innovative products with different refraction index and different functions, and actively enhancing and upgrading the existing products.

Expansion of customer base in the PRC market and promotion of our brands. We plan to allocate more resources on sales and marketing. As for offline marketing, we will participate in industry exhibitions, event organisation and customer visits, and collaborate with ophthalmology service providers and retailers to boost the building of our distribution channels. We also plan to enhance our online marketing strategies by increasing our online advertising and promotion on multiple platforms and adopt new sales channel. The Company currently adopt a vigorous strategy for brand promotion to attract the attention of the market and consumers. In 2024, we actively participated in various trade fairs, organisational activities and customer visits, and we also established numerous in-hospital ophthalmology centres through active collaboration with hospital systems to provide customers with one-stop integrated ophthalmology services for diagnosis, treatment, examination and fitting. Meanwhile, hospitals are usually regarded as the authoritative institutes in ophthalmology, which would bring customers sufficient trust and confidence and in turn contribute to enhance the overall image of the brand and the products of the Company. This year, we also focus on enhancing our online marketing strategy by utilizing new marketing channels such as Douyin and WeChat mini programme to further promote the Company's brand image. Our efforts in this area have yielded positive results. In 2025, we will continue to improve our image promotion and brand enhancement in the domestic market, and strive to develop different distribution channels.

XR business (including AR and AI glasses). While continuing to cooperate with a number of leading global technology and consumer electronic companies which include various top-tier companies in the U.S. as mentioned above, the Company is also actively expanding its business cooperation opportunities with other domestic and international technology and consumer electronic corporate customers. The Company will continue to cooperate with its customers to continuously promote its existing R&D projects and actively explore new projects in preparation for the possible mass production of AR or AI glasses and other projects in the future.

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue

We generate revenue primarily through the sales of our resin spectacle lenses. Our revenue increased by 17.1% from RMB1,759.6 million in 2023 to RMB2,060.8 million in 2024.

We principally sell our products to customers in the PRC, other Asian countries such as India and Japan, the United States and Europe such as the Netherlands, Germany and Italy. As compared to 2023, our sales in most geographic locations across the world increased, of which, the sales in Mainland China increased significantly to 13.9%, primarily attributable to an increase in the number of orders as well as the appreciation of U.S. dollar against Renminbi.

We recorded an increase in our revenue in the multifunctional lens segment, standardised lens segment and customised lens segment. Revenue from multifunctional lens, standardised lens and customised lens increased by 32.4%, 8.8% and 11.8% in 2024 as compared to 2023, respectively. Such increases were mainly due to more orders from customers and the appreciation of U.S. dollar against Renminbi.

Cost of Sales

Our cost of sales increased by 14.9% from RMB1,101.5 million in 2023 to RMB1,265.7 million in 2024, primarily in line with the growth of our revenue.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 20.8% from RMB658.1 million in 2023 to RMB795.1 million in 2024. Our gross profit margin increased from 37.4% in 2023 to 38.6% in 2024. Primarily due to (i) an increase in the number of orders; (ii) the appreciation of U.S. dollar against Renminbi; and (iii) upgrade of product structure.

Other Income and Gains

Our other income and gains increased by 19.9% from RMB48.2 million in 2023 to RMB57.8 million in 2024, primarily due to an increase in the receipt of government grants of RMB10.2 million.

Selling and Distribution Expenses

Our selling and distribution expenses increased by 25.9% from RMB103.2 million in 2023 to RMB129.8 million in 2024, which was primarily due to an increase in the employee remuneration and an increase in business development expenditure.

Administrative Expenses

Our administrative expenses increased by 10.8% from RMB175.0 million in 2023 to RMB193.9 million in 2024, primarily attributable to an increase in research and development expenses of RMB18.2 million.

Other Expenses

Our other expenses significantly decreased by 75.7% from RMB7.0 million in 2023 to RMB1.7 million in 2024, primarily attributable to the elimination of the impact of impairment loss recognised on investment in a joint venture, and the decrease in loss on disposal of long-term assets.

Impairment Loss of Financial Assets

Our impairment loss of financial assets increased by 20.1% from RMB14.4 million in 2023 to RMB17.3 million in 2024. The increase in impairment on financial assets in 2024 was mainly due to an increase in the gross amount of trade receivables as of 31 December 2024 that were in line with the increase in revenue as compared to that of 31 December 2023.

Finance Costs

Our finance costs decreased by 25.0% from RMB13.6 million in 2023 to RMB10.2 million in 2024, primarily due to a decrease in interest on bank loans of RMB4.1 million as a result of the repayment of bank loans.

Income Tax Expenses

Our income tax expenses increased by 4.7% from RMB66.0 million in 2023 to RMB69.1 million in 2024, primarily due to the increase in taxable income.

Profit for the Year

As a result of the foregoing, our profit for the year increased by 31.0% from RMB327.0 million for the year ended 31 December 2023 to RMB428.3 million for the year ended 31 December 2024.

Capital Structure

Our total assets increased by 20.4% from RMB1,984.3 million as of 31 December 2023 to RMB2,388.8 million as of 31 December 2024. Our total liabilities increased by 36.3% from RMB589.4 million as of 31 December 2023 to RMB803.2 million as of 31 December 2024. Liabilities-to-assets ratio increased from 29.7% as of 31 December 2023 to 33.6% as of 31 December 2024.

The current ratio, being current assets divided by current liabilities as of the respective date, decreased from 3.3 times as of 31 December 2023 to 2.2 times as of 31 December 2024.

Liquidity and Financial Resources

Our primary uses of cash are to satisfy our working capital needs and our capital expenditure needs. For the year ended 31 December 2024, we financed our operations primarily through internal resources, bank and other borrowings, and net proceeds from the global offering (the “**Global Offering**”) of its H shares in connection with the listing of the H shares on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 16 December 2021. Our cash and cash equivalents increased by 51.0% from RMB330.5 million as of 31 December 2023 to RMB499.1 million as of 31 December 2024, primarily attributable to the increase in bank borrowings of RMB84.4 million, as well as an increase in our net cash generated from operating activities.

Our gearing ratio, which is calculated based on the total borrowings divided by the total equity and multiplied by 100%, increased from 14.7% as of 31 December 2023 to 18.3% as of 31 December 2024, primarily due to an increase in interest-bearing bank and other borrowings of RMB84.4 million due to receipt of bank loans.

As of 31 December 2024, the Group had interest-bearing bank and other borrowings of RMB289.6 million (as of 31 December 2023: RMB205.2 million), representing 36.1% (as of 31 December 2023: 34.8%) of its total liabilities as of the same date. Of all the borrowings of the Group as of 31 December 2024, RMB289.6 million were repayable within one year and RMBnil million was repayable beyond one year. As of 31 December 2024, all of the Group’s bank borrowings were borrowings with fixed interest rates.

Except for the bank loans amounting to RMB4.6 million as of 31 December 2024 (as of 31 December 2023: RMB5.0 million), which were denominated in Japanese Yen, all the Group’s bank borrowings as of 31 December 2024 were denominated in Renminbi. The Group mainly uses Renminbi, Japanese Yen, U.S. dollar and Hong Kong dollar to make borrowings and loans and to hold cash and cash equivalents.

As of 31 December 2024, banking credit facilities of the Group totaling RMB407 million (as of 31 December 2023: RMB494.0 million) were utilised to the extent of RMB289.6 million (as of 31 December 2023: RMB205.0 million).

Capital Expenditures

Our capital expenditure increased by 70.5% from RMB126.5 million in 2023 to RMB215.7 million in 2024. Our capital expenditure was used primarily for the purchase of other items of long-term assets such as ownership of land and machinery equipment. We financed our capital expenditure primarily through our cash flow generated from operating activities, bank borrowings and the net proceeds from the Global Offering.

Contingent Liabilities

As of 31 December 2024, the Group did not have any material contingent liabilities, guarantees or any litigations or claims of material importance, pending or threatened against any member of our Group that was likely to have a material and adverse effect on our business, financial condition or results of operations.

Pledge of Assets

As of 31 December 2024, the Group's property, plant and equipment with carrying values of RMB133.5 million (as of 31 December 2023: RMB131.6 million), investment properties with carrying values of RMB14.2 million (as of 31 December 2023: RMB15.5 million) and leasehold land with carrying values of RMB5.3 million (as of 31 December 2023: RMB5.5 million) were pledged to secure general banking facilities granted to the Group.

Foreign Exchange Risk and Hedging

The Group has a significant amount of overseas sales from overseas customers and purchases of raw materials from overseas suppliers. Most of the Group's overseas sales are denominated in U.S. dollar. The Group's sales or purchases may also be denominated in U.S. dollar, Japanese Yen, Renminbi or Euro, which are the currencies other than local currency adopted by the relevant subsidiaries. As such, the Group is exposed to foreign currency risk. The Group currently does not have any hedging policy, but will closely monitor the exposure and will take measures when necessary to make sure the foreign exchange risks are manageable.

Significant Investment

In 2024, the Group did not have any significant investment which exceeded 5% of the Group's total assets. As of 31 December 2024, the Group held financial assets at FVTPL of RMB149.5 million (as of 31 December 2023: RMB221.0 million), accounting for more than 5% of the Group's total assets as of the same date. Such financial assets included investments in various wealth management products which were managed or issued by several major and reputable financial institution or commercial banks in the PRC. The value of such investments from any single financial institution or bank did not reach 5% of the Group's total assets as of 31 December 2024.

Material Acquisitions and Future Plans for Major Investment

According to the Company's investment plan for Thailand, as of the end of 2024, the Company has invested and paid in the cumulative amount of RMB51,990,400 for the acquisition of land and land prepayment to Thai companies. We will gradually implement this investment project in accordance with the Company's strategic plans.

Significant Events after the Reporting Period

On 22 December 2024, the Company entered into a placing agreement with ICBC International Securities Limited (the "**Placing Agent**"), pursuant to which the Company has conditionally agreed to place (the "**Placing**"), and the Placing Agent has conditionally agreed, as agent of the Company, to procure the placee to subscribe for 53,325,000 placing shares at the placing price of HK\$15.86 per placing share, representing a discount of approximately 19.98% to the closing price of HK\$19.82 per Share on the date of the placing agreement. The Placing was completed on 6 January 2025, and the net proceeds from the Placing (after deduction of the placing commission in respect of the Placing and other related expenses including, among others, the professional fees) is approximately HK\$827,930,000, representing a net issue price of approximately HK\$15.53 per placing share. The net proceeds from the Placing will be utilised for the research, development, design and manufacturing of lenses and vision solutions for smart glasses and XR headsets. Please refer to the announcements of the Company dated 23 December 2024 and 6 January 2025 for further details.

Except as disclosed above, there are no material events subsequent to 31 December 2024 which could have a material impact on our operating and financial performance as of the date of this announcement.

Final Dividend

The Board recommends the payment of a final dividend of RMB0.16 (tax inclusive) per ordinary share for the year ended 31 December 2024 (the “**Proposed Final Dividend**”) (for the year ended 31 December 2023: RMB0.20 per share) together with the interim dividend of RMB0.12 per share for 2024, the total dividend declared in 2024 was RMB0.28 per share. Subject to the approval of shareholders of the Company (the “**Shareholders**”) at the annual general meeting to be held on Thursday, 12 June 2025 (the “**AGM**”), the Proposed Final Dividend will be paid to the Shareholders whose names appear on the register of members of the Company on Monday, 30 June 2025. The Proposed Final Dividend will be declared in Renminbi and paid in Hong Kong dollars based on the average exchange rate of Renminbi against Hong Kong dollars published by the People’s Bank of China five business days prior to the date of the AGM. The Proposed Final Dividend is expected to be distributed to the Shareholders no later than Monday, 11 August 2025.

Annual General Meeting

The AGM will be held on Thursday, 12 June 2025. A notice convening the AGM will be published and despatched to the Shareholders in the manner required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) in due course.

Closure of Register of Members

(a) Entitlement to Attend and Vote at the AGM

For the purpose of ascertaining the members’ eligibility to attend and vote at the AGM, the Company’s register of members will be closed from Friday, 6 June 2025 to Thursday, 12 June 2025, both days inclusive, during which period no transfer of share will be registered. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s H share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 5 June 2025.

(b) Entitlement to the Proposed Final Dividend

For determining the entitlement of the Shareholders to receive the Proposed Final Dividend, the Company's register of members will be closed from Tuesday, 24 June 2025 to Monday, 30 June 2025, both days inclusive, during which period no transfer of share will be registered. In order to be eligible to receive the Proposed Final Dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's H share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 23 June 2025.

Company Information

The Company was incorporated in the People's Republic of China on 20 June 2018 and is a joint stock company with limited liability. The shares of the Company were listed on the Main Board of the Stock Exchange on 16 December 2021.

Employees

As of 31 December 2024, we had a total of 2,723 employees who were based in PRC, Japan, United States and Mexico.

The ability to recruit and retain experienced and skilled labour is crucial to our business development and growth. The remuneration payable to our employees generally includes basic salaries and discretionary bonuses. The basic salaries of our employees are generally determined by the employee's rank, position, qualification, experience and performance. The discretionary bonuses are paid on an annual basis, depending on the performance of the individual staff. In order to incentivise, attract and retain our employees, we assess the remuneration package offered to our employees on an annual basis to determine whether any adjustment to the basic salaries and bonus should be made. For the year ended 31 December 2024, our employee benefit expenses including Director's and chief executive's remuneration, wages, salaries and other allowances, and pension scheme contributions and social welfare amounted to approximately RMB430.8 million (for the year ended 31 December 2023: RMB387.5 million).

The Group adopted the restricted share unit scheme on 18 December 2023 (the “**2023 Share Award Scheme**”) and the second restricted share unit scheme on 20 January 2025 (the “**2025 Share Award Scheme**”) respectively, which will provide incentive to retain and encourage the selected participants for the continual operation and development of the Group. Details of the 2023 Share Award Scheme and the 2025 Share Award Scheme have been disclosed in the announcements of the Company dated 27 November 2023, 12 December 2024 and 7 January 2025, and the circulars dated 1 December 2023 and 20 December 2024 respectively. From the beginning of 2024 to the date of publication of this announcement, the trustee has repurchased an aggregate of 12,798,000 H Shares from the open market of the Stock Exchange and held such shares on trust platforms as incentives under Employee Share Award Scheme.

Use of Proceeds

The Company obtained net proceeds of approximately HK\$473.5 million from the Global Offering. For the change in the intended use of net proceeds as previously disclosed in the Prospectus, please refer to the announcement of the Company dated 29 November 2022 (the “**Change in Use of Proceeds Announcement**”). As of 31 December 2024, the Company has utilised approximately HK\$443.1 million of the net proceeds for the intended purposes set out in the Prospectus and the Change in Use of Proceeds Announcement, accounting for 93.6% of all raised funds, and the remaining unutilised net proceeds was approximately HK\$30.4 million. It is expected that the unutilised net proceeds from the Global Offering will continue to be used according to the purposes and proportions as disclosed in the Prospectus and the Change in Use of Proceeds Announcement. Details of the use of net proceeds from the Global Offering was as follows:

Intended use of net proceeds	Percentage of net proceeds	Net proceeds from the Global Offering <i>Approximately HK\$ million</i>	Actual use of net proceeds up to 31 December 2024 <i>Approximately HK\$ million</i>	Unutilised net proceeds as of 31 December 2024 <i>Approximately HK\$ million</i>	Expected timeline for use of unutilised net proceeds
Increase the Group’s production capacity of the Shanghai Production Base and the Jiangsu Production Base	46.4%	219.7	198.1	21.6	By the first half of 2025

Intended use of net proceeds	Percentage of net proceeds	Net proceeds from the Global Offering <i>Approximately HK\$ million</i>	Actual use of net proceeds up to 31 December 2024 <i>Approximately HK\$ million</i>	Unutilised net proceeds as of 31 December 2024 <i>Approximately HK\$ million</i>	Expected timeline for use of unutilised net proceeds
Strengthening the Group's research and development capability	19.9%	94.2	94.2	–	N/A
Enhancing the Group's sales and marketing efforts	2.3%	10.9	4.7	6.2	By the first half of 2025 ¹
Working capital and general corporate purposes	10.0%	47.3	47.3	–	N/A
Enhance the Group's production efficiency and technology in craftsmanship	8.1%	38.4	35.8	2.6	By the first half of 2025
Repayment of the Group's bank borrowings	13.1%	62.0	62.0	–	N/A
Total¹	100.0%	473.5	443.1	30.4	

Notes:

1. For the avoidance of doubt, any discrepancies between the total and the sums of the amounts listed in the table are due to rounding.
2. The Company expects to fully utilise the remaining unutilised net proceeds for enhancing the Group's sales and marketing efforts by the first half of 2025, representing a two-year delay in its expected timeframe. The delay is primarily due to the adjustment of its business development strategy as affected by the social, economic and environmental impacts on the macroeconomic environment in China.
3. The net proceeds for the planned use under the original percentage, being approximately HK\$25.1 million, have been fully utilised for the repayment of the Group's bank borrowings as set out in the Prospectus.

ROUNDING

Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments. Any discrepancies in any table between totals and sums of amounts listed therein are due to rounding.

OTHER INFORMATION

Compliance with the Corporate Governance Code

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Directors recognise the importance of good corporate governance in management and internal procedures so as to achieve effective accountability. The Company has adopted Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Listing Rules as its own code of governance. The Board is of the view that for the year ended 31 December 2024, the Company has complied with all the code provisions as set out in the CG Code, except for the deviation from code provision C.2.1 as explained below.

Mr. Fei Zhengxiang (“**Mr. Fei**”) is the chairman of the Board and the general manager of the Company and he has been managing the Group’s business and supervising the overall operations of the Group since 2006. The Directors consider that vesting the roles of the chairman of the Board and the general manager of the Company in Mr. Fei is beneficial to the management and business development of the Group and will provide a strong and consistent leadership to the Group. The Board will continue to review and consider splitting the roles of the chairman of the Board and the general manager at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (the “**Model Code**”) as its own code of conduct regarding Directors’ securities transactions. After making specific enquiry to all Directors, the Directors have confirmed that they have fully complied with the required standard set out in the Model Code during the year ended 31 December 2024.

Purchase, Sale or Redemption of the Company's Listed Securities

Save as disclosed in the section “Employees” in this announcement, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2024.

Review of Annual Results

The Company has established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with the CG Code. As of the date of this announcement, the Audit Committee consists of three independent non-executive Directors, namely Dr. Xiao Fei, Mr. Chen Yi and Dr. Wu Ying (with Mr. Chen Yi possessing the appropriate professional qualifications and accounting and related financial management expertise). The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group, oversee the audit process, review and oversee the existing and potential risks of the Group and perform other duties and responsibilities as assigned by the Board.

The Audit Committee has reviewed this annual results announcement and the audited consolidated financial statements of the Group for the year ended 31 December 2024 and considered this annual results announcement and that the audited consolidated financial statements have been prepared in accordance with the applicable accounting standards, the requirements under the Listing Rules and other applicable legal requirements and have made appropriate disclosures accordingly.

Scope of work of Messrs. Deloitte Touche Tohmatsu

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 31 March 2025. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

Publication of 2024 Annual Results and Annual Report

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.conantoptical.com.cn), and the annual report of the Company for the year ended 31 December 2024 containing all the information required by the Listing Rules will be dispatched to the Shareholders according to the manners stipulated under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) in due course.

By order of the Board
Shanghai Conant Optical Co., Ltd.
Fei Zhengxiang
Chairman

Hong Kong, 31 March 2025

As at the date of this announcement, the Board comprises Mr. Fei Zhengxiang, Mr. Zheng Yuhong, Mr. Xia Guoping, Mr. Chen Junhua, Mr. Wang Chuanbao and Ms. Cao Xue as executive Directors; Ms. Zhao Xiaoyun and Mr. Tian Kehan as non-executive Directors; and Dr. Xiao Fei, Mr. Chen Yi, Dr. Wu Ying and Mr. Jin Yiting as independent non-executive Directors.