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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 2025**

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 2025 (the “**Reporting Period**”) together with the audited comparative figures for the year ended 31 December 2024.

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 2025 amounted to approximately RMB2,186.0 million, representing an increase of approximately 6.1% as compared with 2024.
- Gross profit for the year ended 31 December 2025 amounted to approximately RMB917.5 million, representing an increase of 15.4% as compared with 2024.
- Profit for the year attributable to owners of the parent for the year ended 31 December 2025 amounted to approximately RMB557.7 million, representing an increase of approximately 30.2% as compared with 2024.
- Basic earnings per share for the year ended 31 December 2025 were approximately RMB1.20, representing an increase of approximately 16.5% as compared with 2024.
- For the year ended 31 December 2025, total sales volume of our products amounted to approximately 185.0 million pieces, representing an increase of approximately 3.9% as compared with 2024.
- The Board has recommended the payment of a final dividend of RMB0.20 (tax inclusive) per share for the year ended 31 December 2025. Together with the interim dividend paid, a total dividend of RMB0.35 per share (2024: RMB0.28 per share) for the year was paid, amounting to a total dividend payout of approximately RMB173,370,000.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2025

		2025	2024
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	3	2,185,970	2,060,767
Cost of sales		<u>(1,268,512)</u>	<u>(1,265,667)</u>
Gross profit		917,458	795,100
Other income and gains	3	44,134	57,842
Distribution and selling expenses		(124,787)	(129,847)
Administrative expenses		(211,073)	(193,932)
Impairment gains (losses) under expected credit loss model, net of reversal		22,352	(17,267)
Other expenses		(1,649)	(1,651)
Finance costs	5	(6,168)	(10,228)
Share of results of a joint venture		85	63
Share of results of an associate		<u>(2,237)</u>	<u>(2,718)</u>
PROFIT BEFORE TAX	4	638,115	497,362
Income tax expense	6	<u>(80,392)</u>	<u>(69,078)</u>
PROFIT FOR THE YEAR		<u>557,723</u>	<u>428,284</u>
Attributable to:			
Owners of the parent		<u>557,723</u>	<u>428,284</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic	8	<u>RMB1.20</u>	<u>RMB1.03</u>
Diluted	8	<u>RMB1.20</u>	<u>RMB1.03</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2025

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
PROFIT FOR THE YEAR	<u>557,723</u>	<u>428,284</u>
OTHER COMPREHENSIVE (EXPENSE) INCOME		
Other comprehensive (expense) income		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	<u>(3,816)</u>	<u>2,473</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>553,907</u>	<u>430,757</u>
Attributable to:		
Owners of the Company	<u>553,907</u>	<u>430,757</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		775,645	586,852
Investment properties		12,856	14,188
Right-of-use assets		40,781	32,045
Other intangible assets		3,130	559
Investment in a joint venture		148	63
Investment in an associate		55,149	57,386
Time deposits		52,501	50,000
Prepayment for acquisition of property, plant and equipment		33,832	20,338
Deferred tax assets		18,551	8,378
		<hr/>	<hr/>
Total non-current assets		992,593	769,809
CURRENT ASSETS			
Inventories	9	602,404	562,857
Trade receivables	10	403,008	355,862
Amount due from related parties		1,063	12
Prepayments, deposits and other receivables		68,410	48,720
Financial assets at fair value through profit or loss ("FVTPL")		788,537	149,454
Pledged bank deposits		59,000	3,000
Cash and cash equivalents		629,996	499,070
		<hr/>	<hr/>
Total current assets		2,552,418	1,618,975
CURRENT LIABILITIES			
Trade payables	11	188,200	189,287
Other payables and accruals		171,071	177,245
Contract liabilities		57,064	47,144
Interest-bearing bank and other borrowings		261,602	289,623
Lease liabilities		3,616	2,548
Amount due to a related party		1,321	1,247
Deferred income		1,700	–
Tax payable		26,590	25,134
		<hr/>	<hr/>
Total current liabilities		711,164	732,228
		<hr/>	<hr/>
NET CURRENT ASSETS		1,841,254	886,747
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,833,847	1,656,556
		<hr/>	<hr/>

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
NON-CURRENT LIABILITIES		
Retirement benefit obligations	10,484	10,103
Lease liabilities	33,795	25,373
Deferred tax liabilities	42,557	28,926
Deferred income	3,762	6,597
	<hr/>	<hr/>
Total non-current liabilities	90,598	70,999
	<hr/>	<hr/>
NET ASSETS	2,743,249	1,585,557
	<hr/>	<hr/>
EQUITY		
Equity attributable to owners of the parent		
Share capital	479,925	426,600
Share premium and reserves	2,263,324	1,158,957
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TOTAL EQUITY	2,743,249	1,585,557
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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 properly in compliance with 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 2025. 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

Amendments to an IFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an IFRS Accounting Standard as issued by the IASB for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21	Lack of Exchangeability
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The application of the amendments to an IFRS Accounting Standard 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.

New and amendments to IFRS Accounting Standards in issue but not yet effective

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 ²
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity ²
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 ²
IFRS 18	Presentation and Disclosure in Financial Statements ³
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency ³

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 2026.

³ 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 amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

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 *Accounting Policies, Changes in Accounting Estimates and Errors* (the title of which will be changed to *Basis of Preparation of Financial Statements* upon effective of IFRS 18) 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. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

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

	2025	2024
	RMB'000	RMB'000
Mainland China	751,337	655,433
Americas	491,922	474,261
Asia (except the Mainland China)	523,759	522,452
Europe	344,352	319,046
Oceania	51,609	65,373
Africa	22,991	24,202
	<u>2,185,970</u>	<u>2,060,767</u>

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

(b) Non-current assets

	2025	2024
	RMB'000	RMB'000
Mainland China	717,205	639,679
Thailand	150,412	51,990
Japan	53,924	19,762
	<u>921,541</u>	<u>711,431</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 2025 and 2024.

3. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue from contracts with customers	<u>2,185,970</u>	<u>2,060,767</u>
Revenue from contracts with customers*		

(a) *Disaggregated revenue information*

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Type of goods or services		
Multifunctional lenses	767,853	755,154
Standardised lenses	1,020,863	906,853
Customised lenses	392,994	395,281
Others	<u>4,260</u>	<u>3,479</u>
	<u>2,185,970</u>	<u>2,060,767</u>

Geographical markets

Mainland China	751,337	655,433
Americas	491,922	474,261
Asia (except the Mainland China)	523,759	522,452
Europe	344,352	319,046
Oceania	51,609	65,373
Africa	<u>22,991</u>	<u>24,202</u>

Total revenue from contracts with customers	<u>2,185,970</u>	<u>2,060,767</u>
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	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Timing of revenue recognition		
Goods transferred at a point in time	<u>2,185,970</u>	<u>2,060,767</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:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue recognised that was included in contract liabilities at beginning of the Reporting Period:		
Sale of resin spectacle lenses	<u>47,144</u>	<u>45,567</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 customers in accordance with the orders form and framework contracts entered with the customers. For domestic sales, revenue is recognised when the control of the products has been transferred to the customers, being at the point the goods are delivered to the customer or third-party logistics company. For overseas sales, revenue is recognised according to relevant incoterms. The normal credit term is 90 days effective from the delivery, except for new customers, where payment in advance is normally required. The transaction price received by the Group is recognised as a contract liability until the related performance obligation is satisfied.

Some contracts provide customers with volume rebates which give rise to variable consideration subject to constraint.

(ii) Transaction price allocated to the remaining performance obligation for contracts with customers

All performance obligations for sales of resin spectacle lenses are within period less than one year. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

An analysis of other income and gains is as follows:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
<u>Other income</u>		
Government grants and subsidies	8,929	18,007
Gross rental income from investment property operating leases	10,109	12,678
Bank interest income	13,756	5,874
Additional deduction of value-added tax	1,687	–
Gain on disposal of property, plant and equipment	55	1,650
Others	10,086	6,159
	44,622	44,368
<u>Other gains and losses</u>		
Foreign exchange differences, net	(14,146)	9,384
Gain on financial assets at FVTPL	13,658	4,090
	(488)	13,474
	44,134	57,842

4. PROFIT BEFORE TAX

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

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Cost of inventories recognised as an expense (including reversal of write-down of inventories amounting to RMB11,532,000 (2024: write-down of inventories amounting to RMB9,428,000))	1,268,512	1,246,714
Depreciation of property, plant and equipment	78,633	69,760
Depreciation of right-of-use assets	3,762	3,194
Depreciation of investment properties	1,332	1,332
Amortisation of other intangible assets	752	149
Research expenditure recognised as an expense (included in administrative expenses)	97,436	88,336
Auditor's remuneration		
– audit services	2,000	1,950
– other services	25	–
Employee benefit expense (including directors' and chief executive's remuneration):		
Wages, salaries and other allowances	324,809	334,551
Pension scheme contributions and social welfare	85,677	96,210
Share-based payment expenses	23,604	–
	434,090	430,761
Impairment loss recognised on property, plant and equipment	–	18,953
Gains on disposal of property, plant and equipment	(55)	(1,650)
Gross rental income from investment properties	10,109	12,678
Direct operating expenses (including repairs and maintenance) arising from rental-earning investment properties	66	100

5. FINANCE COSTS

An analysis of finance costs is as follows:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Interest on bank loans	4,915	9,204
Interest on lease liabilities	1,223	993
Interest on defined benefit obligations	30	31
	<u>6,168</u>	<u>10,228</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% (2024: 21%) on the federal taxable income as well as Georgia’s state corporate income tax at the rate of 5.75% (2024: 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 2025 (2024: 34.26%).

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Current – Mainland China	69,118	47,539
Current – Japan	5,076	8,517
Current – United States	1,322	2,398
Current – Hong Kong	288	460
Over-provision in prior year	(1,652)	(1,540)
Deferred tax – expense for the year	6,240	11,704
	<u>80,392</u>	<u>69,078</u>
Total tax charge for the year	<u>80,392</u>	<u>69,078</u>

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:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Profit before tax	<u>638,115</u>	<u>497,362</u>
Tax at the statutory tax rate of 25%	159,529	124,341
Different tax rates for specific provinces or enacted by local authority	(50,304)	(37,010)
Adjustments in respect of current tax of previous periods	(1,652)	(1,540)
Recognition of deferred tax assets for tax losses not previously recognised	(4,302)	–
Profits and losses attributable to a joint venture and an associate	538	664
Expenses not deductible for tax	954	408
Additional deduction on research and development expenses	(24,162)	(19,578)
Tax losses not recognised	234	1,870
Tax losses utilized previously but not recognised as deferred income tax assets	(443)	(126)
Others	–	49
	<u>80,392</u>	<u>69,078</u>
Tax charge at the Group's effective rate	<u>80,392</u>	<u>69,078</u>

7. DIVIDENDS

The proposed 2024 final dividend of RMB0.16 (tax inclusive) per ordinary share was approved by the Company's shareholders at the annual general meeting on 12 June 2025. The above-mentioned declared dividend was fully paid on 11 August 2025.

The interim dividend for the year of RMB0.15 per share (2024: RMB0.12 per share) was paid on 15 October 2025.

The Board recommends the payment of a final dividend of RMB0.20 per share (2024: RMB0.16 per share) for the year ended 31 December 2025, which, together with the interim dividend paid, will result in a total dividend of RMB0.35 per share (2024: RMB0.28 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

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<u>Earnings</u>		
Earnings for the purposes of basic and diluted earnings per share	<u>557,723</u>	<u>428,284</u>
	2025 <i>'000</i>	2024 <i>'000</i>
<u>Number of shares</u>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>464,860</u>	<u>416,841</u>
Effect of dilutive potential ordinary shares in respect of outstanding share awards	<u>1,023</u>	<u>–</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>465,883</u>	<u>416,841</u>

The weighted average number of ordinary shares shown above has been arrived at after deducting shares held by the trustee under the share award scheme.

9. INVENTORIES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Raw materials	255,234	223,969
Finished goods	335,134	321,567
Work in progress	12,036	17,321
	<u>602,404</u>	<u>562,857</u>

10. TRADE RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables	438,896	414,407
Impairment	(35,888)	(58,545)
	<u>403,008</u>	<u>355,862</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:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 3 months	344,981	305,441
3 to 6 months	42,921	41,772
6 to 12 months	13,947	7,569
1 to 2 years	1,159	1,080
	<u>403,008</u>	<u>355,862</u>

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

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
At beginning of year	58,545	41,287
Impairment losses (reversed) recognised	(22,352)	23,566
Amount written off as uncollectible	(305)	(6,308)
	<hr/>	<hr/>
At end of year	<u>35,888</u>	<u>58,545</u>

The decrease (2024: increase) in the loss allowance was due to the following significant changes in the gross carrying amount:

- (a) Decrease in the loss allowance of RMB22,352,000 (2024: loss allowance of RMB23,566,000) was mainly due to the recovery of trade receivables for which the provision for impairment losses had been fully made in prior periods.
- (b) Decrease in the loss allowance of RMB305,000 (2024: RMB6,308,000) 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 2025:

As at 31 December 2025

		less than	3 to 6	Past due 6 to 12	1 to 2	2 to 3	Over	
	Current	3 months	months	months	years	years	3 years	Total
Expected credit loss rate	1.10%	2.72%	13.57%	19.03%	71.11%	100.00%	100.00%	8.18%
Gross carrying amount (RMB'000)	193,180	163,693	48,859	11,821	3,127	1,063	17,153	438,896

As at 31 December 2024

		less than	3 to 6	Past due 6 to 12	1 to 2	2 to 3	Over	
	Current	3 months	months	months	years	years	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

During the year ended 31 December 2025, there were no trade receivables with high credit risk and were assessed for ECL individually (2024: RMB20,202,000).

* The aggregate gross carrying amount RMB438,896,000 as at 31 December 2025 was trade receivables collectively 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:

	2025 RMB'000	2024 RMB'000
Within 3 months	165,217	122,469
3 to 6 months	20,156	62,859
6 to 12 months	1,882	2,549
Over 1 year	945	1,410
	<u>188,200</u>	<u>189,287</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 world. 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.

In the XR business, the company's projects with global and domestic technology and consumer electronics companies have been advancing steadily. Notably, some key projects with domestic clients have successfully entered mass production. While delivering mass production orders with high standards, the company has also been invited by clients to further engage in deep collaboration to optimize and enhance assembly processes within the supply chain, thereby enhancing the delivery capabilities of clients' smart glasses products.

Additionally, in the second half of 2025, the company constructed and put into operation a brand-new Neo Vision XR lens production line and cleanroom facility. This milestone marks a significant upgrade in the company's XR business capabilities, including customized R&D and validation, mass production, and product delivery. It lays a solid foundation for the mass production of key overseas projects in the future.

Building on the foundation made in the financial year of 2024, our results for the financial year of 2025 experienced further growth. Our revenue increased by 6.1% from RMB2,060.8 million for the year ended 31 December 2024 to RMB2,186.0 million for the year ended 31 December 2025, and our net profit increased by 30.2% from RMB428.3 million for the year ended 31 December 2024 to RMB557.7 million for the year ended 31 December 2025, primarily due to the increase in our sales volume from 178.0 million pieces in 2024 to 185.0 million pieces in 2025. Meanwhile, we had further optimized our product structure, channel structure and business model. In 2025, the total annual production volume of our three production bases reached 206.5 million pieces, representing a 1.0% year-on-year decline.

Outlook for 2026

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. We plan to ramp up production of the new customization line in Japan that was put into operation in November last year, and commence production of Thailand production base.

Over the past years, the Company has been gradually commencing production capacity expansion and automation upgrade. As of the end of 2025, we have successively invested in automating different production processes of customization lines to reduce manpower, reduce wastage and enhance production efficiency. In 2026, we will continue to drive capacity upgrades and enhance automation level to further enhance our competitive advantage.

Strengthening product development capabilities. We believe that the research and development capability is crucial for the Company to further enhance its competitiveness in the domestic and international markets.

In addition, the Company has also been actively building national-level R&D centres, including the new XR (Extended Reality) R&D centre. The Company will continue to invest in R&D, strengthen the project management and intellectual property management, and focus on the commercialization of R&D capabilities. Moreover, the Company has been researching and developing innovative products with different refraction index and different functions, and actively enhancing and upgrading the existing product portfolio.

After three years of development, the Company's XR business has gained deep recognition from numerous domestic and international clients for its leading advantages, including full-stack R&D capabilities, product performance and reliability, large-scale production and delivery, and quality stability. To date, the Company has engaged in collaborations with approximately 20 leading domestic and international smart glasses developers, which are globally renowned technology and consumer electronics companies, as well as top domestic smart glasses startups.

In 2026, the Company will endeavor to ensure the smooth mass production of key projects. The Company will continue to develop customization capability and provide diverse eyepiece solutions for customers. The Company expects the XR business to begin making notable revenue and profit contributions in 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue

We generate revenue primarily through the sales of our resin spectacle lenses. Our revenue increased by 6.1% from RMB2,060.8 million in 2024 to RMB2,186.0 million in 2025.

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 2024, our sales in most major geographic locations across the world increased, of which, the sales in Mainland China increased significantly to 14.6%, primarily attributable to an increase in the number of orders.

We recorded an increase in our revenue in the multifunctional lens segment and standardised lens segment. Revenue from multifunctional lens and standardised lens increased by 1.7% and 12.6% in 2025 as compared to 2024, respectively. Such increases were mainly due to more orders from customers. Revenue in the customised lens segment decreased by 0.6% compared to 2024, which was mainly due to the impact of U.S. tariffs.

The Company's own brand business recorded a revenue of RMB1,423 million in 2025, representing a year-on-year growth of 11.6%, primarily driven by further increase in the Company's market share; the ODM business recorded a revenue of RMB763 million in 2025, representing a year-on-year decrease of 2.9%, primarily due to the negative impact of U.S. tariffs.

Cost of Sales

Our cost of sales increased by 0.2% from RMB1,265.7 million in 2024 to RMB1,268.5 million in 2025.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 15.4% from RMB795.1 million in 2024 to RMB917.5 million in 2025. Our gross profit margin increased from 38.6% in 2024 to 42.0% in 2025. Primarily due to (i) upgrade of product mix; ii) faster revenue growth of own brand business than ODM business; and gross margin expansion in both businesses; iii) enhanced automation level and economies of scale.

The gross profit margin for our own brand business expanded from 42.7% in 2024 to 44.7% in 2025, while the gross profit margin for our ODM business rose from 31.9% in 2024 to 36.9% in 2025. Both were driven by an increase in the share of revenue from the Chinese market across these two business models.

Other Income and Gains

Our other income and gains decreased by 23.7% from RMB57.8 million in 2024 to RMB44.1 million in 2025, primarily due to a decrease in the receipt of government grants of RMB9.1 million and the depreciation of U.S. dollar against Renminbi.

Selling and Distribution Expenses

Our selling and distribution expenses decreased by 3.9% from RMB129.8 million in 2024 to RMB124.8 million in 2025, which was primarily due to the optimization of marketing channels and enhancement in marketing efficiency.

Administrative Expenses

Our administrative expenses increased by 8.8% from RMB193.9 million in 2024 to RMB211.1 million in 2025, primarily attributable to an increase in research and development expenses of RMB9.1 million and an increase in expenses for the employees' share incentive scheme.

Other Expenses

Our other expenses decreased by 0.1% from RMB1.7 million in 2024 to RMB1.6 million in 2025, primarily attributable to the decrease in rental expenses.

Impairment Loss of Financial Assets

Impairment gains under expected credit loss model increased by RMB39.7 million to RMB22.4 million in 2025 (2024: impairment losses of RMB17.3 million). The increase in impairment gains on financial assets in 2025 was mainly due to the recovery of trade receivables for which the provision for impairment losses had been fully made in prior periods, and an improvement in the credit status of debtors of trade receivables during the current period.

Finance Costs

Our finance costs decreased by 39.7% from RMB10.2 million in 2024 to RMB6.1 million in 2025, primarily due to a decrease in interest on bank loans of RMB4.3 million as a result of the optimization of financing structure, decrease in financing costs and repayment of bank loans.

Income Tax Expenses

Our income tax expenses increased by 16.4% from RMB69.1 million in 2024 to RMB80.4 million in 2025, primarily due to an increase in profit before tax which resulted in an increase in tax payables.

Profit for the Year

As a result of the foregoing, our net profit for the year increased by 30.2% from RMB428.3 million for the year ended 31 December 2024 to RMB557.7 million for the year ended 31 December 2025.

Capital Structure

Our total assets increased by 48.4% from RMB2,388.8 million as of 31 December 2024 to RMB3,545.0 million as of 31 December 2025. Our total liabilities decreased by 0.2% from RMB803.2 million as of 31 December 2024 to RMB801.8 million as of 31 December 2025. Liabilities-to-assets ratio decreased from 33.6% as of 31 December 2024 to 22.6% as of 31 December 2025.

The current ratio, being current assets divided by current liabilities as of the respective date, increased from 2.2 times as of 31 December 2024 to 3.6 times as of 31 December 2025.

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 2025, we financed our operations primarily through internal resources, bank and other borrowings, 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 and the share placement to Goertek (Hong Kong) Co., Limited on 6 January 2025. Our cash and cash equivalents increased by 26.2% from RMB499.1 million as of 31 December 2024 to RMB630.0 million as of 31 December 2025, primarily attributable to the receipt of the additional funds raised the share placement to Goertek (Hong Kong) Co., Limited.

Our gearing ratio, which is calculated based on the total borrowings divided by the total equity and multiplied by 100%, decreased from 18.3% as of 31 December 2024 to 9.5% as of 31 December 2025, primarily due to a decrease in interest-bearing bank and other borrowings of RMB28.0 million due to repayment of bank loans.

As of 31 December 2025, the Group had interest-bearing bank and other borrowings of RMB261.6 million (as of 31 December 2024: RMB289.6 million), representing 32.6% (as of 31 December 2024: 36.1%) of its total liabilities as of the same date. Of all the borrowings of the Group as of 31 December 2025, RMB261.6 million were repayable within one year and RMBnil million was repayable beyond one year. There was no borrowings of RMB that was beyond one year. As of 31 December 2025, all of the Group’s bank borrowings were borrowings with fixed interest rates.

Except for the bank loans amounting to RMB4.5 million as of 31 December 2025 (as of 31 December 2024: RMB4.6 million), which were denominated in Japanese Yen, all the Group’s bank borrowings as of 31 December 2025 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 2025, banking credit facilities of the Group totaling RMB510.0 million (as of 31 December 2024: RMB407.0 million) were utilised to the extent of RMB261.6 million (as of 31 December 2024: RMB289.6 million).

Capital Expenditures

Our capital expenditure increased by 29.6% from RMB224.8 million in 2024 to RMB291.4 million in 2025. Our capital expenditure was used primarily for the purchase of high-end equipment and equipment that was related to XR business, land acquisition in Thailand and other long term assets. We financed our capital expenditure primarily through our cash flow generated from operating activities and proceeds from the placing of new shares to Goertek (Hong Kong) Co., Limited.

Contingent Liabilities

As of 31 December 2025, 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 2025, the Group's property, plant and equipment with carrying values of RMB124.4 million (as of 31 December 2024: RMB133.5 million), investment properties with carrying values of RMB12.9 million (as of 31 December 2024: RMB14.2 million) and leasehold land with carrying values of RMB5.2 million (as of 31 December 2024: RMB5.3 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 2025, the Group had significant investment which exceeded 5% but was lower than 25% of the Group's total assets. As of 31 December 2025, the Group held financial assets at FVTPL of RMB788.5 million (as of 31 December 2024: RMB149.5 million). Such financial assets included investments in various fund of 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 exceeded 5% but was lower than 25% of the Group's total assets as of 31 December 2025.

Material Acquisitions and Future Plans for Major Investment

According to the Company's investment plan for Thailand, as at 31 December 2025, the Company has invested and paid in the cumulative amount of RMB92,271,430 for the acquisition of land to the subsidiary in Thailand. The company plans to use the land for construction of plant and supporting facilities (including warehouse and logistics), mainly for automated production lines, and semifinished product modules. We will gradually implement this investment project in accordance with the Company's strategic plans. Also, as stated in the voluntary announcement published by the Company on 5 May 2025, in order to deepen its global strategic deployment and enhance its production capacity of customised lenses, the Company has completed the investment in the construction of an automated RX resin lens production line through its indirect wholly-owned subsidiary in Japan, Asahi Lite Optical Co., Ltd. ("**Asahi Optical**"), with a focus on the production and sales of high-end customised lenses. The project is planned with a total investment of approximately US\$4 million, which will be financed by the Group's internal funds.

Significant Events after the Reporting Period

On 19 January 2026, Asahi Lite (a direct wholly-owned subsidiary of the Group) and Goertek Optical entered into a JV agreement for the establishment of a JV entity, of which Asahi Lite contributed US\$0.3 million, representing 30% of the registered capital of the JV entity. The JV entity will be established for research and development, production, and sales of prescription lenses for smart glasses, waveguide (WG) Eyepieces (including WG components with and without myopia correction), and corresponding optoelectronic components of eyepieces with electrochromic and eyetracking functions applied in the AI/AR/VR/MR glasses field. Details of which are set out in the announcement of the Company published on 19 January 2026.

On 3 February 2026, an aggregate of 27,000,000 placing shares were allotted and issued to the placees at the placing price of HK\$52.00 per placing share. Details of which are set out in the announcement of the Company published on 3 February 2026.

Except as disclosed above, there are no material events subsequent to 31 December 2025 which could have a material impact on our operating and financial performance as of the date of this announcement.

Additionally, after the results period, in order to strengthen the Company's strategic positioning in smart glasses sector, enhance synergies across the industry chain, and deepen cooperation with leading companies in the industry, the Company invested RMB180 million to participate in the latest round of financing for Lingban Technology (Hangzhou) Co., Ltd. (hereinafter referred to as "**Lingban Technology**") to subscribe for its ordinary shares. This investment will represent no more than 5% of Lingban Technology's total equity upon completion of this financing round. The funds for this investment will be sourced from the Company's internal resources. As a unicorn company in China's human-computer interaction and AR sectors, Lingban Technology's Rokid brand of smart glasses is deeply rooted in the industry for ten years and maintains a strong position at the forefront of the domestic consumer-grade smart glasses market. The Company has already engaged in a business cooperation with Lingban Technology. Leveraging the Group's global production capacity and rapid delivery capabilities, the collaboration between the two parties is expected to deepen further.

In addition, subsequent to 31 December 2025, the Company entered a share transfer agreement to acquire the remaining 51% equity interests in Jiangsu Blue Optics Lens Co., Ltd. (an associate of the Company, in which the Company indirectly held a 49% equity interests during the result period) (hereinafter referred to as "**Jiangsu Blue Optics**") at a consideration of RMB72.0 million. Upon completion of the acquisition, Jiangsu Blue Optics will be indirectly wholly-owned by the Company.

Final Dividend

The Board recommends the payment of a final dividend of RMB0.20 (tax inclusive) per ordinary share for the year ended 31 December 2025 (the "**Proposed Final Dividend**") (for the year ended 31 December 2024: RMB0.16 per share) together with the interim dividend of RMB0.15 per share for 2025, the total dividend declared in 2025 would be RMB0.35 per share. Subject to the approval of shareholders of the Company (the "**Shareholders**") at the annual general meeting to be held on Thursday, 11 June 2026 (the "**AGM**"), the Proposed Final Dividend will be paid to the Shareholders whose names appear on the register of members of the Company on Wednesday, 24 June 2026. 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 Tuesday, 11 August 2026.

Annual General Meeting

The AGM will be held on Thursday, 11 June 2026. 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 Monday, 8 June 2026 to Thursday, 11 June 2026, 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 Friday, 5 June 2026.

(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 Wednesday, 17 June 2026 to Wednesday, 24 June 2026, 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 Tuesday, 16 June 2026.

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 H shares of the Company were listed on the Main Board of the Stock Exchange on 16 December 2021.

Employees

As of 31 December 2025, we had a total of 2,890 employees who were based in PRC, Japan and United States.

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 2025, 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 RMB434.1 million (for the year ended 31 December 2024: RMB430.8 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**”, together with the 2023 Share Award Scheme, collectively the “**Employee 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, 7 January 2025, 3 April 2025 and 6 April 2026, and the circulars dated 1 December 2023 and 20 December 2024 respectively. From the beginning of 2025 to the latest practicable date, the trustee has repurchased an aggregate of 2,189,000 H Shares from the open market of the Stock Exchange and held such shares on trust platforms as incentives under the Employee Share Award Scheme. The cumulative amount of H Shares repurchased from the open market since the commencement date of the Employee Share Award Scheme is 14,987,000 shares.

Use of Proceeds

(a)

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 2025, the Company has utilised approximately HK\$471.0 million of the net proceeds for the intended purposes set out in the Prospectus and the Change in Use of Proceeds Announcement, accounting for 99.5% of all raised funds, and the remaining unutilised net proceeds was approximately HK\$2.5 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>	Accumulated amount of utilised net proceeds as of 31 December 2025 <i>Approximately HK\$ million</i>	Unutilised net proceeds as of 31 December 2025 <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	219.7	–	N/A
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	9.6	1.3	By the first half of 2026 ²

Intended use of net proceeds	Percentage of net proceeds	Net proceeds from the Global Offering <i>Approximately HK\$ million</i>	Accumulated amount of utilised net proceeds as of 31 December 2025 <i>Approximately HK\$ million</i>	Unutilised net proceeds as of 31 December 2025 <i>Approximately HK\$ million</i>	Expected timeline for use of unutilised net proceeds
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	37.2	1.2	By the first half of 2026
Repayment of the Group's bank borrowings	13.1%	62.0	62.0	–	N/A
Total¹	100.0%	473.5	471.0	2.5	

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 2026, representing a three-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.

(b)

In the beginning of January 2025, we have completed issuance of new H Shares to the placee, namely, Goertek (Hong Kong) Co., Limited, and raised a net proceed of approximately HK\$827.9 million. The net proceeds will gradually and ultimately be used for the research, development, design and manufacturing of lenses and vision solutions for smart glasses, contributing to the development of XR products of the Group in the future. As of 31 December 2025, the Company has utilized the net proceeds of approximately HK\$235.4 million, representing 28.4% of the fund raised, where the remaining unutilized net proceeds amount to approximately HK\$592.5 million. Details of the use of proceeds are as follows:

Intended use of net proceeds	Percentage of net proceeds	Net proceeds from the issuance of H shares to Goertek (Hong Kong) Co., Limited.	Accumulated amount of utilised net proceeds as of 31 December 2025	Unutilised net proceeds as of 31 December 2025	Expected timeline for use of unutilised net proceeds
The research, development, design and manufacturing of lenses and vision solutions for smart glasses and XR headsets, contributing to the development of XR products of the Group in the future	100%	Approximately HK\$ million 827.9	Approximately HK\$ million 235.4	Approximately HK\$ million 592.5	2026

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 2025, 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 2025.

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

Save as disclosed in the section “Employees” in this announcement where a total of 2,189,000 H Shares were purchased by the trustee for the Employee Share Award Scheme, 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 2025.

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 2025 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 2025 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 30 March 2026. 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 2025 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), and the annual report of the Company for the year ended 31 December 2025 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, 30 March 2026

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.