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EC Healthcare

醫思健康

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2138)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2022**

- Sales Volume increased by 40.7% to a record high of HK\$3,122.3 million for FY22 from HK\$2,219.2 million for FY21.
- Revenue increased by 40.3% to a record high of HK\$2,919.5 million for FY22 from HK\$2,080.4 million for FY21.
- Revenue from medical segment increased significantly by 64.6% to a record high of HK\$1,689.0 million, representing 57.9% of total revenue for FY22 from HK\$1,025.9 million and 49.3% of total revenue for FY21.
- EBITDA increased by 35.0% to a record high of HK\$536.4 million for FY22 from HK\$397.4 million for FY21.
- Net profit after tax for FY22 increased by 19.9% to HK\$270.5 million, basic earnings per share was 17.1 HK cents.
- The Board proposed final cash dividend of 4.2 HK cents per Share for FY22, which is subject to the approval of the shareholders at the AGM. Together with the interim dividend of 10.2 HK cents per Share, it will represent the total annual dividend to 14.4 HK cents per Share, representing an annual dividend payout ratio of 84.2%.
- The Group's suite of medical services extends to 29 specialist disciplines, and the headcount of full-time and exclusive Registered Practitioners increased to 251.
- Total number of service points increased to 147 and total g.f.a increased by 34.2% to approximately 534,000 sq. ft.
- The Group maintained the leading role as the largest medical service provider (non-hospital) in Hong Kong, in terms of revenue in 2021 according to Frost and Sullivan.

The Board is pleased to announce the consolidated financial results of the Group for the Reporting Period together with the comparative figures for the corresponding prior period as set out below.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2022

	<i>Notes</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
REVENUE	5	2,919,500	2,080,403
Other net income and gains	6	46,245	104,935
Cost of inventories and consumables		(349,603)	(235,317)
Registered practitioner expenses		(655,852)	(448,660)
Employee benefit expenses		(728,631)	(580,383)
Marketing and advertising expenses		(139,383)	(109,381)
Rental and related expenses		(61,066)	(47,504)
Depreciation-right-of-use assets		(264,955)	(200,348)
Depreciation-owned property, plant and equipment		(96,031)	(77,547)
Amortisation of intangible assets		(71,379)	(31,968)
Charitable donations		(297)	(3,344)
Finance costs	7	(48,907)	(23,648)
Credit card expenses		(64,922)	(49,313)
Administrative and other expenses		(162,640)	(117,016)
Share of profits less losses of joint ventures		(1,821)	4,987
Share of profit of an associate		1,153	–
		<hr/>	<hr/>
PROFIT BEFORE TAX	8	321,411	265,896
Income tax	9	(50,908)	(40,303)
		<hr/>	<hr/>
PROFIT FOR THE YEAR		270,503	225,593
		<hr/> <hr/>	<hr/> <hr/>
Attributable to:			
Equity shareholders of the Company		197,501	192,865
Non-controlling interests		73,002	32,728
		<hr/>	<hr/>
		270,503	225,593
		<hr/> <hr/>	<hr/> <hr/>
		<i>HK cents</i>	<i>HK cents</i>
EARNINGS PER SHARE	10		
Attributable to equity shareholders of the Company			
Basic		17.1	18.8
Diluted		16.8	18.7
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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For the year ended 31 March 2022

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
PROFIT FOR THE YEAR	270,503	225,593
OTHER COMPREHENSIVE INCOME FOR THE YEAR		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of subsidiaries outside Hong Kong, net of HK\$nil tax	<u>(1,057)</u>	<u>(1,324)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>269,446</u>	<u>224,269</u>
Attributable to:		
Equity shareholders of the Company	196,444	191,541
Non-controlling interests	<u>73,002</u>	<u>32,728</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>269,446</u>	<u>224,269</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2022

(Expressed in Hong Kong dollars)

	<i>Notes</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		1,193,316	792,005
Investment properties		197,100	186,300
Goodwill		709,073	477,356
Intangible assets		691,937	511,627
Interest in joint ventures		48,381	53,204
Interest in an associate		1,153	–
Rental and other deposits	<i>13</i>	104,436	66,891
Prepayments and other receivables	<i>13</i>	211,961	169,304
Financial assets at fair value through other comprehensive income	<i>14(a)</i>	14,588	–
Financial assets at fair value through profit or loss	<i>14(b)</i>	142,054	92,511
Deferred tax assets		30,981	26,548
		<hr/>	<hr/>
Total non-current assets		3,344,980	2,375,746
CURRENT ASSETS			
Inventories	<i>11</i>	101,098	39,524
Trade receivables	<i>12</i>	155,493	178,984
Prepayments, deposits and other receivables	<i>13</i>	214,568	191,106
Deferred costs		142,805	63,182
Financial assets at fair value through profit or loss	<i>14(b)</i>	1,839	2,885
Current tax recoverable		27,597	3,239
Time deposits with original maturity over 3 months	<i>15</i>	2,000	4,751
Cash and cash equivalents	<i>15</i>	870,228	931,064
		<hr/>	<hr/>
Total current assets		1,515,628	1,414,735

	<i>Notes</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
CURRENT LIABILITIES			
Trade payables	16	75,201	46,657
Other payables and accruals		239,648	168,447
Bank borrowings	17	–	287,348
Lease liabilities		318,716	207,453
Deferred revenue		656,067	562,536
Current tax payable		73,799	44,786
		<hr/>	<hr/>
Total current liabilities		1,363,431	1,317,227
		<hr/>	<hr/>
NET CURRENT ASSETS		152,197	97,508
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,497,177	2,473,254
		<hr/>	<hr/>
NON-CURRENT LIABILITIES			
Deferred tax liabilities		105,249	74,747
Lease liabilities		386,686	294,787
Other payables		405,205	220,115
Provision for reinstatement costs		13,772	13,000
Convertible bonds	19	235,709	239,819
		<hr/>	<hr/>
Total non-current liabilities		1,146,621	842,468
		<hr/>	<hr/>
NET ASSETS		2,350,556	1,630,786
		<hr/> <hr/>	<hr/> <hr/>
CAPITAL AND RESERVES			
Share capital	18(b)	12	11
Reserves		1,881,242	1,268,734
		<hr/>	<hr/>
Total equity attributable to equity shareholders of the Company		1,881,254	1,268,745
Non-controlling interests		469,302	362,041
		<hr/>	<hr/>
TOTAL EQUITY		2,350,556	1,630,786
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NOTES TO THE ANNOUNCEMENT

1. CORPORATE INFORMATION

The Company is an exempted company with limited liability incorporated in the Cayman Islands. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company is located at L50, Langham Place Office Tower, 8 Argyle Street, Mong Kok, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries (together referred to as the “Group”) are principally engaged in the provision of medical and healthcare services.

2. BASIS OF PREPARATION

The financial information relating to the years ended 31 March 2022 and 2021 included in this announcement of annual results does not constitute the Company’s statutory annual consolidated financial statements for those years but is derived from those financial statements.

The consolidated financial statements for the year ended 31 March 2022 comprise the Company and its subsidiaries and the Group’s interest in joint ventures and an associate.

The measurement basis used in the preparation of the financial statements is the historical cost basis except as otherwise stated in the accounting policies.

The preparation of financial statements in conformity with Hong Kong Financial Reporting Standards (“HKFRSs”) requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3. CHANGES IN ACCOUNTING POLICIES

The Group had early adopted amendments to HKFRS 16, *Covid-19-related rent concessions (including those beyond 30 June 2021)* in the prior year.

The HKICPA has issued Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16, *Interest rate benchmark reform — phase 2*, that are first effective for the current accounting period of the Group. None of these developments have had a material effect on how the Group’s results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4. OPERATING SEGMENT INFORMATION

For management purpose, the Group is organised into business units based on their services and products. During the year ended 31 March 2022, management changed the compositions of the segments in view of more diversified businesses of the Group currently operates. Accordingly, the Group has three reporting segments as follows:

- (a) Medical;
- (b) Aesthetic medical and beauty and wellness; and
- (c) Others.

The comparative information is also restated to conform with the current year's presentation.

Medical segment represents all medical services (excluding aesthetic medical services) and dental services. Aesthetic medical and beauty and wellness segment represents aesthetic medical, traditional beauty, haircare and ancillary wellness services and sale of skincare, healthcare and beauty products. Others represents multi-channel networking and related services and veterinary services.

Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's management monitors the results attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets with the exception of investment properties, interests in an associate and joint ventures, financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. Segment liabilities include trade payables, other payables and accruals, provision for reinstatement costs, lease liabilities relating to properties leased for own use, deferred revenue, current tax payable and deferred tax liabilities.

The segment revenue of the Group is based on the type of services provided to the customers. Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit before tax except that bank interest income, other interest income, unrealised and realised gains/losses on financial assets at fair value through profit or loss, net, fair value gain/loss on investment properties, rental income from investment properties, share of profits less losses of joint ventures and an associate and head office and other corporate expenses are excluded from such measurement.

	Medical		Aesthetic medical and beauty and wellness		Others		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	HK\$'000	HK\$'000 (restated)	HK\$'000	HK\$'000 (restated)	HK\$'000	HK\$'000 (restated)	HK\$'000	HK\$'000 (restated)
Reportable segment revenue	1,688,958	1,025,924	1,091,204	990,364	152,941	77,535	2,933,103	2,093,823
Less: Inter-segment revenue	–	–	–	–	(13,603)	(13,420)	(13,603)	(13,420)
Revenue from external customers	<u>1,688,958</u>	<u>1,025,924</u>	<u>1,091,204</u>	<u>990,364</u>	<u>139,338</u>	<u>64,115</u>	<u>2,919,500</u>	<u>2,080,403</u>
Segment result	<u>202,816</u>	<u>86,491</u>	<u>106,603</u>	<u>156,750</u>	<u>26,383</u>	<u>8,181</u>	<u>335,802</u>	<u>251,422</u>
Bank interest income							954	1,146
Other interest income							410	559
Unrealised and realised losses on financial assets at fair value through profit or loss, net							(11,565)	(2,893)
Fair value gain/(loss) on investment properties							10,800	(2,700)
Rental income from investment properties							5,417	5,148
Share of profits less losses of joint ventures							(1,821)	4,987
Share of profit of an associate							1,153	–
Others							(19,739)	8,227
Consolidated profit before tax							<u>321,411</u>	<u>265,896</u>
Depreciation and amortisation for the year	241,875	149,272	174,650	155,007	15,840	5,584	432,365	309,863
Impairment loss on other receivables	–	–	3,792	6,328	–	–	3,792	6,328

	Medical		Aesthetic medical and beauty and wellness		Others		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	HK\$'000	HK\$'000 (restated)	HK\$'000	HK\$'000 (restated)	HK\$'000	HK\$'000 (restated)	HK\$'000	HK\$'000 (restated)
Reportable segment assets	2,610,624	1,831,201	1,547,459	1,528,481	297,410	95,899	4,455,493	3,455,581
Investment properties							197,100	186,300
Interest in joint ventures							48,381	53,204
Interest in an associate							1,153	-
Financial assets at fair value through other comprehensive income							14,588	-
Financial assets at fair value through profit or loss							143,893	95,396
Consolidated total assets							4,860,608	3,790,481
Additions to non-current segment assets during the year (excluding business acquisitions)	395,215	116,033	218,132	208,639	10,980	204	624,327	324,876
Reportable segment liabilities	1,157,724	703,165	1,004,765	837,952	111,854	54,877	2,274,343	1,595,994
Bank borrowings							-	287,348
Convertible bonds							235,709	239,819
Lease liabilities							-	36,534
Consolidated total liabilities							2,510,052	2,159,695

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the services were provided or the goods delivered.

Information about geographical areas

	Revenue from external customers	
	2022	2021
	HK\$'000	HK\$'000
Hong Kong	2,632,960	1,893,920
Macau	113,374	51,623
Mainland China	173,166	134,860
	2,919,500	2,080,403

Information about major customers

Since no revenue derived from sales to a single customer of the Group has individually accounted for over 10% of the Group's total revenue during each of the reporting periods presented, no information about major customers in accordance with HKFRS 8, *Operating Segments*, is presented.

5. REVENUE

Revenue represents the value of services rendered and the net invoiced value of goods sold, excluding value added tax or other sales taxes and is after deduction of trade discounts. An analysis of revenue is as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i> (restated)
Revenue		
Medical services	1,688,958	1,025,924
Aesthetic medical and beauty and wellness services and related revenue	1,091,204	990,364
Other services	139,338	64,115
	<u>2,919,500</u>	<u>2,080,403</u>

During the year ended 31 March 2022, management changed the presentation of the disaggregation of revenue in view of more diversified businesses the Group currently operates. The comparative information is also restated to conform with the current year's presentation.

All of the above revenue is recognised in accordance with HKFRS 15.

6. OTHER NET INCOME AND GAINS

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Bank interest income	954	1,146
Other interest income	410	559
Unrealised and realised losses on financial assets at fair value through profit or loss, net	(11,565)	(2,893)
Fair value gain/(loss) on investment properties	10,800	(2,700)
Rental income from investment properties	5,417	5,148
Loss on disposals of subsidiaries	–	(4,283)
Gain on disposals and write-off of property, plant and equipment	19,115	21,061
Government grants	2,280	75,279
Others	18,834	11,618
	<u>46,245</u>	<u>104,935</u>

7. FINANCE COSTS

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Interest on bank borrowings	3,399	8,572
Interest on convertible bonds	19,173	2,848
Interest on lease liabilities	14,948	12,228
Imputed interest expenses on consideration payables	11,387	–
	<u>48,907</u>	<u>23,648</u>

8. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Depreciation		
— owned property, plant and equipment	96,031	77,547
— right-of-use assets	264,955	200,348
Amortisation of intangible assets	71,379	31,968
Impairment loss on other receivables	3,792	6,328
Foreign exchange differences, net	898	149
Rental income from investment properties less direct outgoings of HK\$544,000 (2021: HK\$499,000)	<u>(4,873)</u>	<u>(4,649)</u>

9. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Taxation in the consolidated statement of profit or loss represents:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Current — Hong Kong		
Provision for the year	65,395	46,274
Over-provision in respect of prior years	<u>(8,923)</u>	<u>(1,755)</u>
	<u>56,472</u>	44,519
Current — Outside Hong Kong		
Provision for the year	8,435	4,816
Under-provision in respect of prior years	<u>1,229</u>	<u>—</u>
	<u>9,664</u>	4,816
Total current tax	66,136	49,335
Deferred tax	<u>(15,228)</u>	<u>(9,032)</u>
Tax charge for the year	<u>50,908</u>	<u>40,303</u>

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (“BVI”), the Group is not subject to any income tax in the Cayman Islands and BVI.

Hong Kong Profits Tax has been provided at the rate of 16.5% (2021: 16.5%) on the estimated assessable profits for the year. Taxes on profits assessable outside Hong Kong have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

10. EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

Basic earnings per share

The calculation of basic earnings per share is based on the profit for the year attributable to equity shareholders of the Company of HK\$197,501,000 (2021: HK\$192,865,000) and the weighted average share of 1,152,860,000 ordinary shares (2021: 1,026,593,000 ordinary shares) in issue during the year, calculated as follows:

Weighted average number of ordinary shares:

	2022 <i>in '000</i>	2021 <i>in '000</i>
Issued ordinary shares at the beginning of the financial year	1,071,016	985,277
Effect of share options exercised	5,615	1,708
Effect of issuance of shares during the year other than exercise of share options	<u>76,229</u>	<u>39,608</u>
Weighted average number of ordinary shares at 31 March	<u><u>1,152,860</u></u>	<u><u>1,026,593</u></u>
Basic earnings per share (in HK cents)	<u><u>17.1</u></u>	<u><u>18.8</u></u>

Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to equity shareholders of the Company of HK\$197,501,000 (2021: HK\$192,865,000), and the weighted average number of ordinary shares of 1,173,282,000 (2021: 1,031,137,000) shares is calculated as follows:

Weighted average number of ordinary shares (diluted):

	2022 <i>in '000</i>	2021 <i>in '000</i>
Weighted average number of ordinary shares at 31 March	1,152,860	1,026,593
Effect of deemed issue of shares under the Company's share option scheme	6,555	2,271
Effect of exercise of warrants	<u>13,867</u>	<u>2,273</u>
Weighted average number of ordinary shares (diluted) at 31 March	<u><u>1,173,282</u></u>	<u><u>1,031,137</u></u>
Diluted earnings per share (in HK cents)	<u><u>16.8</u></u>	<u><u>18.7</u></u>

The diluted earnings per share amount is increased when taking convertible bonds into account. The convertible bonds had an anti-dilutive effect on the basic earnings per share for the year and were not included in the calculation of diluted earnings per share.

11. INVENTORIES

(a) Inventories in the consolidated statement of financial position comprise:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Skincare, healthcare and beauty products	8,134	7,497
Medications, consumables and other supplies	<u>92,964</u>	<u>32,027</u>
	<u><u>101,098</u></u>	<u><u>39,524</u></u>

(b) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Carrying amount of inventories sold and consumed	<u><u>349,603</u></u>	<u><u>235,317</u></u>

12. TRADE RECEIVABLES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Trade receivables	<u><u>155,493</u></u>	<u><u>178,984</u></u>

All of the trade receivables are receivables from contracts with customers within the scope of HKFRS 15.

The Group's trading terms with its customers are mainly on credit card settlements and other institutional customers in respect of provision of medical aesthetic medical and beauty and wellness and related services. The credit period is generally 0 to 120 days for the credit card settlements from the respective financial institutions and other institutional customers. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

As of the end of the Reporting Period, the ageing analysis of trade receivables, based on the invoice date and net of loss allowance, is as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Within 1 month	118,392	136,674
1 to 3 months	25,141	29,063
Over 3 months	<u>11,960</u>	<u>13,247</u>
	<u><u>155,493</u></u>	<u><u>178,984</u></u>

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Prepayments	211,293	167,085
Deposits	146,113	90,698
Other receivables	173,559	169,518
	<u>530,965</u>	<u>427,301</u>
Portion classified as non-current		
— Rental and other deposits	(104,436)	(66,891)
— Prepayments and other receivables	(211,961)	(169,304)
	<u>(316,397)</u>	<u>(236,195)</u>
Current portion	<u>214,568</u>	<u>191,106</u>

14. FINANCIAL ASSETS

(a) Financial assets at fair value through other comprehensive income

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Unlisted equity investments	<u>14,588</u>	<u>—</u>

The Group designated above investments at fair value through other comprehensive income, as the investments are held for strategic purpose. As at 31 March 2022, the investments held by the Group were principally engaged in market and data research and provision of medical services. No dividends were received on these investments during the year (2021: HK\$nil).

(b) Financial assets at fair value through profit or loss

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<i>Non-Current</i>		
— Unlisted equity investments	45,154	44,145
— Unlisted fund investments	41,533	48,366
— Investment in life insurance policies	55,367	—
	<u>142,054</u>	<u>92,511</u>
<i>Current</i>		
— Unlisted fund investments	1,839	2,885
	<u>143,893</u>	<u>95,396</u>

15. CASH AND CASH EQUIVALENTS AND TIME DEPOSITS

Cash and cash equivalents and time deposits comprise:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Cash at bank and in hand	870,228	931,064
Time deposits with original maturity over 3 months (pledged)	<u>2,000</u>	<u>4,751</u>
	872,228	935,815
Less: Time deposits with original maturity over 3 months (pledged)	<u>(2,000)</u>	<u>(4,751)</u>
Cash and cash equivalents	<u><u>870,228</u></u>	<u><u>931,064</u></u>

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for varying period depending on the Group's immediate cash requirements, and earn interest at the respective time deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

16. TRADE PAYABLES

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

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Within 1 month	38,738	25,871
1 to 2 months	13,712	8,145
2 to 3 months	12,536	9,025
Over 3 months	<u>10,215</u>	<u>3,616</u>
	<u><u>75,201</u></u>	<u><u>46,657</u></u>

The trade payables are non-interest bearing and generally have payment terms within 60 days.

17. BANK BORROWINGS

At 31 March 2022, the bank borrowings were repayable as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Portion of bank borrowings due for repayment within 1 year which contain a repayable on demand clause	–	63,497
Portion of bank borrowings due for repayment after 1 year which contain a repayable on demand clause	–	223,851
	<u>–</u>	<u>287,348</u>

18. SHARE CAPITAL AND DIVIDENDS

(a) Dividends

(i) *Dividends payable by the Company to equity shareholders:*

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Interim dividend declared and paid of 10.20 HK cents per ordinary share (2021: 3.00 HK cents per ordinary share)	120,108	33,616
Final dividend of 4.20 HK cents (2021: 12.90 HK cents) per ordinary share proposed after the end of the reporting period	49,492	138,161
	<u>169,600</u>	<u>171,777</u>

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

(ii) *Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year:*

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Final dividend in respect of the previous financial year, approved and paid during the year, of 12.90 HK cents per ordinary share (2021: 8.00 HK cents per ordinary share)	151,848	80,242

(b) Share capital

	2022		2021	
	Number of shares	HK\$'000	Number of shares	HK\$'000
Authorised				
Ordinary shares of HK\$0.00001 each	<u>38,000,000,000</u>	<u>380,000</u>	<u>38,000,000,000</u>	<u>380,000</u>
Ordinary shares, issued and fully paid				
At 1 April	1,071,015,803	11	985,277,448	10
Exercise of share options (i)	6,939,000	–*	2,297,500	–*
Issuance of shares as part of the consideration of business acquisitions (ii)	796,360	–*	24,669,739	1
Issuance of shares as part of the consideration to acquire additional equity interest in a subsidiary from non-controlling shareholders	–	–	22,524,000	–*
Issuance of shares to settle lease liabilities	–	–	12,884,337	–*
Issuance of shares for the Co-ownership Scheme (iii)	2,878,125	–*	13,362,779	–*
Conversion of convertible bonds (iv)	3,646,833	–*	–	–
Issuance of shares upon exercise warrant (v)	46,246,353	–*	–	–
Other issuance of shares (vi)	<u>46,849,793</u>	<u>1</u>	<u>10,000,000</u>	<u>–*</u>
At 31 March	<u>1,178,372,267</u>	<u>12</u>	<u>1,071,015,803</u>	<u>11</u>

* Amount less than HK\$1,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

- (i) During the year ended 31 March 2022, the Company issued 1,845,000 shares (2021: 2,095,000 shares), 155,000 shares (2021: 160,000 shares), 25,000 shares (2021: Nil share) and 565,000 shares (2021: 42,500 shares) upon exercise of share options by the relevant grantees at exercise prices of HK\$3.03, HK\$3.50, HK\$5.00 and HK\$6.00 respectively under the Share Option Scheme. These new shares ranked pari passu in all respects with other shares in issue.

In addition, the Company allotted and issued 4,349,000 shares to GCP Properties Limited ("GCP") at exercise price of HK\$5.53 per share upon exercise of share options in connection with an acquisition of unlisted investment equity in the prior year.

- (ii) Pursuant to the sale and purchase agreement entered into by the Group in connection with the acquisitions of Bayley & Jackson Dental Surgeons Limited ("Bayley & Jackson"), 796,360 shares were allotted and issued to the respective sellers as part of the purchase considerations during the year ended 31 March 2022. The shares are measured at quoted share price on the date of this business acquisition.
- (iii) During the year ended 31 March 2022, the Company allotted and issued 2,878,125 shares at aggregate cash considerations of HK\$15,915,000 to an independent trustee, which subscribed the shares on behalf of the participants of the Co-ownership Scheme.

- (iv) During the year ended 31 March 2022, a holder of convertible bonds partially converted the convertible bonds with principal amount of HK\$19,000,000 to 3,646,833 shares at a conversion price of HK\$5.21.
- (v) During the year ended 31 March 2022, 44,246,353 shares and 2,000,000 shares were issued and allotted to warrant holders at exercise prices of HK\$6.17 and HK\$4.20 with aggregate cash considerations of HK\$273,000,000 and HK\$8,400,000, respectively, upon exercise of such warrants.
- (vi) During the year ended 31 March 2022, the Company allotted and issued 46,849,793 shares at aggregate cash consideration of HK\$480,761,000 to independent third parties.

19. CONVERTIBLE BONDS

During the year ended 31 March 2021, the Company issued 3 tranches of convertible bonds. The bondholders are entitled to exercise the conversion rights to convert the principal amount outstanding at a pre-determined conversion price at any time up to the maturity of the convertible bonds. The details of the convertible bonds are as follows:

Tranche	Issue date	Principal amount outstanding	Interest rate per annum	Maturity date	Conversion price per share	Conversion period
Tranche A	5 February 2021	HK\$234,000,000 (2021: HK\$234,000,000)	2.5%	4 February 2026	HK\$5.69 (note)	At any time up to maturity date
Tranche B	5 February 2021	HK\$20,000,000 (2021: HK\$39,000,000)	2.5%	4 February 2026	HK\$5.21	At any time up to maturity date
Tranche C	8 February 2021	HK\$31,200,000 (2021: HK\$31,200,000)	2.5%	7 February 2026	HK\$5.69 (note)	At any time up to maturity date

Note: In addition to the conversion rights in connection with the convertible bonds as stated above, the Company issued warrants which allow the bondholders to subscribe for an aggregate number of 50,145,867 shares at an exercise price of HK\$6.17 with aggregate consideration of HK\$309,400,000. At 31 March 2022, the outstanding warrants would allow the bondholders to subscribe for 5,899,514 shares.

Upon the issuance of convertible bonds, the liability component was initially measured at its fair value of HK\$238,118,000. The residual amount of HK\$66,082,000 was recognised as capital reserve within the equity. During the year ended 31 March 2022, HK\$4,127,000 was transferred to share premium from capital reserve upon a partial conversion of convertible bonds with principal amount of HK\$19,000,000.

The liability component of convertible bonds was analysed as follows:

	2022 HK\$'000	2021 HK\$'000
Non-current liabilities	<u>235,709</u>	<u>239,819</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Management philosophy

Leading market consolidator with multi-brand strategy

Being the leading consolidator of Hong Kong's fragmented healthcare market, we adopt a multi-specialist brand strategy with over 40 brands spanning across service segment of medical, aesthetic medical and beauty and wellness. Each brand distinctively addresses the need of different customer segments and demonstrates service and product leadership to establish top-of-mind awareness in the market. DR REBORN has maintained leading sales for 14 consecutive years with its continuous investment in bringing leading aesthetic medical solutions and top-of-class service facility to our customers. As our brand portfolio grows, we further reinforce our one-stop total care service proposition to our customers which maximizes our capturing of our customers' lifetime value.

Customer-centric approach in our service model

Our customer-centric approach places strong emphasis on satisfying our customers' needs. With excellent customer service provided by our professional teams, we have built a loyal customer base through our enclosed ecosystem over the years. We are encouraged to see strong engagement with them which are well-supported by the numbers below:

	FY22	FY21
Number of unique customers	182,300	155,863
Percentage of existing customers ⁽¹⁾	64.3%	58.9%
Percentage of cross brand customers ⁽²⁾	27.5%	27.1%
Repurchase rate ⁽³⁾	90.2%	81.0%
Customers' satisfaction rate ⁽⁴⁾	99.96%	99.99%

Note:

- (1) Based on revenue for the year
- (2) Number of customers who purchased services from more than one brand for the year divided by total number of customers for the year
- (3) Customers of previous financial year contribution for the current year divided by the total revenue in previous financial year
- (4) 100% minus the percentage of material unfavourable feedback of total revenue for the year.

Enabling innovation with our commitment in driving digitalization

Our significant investment in digitalization reflects our commitment to an insight-driven and digitally-enabled approach in creating customer value and unleash deep synergies across our acquired businesses. Our integrated data and digital ecosystem allow our innovation in ways of giving our customers with convenience and control in the way we serve them, improving our speed-to-market and relevance of our offer, empowering our frontline teams to deliver seamless and personalized services while generating operational efficiency at scale.

Building a vertically integrated healthcare ecosystem

The Group is building a vertically integrated healthcare ecosystem through collaboration with strategic partners in the five major areas:

- Technology — To bring service and operational innovation with best-in-class technology via strategic partnerships.
- Telecom — To provide new service propositions, including telemedicine for their corporate & residential clients.
- Insurance — To develop new health insurance products and customer experience proposition while driving cost and operational efficiency.
- Property — To collaborate with landlords to tailor-make medical-grade buildings for our Group's own use which maximize operational efficiency.
- Pharmaceutical — To explore strategic partnerships in drug registration, distribution, prescription decision-support while providing data for drug discovery.

Alignment of interests through Co-ownership scheme

Talent is our greatest asset; our Company's success is reliant on professional and self-motivated employees. We offer Co-ownership scheme to our core talents in order to achieve value alignment through their shareholdings in our Company. We continue to invest in talents to allow them excel and beyond in each position. We provide a wide-range of trainings, including an online learning platform "EC University" for our employees to learn at their own pace and build their business acumen. We also offer career coaching to drive their long-term individual growth.

Sustainability

Our business philosophy centres upon sustainability. We continue our utmost effort to integrate sustainable development into our business, in creating long-term value for all our stakeholders and communities. We are committed to drive action on the relevant United Nations Sustainable Development Goals (SDGs), which provide a blueprint to achieve a sustainable future and underpin our sustainability strategy.

Business Review

Record high revenue despite pandemic impact

Our resilience continues to grow amidst a challenging operating environment impacted by business Compulsory Closure, absence of medical tourism and global economy downturn resulting from COVID-19.

For FY22, the Group posted a record high in revenue of HK\$2,919.5 million, up 40.3% YoY, while sales volume marked record high and increased by 40.7% to HK\$3,122.3 million. Organic revenue increased by 49.8% YoY to HK\$2,761.4 million, accounting for 94.6% of the total driven by effective sales strategy. Medical segment continued to be the key growth driver as medical revenue marked record high and increased significantly by 64.6% YoY to HK\$1,689.0 million.

The Group's net profit after tax for FY22 increased by 19.9% YoY to HK\$270.5 million. However, net profit margin is under pressure and decreased by 1.5 percentage point to 9.3% due to the Compulsory Closure of the Group's beauty and wellness businesses in Hong Kong for a total of 104 days, of which 84 days were during the Reporting Period, under the fifth wave of COVID-19. The net profit attributable to equity shareholders of the Company increased by 2.4% from HK\$192.9 million for FY21 to HK\$197.5 million for FY22. Basic earnings per share was 17.1 HK cents, compared to 18.8 HK cents for the same period last year.

The total valuation of the Group's M&A transaction completed during FY22 was HK\$641.1 million, spanning veterinary, dental, pain management, and various medical specialties, which further strengthen the Group's medical services layout.

Our number of service points increased through organic expansion and acquisitions. During FY22, we have ventured into veterinary business and acquired 7 vet clinics and 2 vet advanced imaging centres. As at 31 March 2022, we have a total number of 147 service points comprising 127 in Hong Kong, 4 in Macau and 16 in Mainland China with the total aggregate g.f.a increased by 34.2% to approximately 534,000 sq. ft. Out of the net increase of approximately 136,000 sq. ft., approximately 71.9% came from medical business and 28.1% came from aesthetic medical and beauty and wellness services business respectively.

Resilient result from aesthetic medical & beauty and wellness services segment

During FY22, revenue contributed by aesthetic medical and beauty and wellness services increased by 10.2% YoY to HK\$1,091.2 million. Revenue from Hong Kong remains stable at HK\$804.7 million, due to the Compulsory Closure during the fourth quarter of the FY22. Revenue from Mainland China increased by 28.4% YoY to HK\$173.2 million due to the brand capital established over FY22. Revenue from Macau surged 119.6% YoY to HK\$113.4 million due to a strong recovery of medical tourism.

Strong growth in medical segment

The Group continues to gain market share in the healthcare services industry through both organic expansion and M&A growth. Revenue from the Group's medical services segment rose by 64.6% YoY to HK\$1,689.0 million, boosting its revenue contribution to 57.9%, of which organic expansion and M&A completed during FY22 accounted for 95.0% and 5.0% respectively. Organic growth is driven by surged demand for COVID-19 related services and rising healthcare sentiment.

During FY22, the total valuation of acquisitions completed in medical segment was HK\$460.7 million, spanning across dental, and various medical specialties. The Group's suite of medical services spans 29 specialist disciplines, and our headcount of full-time and exclusive registered practitioners has increased to 251.

Embracing social responsibility by stepping up our response in the community during COVID-19

As Hong Kong's leading private healthcare service provider, the Group stepped up during the COVID-19 pandemic to provide a wide range of anti-pandemic measures to the public. For example, we offered telemedicine and drug delivery services through our clinics as well as government-approved nucleic acid tests (RT-PCR) and antibody tests through our accredited laboratories. The Group also provided COVID-19 vaccinations to the public and has joined hands with charitable organizations to donate rapid test kits to those in need.

Set up 2030 sustainability goals

To assimilate sustainability into our business, the Group has taken a proactive approach to set up a sustainability working group with Board's oversight to execute our sustainability strategy. We have conducted stakeholder engagement surveys and set up our 2030 sustainability goals based on the findings. Operation and IT-related risks atop our stakeholders' concerns, we will further advance our operation protocols and have engaged third party consultant to review our data governance policy. The Group has also set up a sustainability linked loan facility, the first of its kind for Hong Kong healthcare services company.

Outlook

Navigate through market headwinds to drive organic growth

While Hong Kong local consumption was boosted by the Hong Kong Government's consumption vouchers and gradually recovers from post relaxation of social distancing measures, the recessionary market backdrop could still pose headwinds to our businesses. Yet, medical market is relatively resilient and public-private partnership will continue to increase Hong Kong's private medical spending in the long run. Potential reopening of Hong Kong and Mainland China's border would reinstate demand from Mainland tourists, which could offset the impact of the challenging operation environment.

Diversified M&A growth and realization of synergies by IT investment

As part of our acquisition strategy, we will diversify within medical and beauty sectors, which allow us to further increase in service offerings to our customers to better meet their needs. For example, we saw a surge in demand in pet businesses and we started to consolidate in veterinary segment. This segment could become one of our key growth engines in the future. At the same time, our continuous investment in our IT infrastructure and capability will give us service and cost leadership among our peers while maximizing synergies for our acquired business.

Strategic partnership to build healthcare ecosystem

We will continue to expand our strategic partnerships with key players in technology, telecom, insurance, property and pharmaceutical industries to form our healthcare ecosystem. Our business operations would benefit from such collaboration. For example, we are working with real estate funds to tailor-made a hospital grade medical building for our own use so as to achieve operation efficiency.

Building a sustainable business

At EC Healthcare, we embrace sustainability whole-heartedly and it is a one of the key differentiators that allows us to have a competitive advantage over others. We are committed to uphold sustainability principles, especially on pledging to net zero, social responsibilities and strengthening corporate governance practice. Moving forward, we will excel through our sustainability journey together with our much-valued stakeholders. We will also be proactive in continuously refining our strategies for the overall welfare of our Company and the greater community.

FINANCIAL REVIEW

Revenue

Our revenue increased by 40.3% from HK\$2,080.4 million for FY21 to HK\$2,919.5 million for FY22, primarily attributable to the significant increase in the revenue generated from medical segment during the Reporting Period.

Medical

Medical represents all medical services (excluding aesthetic medical services) and dental services offered by the Group. Our revenue from medical segment represents 57.9% of the Group's total revenue (2021: 49.3%) and increased significantly by 64.6% from HK\$1,025.9 million for FY21 to HK\$1,689.0 million for FY22, primarily attributable to the continued development of new medical services and broadening of services spectrum through organic expansion and acquisition of other medical establishments during the Reporting Period.

Aesthetic Medical and Beauty and Wellness Services

Aesthetic medical and beauty and wellness services represent aesthetics medical, traditional beauty, haircare and ancillary wellness services offered by the Group and the sale of skincare, healthcare and beauty products. Our revenue from aesthetic medical and beauty and wellness services represents 37.4% of the Group's total revenue (2021: 47.6%) and increased by 10.2% from HK\$990.4 million for FY21 to HK\$1,091.2 million for FY22, primarily attributable to an increasingly diversified offering and brand capital established over the years, despite the volatile environment.

Other Services

Other services mainly represent multi-channel networking and related services and veterinary services.

Our revenue from other services represents 4.8% of the total revenue (2021: 3.1%) and increased by 117.3% from HK\$64.1 million for FY21 to HK\$139.3 million for FY22, primarily attributable to the expansion into the veterinary sector during the Reporting Period.

Operating Segment Information

An analysis of the Group's revenue and contribution to results by business segments of the operations for the Reporting Period is set out in note 4 to this announcement.

Other net income and gains

For FY22, other net income and gains were approximately HK\$46.2 million, representing a decrease of approximately HK\$58.7 million or 55.9% when compared to FY21, primarily due to the decrease in government grants, which mainly represent subsidies received under the Employment Support Scheme of the Hong Kong Government, from HK\$75.3 million for FY21 to HK\$2.3 million for FY22.

Cost of inventories and consumables

Our cost of inventories and consumables represents 12.0% of the total revenue (2021: 11.3%), which increased by 48.6% from HK\$235.3 million for FY21 to HK\$349.6 million for FY22, primarily attributable to the increase in the volume of medication and service consumables used, which was in line with the increase in revenue.

Registered practitioner expenses

For FY22, we incurred Registered Practitioner expenses of approximately HK\$655.9 million, representing 22.5% of the total revenue (2021: 21.6%) and an increase of approximately HK\$207.2 million or 46.2% as compared to FY21, primarily attributable to the increase in the number of full-time and exclusive Registered Practitioners from 139 as at 31 March 2021 to 251 as at 31 March 2022.

Employee benefit expenses and remuneration policy

For FY22, we incurred employee benefit expenses of approximately HK\$728.6 million, representing 25.0% of the total revenue (2021: 27.9%) and an increase of approximately HK\$148.2 million or 25.5% as compared to FY21, primarily due to the increase in salaries paid to additional employees during the Reporting Period. Our overall headcount (excluding Registered Practitioners) was 2,674 as at 31 March 2022 (as at 31 March 2021: 2,323).

The Group is aware of the importance of human resources and is dedicated to retaining competent and talented employees by offering them competitive remuneration packages. Their salaries and bonuses were determined with reference to their duties, work experience, performance and prevailing market practices. The Group also participates in the Mandatory Provident Fund Scheme in Hong Kong, and provides employees with medical insurance coverage.

Certain share options have been granted during FY22.

Marketing and advertising expenses

For FY22, the Group incurred marketing and advertising expenses of approximately HK\$139.4 million, representing 4.8% of the total revenue (2021: 5.3%) and an increase of approximately HK\$30.0 million or 27.4% as compared to FY21, primarily due to the positive synergy resulting from the Group's acquisition of a multi-channel networking company and development of online platform since 2020, which allowed us to secure new customers more efficiently and effectively.

Rental and related expenses and depreciation of right-of-use assets

For FY22, the Group incurred rental and related expenses and depreciation of right-of-use assets of approximately HK\$326.0 million (2021: HK\$247.9 million), representing 11.2% of the total revenue and an increase of 31.5% as compared to FY21, which was in line with the increase in the g.f.a. of service centres and clinics to approximately 534,000 sq. ft. as at 31 March 2022 (as at 31 March 2021: 398,000 sq. ft.).

Credit card expenses

For FY22, the Group incurred credit card expenses of approximately HK\$64.9 million, representing 2.2% of the total revenue (2021: 2.4%) and an increase of approximately HK\$15.6 million or 31.7% as compared to FY21.

Administrative and other expenses

For FY22, the Group incurred administrative and other expenses of approximately HK\$162.6 million, representing an increase of approximately HK\$45.6 million or 39.0% as compared to FY21, primarily due to the broadening of services spectrum.

Profit Before Tax

For FY22, the Group has profit before tax of approximately HK\$321.4 million, representing 11.0% of the total revenue. The increase in the profit before tax as compared to that of FY21 was due to our integrated multi-discipline strategy.

Income Tax Expense

For FY22, the Group incurred income tax expense of approximately HK\$50.9 million, representing an increase of approximately HK\$10.6 million or 26.3% as compared to FY21, primarily due to the increase in profit before tax.

Profit for the Year/Profit Margin

For FY22, the Group recorded profit of approximately HK\$270.5 million, representing an increase of HK\$44.9 million or 19.9% as compared to FY21, primarily due to our development of new businesses and our integrated multi-discipline strategy. Our profit margin decreased from 10.8% for FY21 to 9.3% for FY22.

LIQUIDITY AND CAPITAL RESOURCES

Financial Resources

We continue to maintain a strong financial position with cash and cash equivalents and time deposits of HK\$872.2 million as at 31 March 2022. Our net current assets excluding lease liabilities, was HK\$470.9 million. With our steady cash inflow from operations, coupled with sufficient cash and bank balances, we have adequate liquidity and financial resources to meet the current working capital requirements as well as to fund its budgeted expansion plans in the next financial year.

As at 31 March 2022, a majority of our cash and bank balances were Hong Kong dollar.

Issuance of Convertible Bonds and Warrants

On 18 November 2020, the Company entered into the subscription agreements with each of Goldman Sachs Asia Strategic II Pte. Ltd (“GS”), Waven World Limited (“GAW”) and OAP III (HK) Limited (“OrbiMed”), pursuant to which:

- (1) GS has conditionally agreed to subscribe for convertible bonds in the aggregate principal amount of HK\$234,000,000 at initial conversion price of HK\$5.69 per conversion share and warrants in the aggregate amount of HK\$273,000,000 at initial subscription price of HK\$6.17 per warrant share;
- (2) OrbiMed has conditionally agreed to subscribe for convertible bonds in the aggregate principal amount of HK\$31,200,000 at initial conversion price of HK\$5.69 per conversion share and warrants in the aggregate amount of HK\$36,400,000 at initial subscription price of HK\$6.17 per warrant share;
- (3) GAW has conditionally agreed to subscribe for convertible bonds in the aggregate principal amount of HK\$39,000,000 at initial conversion price of HK\$5.21 per conversion share.

The Directors believe that the introduction of each of GS and GAW as a strategic investor to the Group shall empower the Group’s access to global resources in business development and financing and the increased investment from OrbiMed as an existing shareholder to the Company would be an appropriate means of fund raising for the Company.

The completion of the subscription of the convertible bonds took place (i) on 5 February 2021 for GS and GAW and (ii) on 8 February 2021 for OrbiMed. The net price, after deducting such fees, costs and expenses, was approximately HK\$5.61 per conversion share.

Details of the subscriptions were set out in the Company's announcement dated 18 November 2020 and circular dated 9 January 2021.

The net proceeds received from the issuance of convertible bonds and the exercise of warrants were fully utilised as at 31 March 2022 according to the intended use previously announced by the Company as follows:

Net Proceeds from the issuance of convertible bonds

Intended use of net proceeds as announced	Planned amount to be utilised <i>HK\$ million</i>	Utilised amount up to 31 March 2021 <i>HK\$ million</i>	Actual amount utilised during the Reporting Period <i>HK\$ million</i>	Unutilised amount as at 31 March 2022 <i>HK\$ million</i>
Expand the clinic network of the Company in Hong Kong and the Greater Bay Area in the PRC	121.3	65.0	56.3	–
Mergers and Acquisitions	136.4	–	136.4	–
General corporate purposes	45.5	45.5	–	–
Total	303.2	110.5	192.7	–

Net Proceeds from the allotment of new shares upon exercise of warrants

Intended use of net proceeds as announced	Planned amount to be utilised <i>HK\$ million</i>	Utilised amount up to 31 March 2021 <i>HK\$ million</i>	Actual amount utilised during the Reporting Period <i>HK\$ million</i>	Unutilised amount as at 31 March 2022 <i>HK\$ million</i>
Expand the clinic network of the Company in Hong Kong and the Greater Bay Area in the PRC	108.9	–	108.9	–
Mergers and Acquisitions	122.5	–	122.5	–
General corporate purposes	40.8	40.8	–	–
Total	272.2	40.8	231.4	–

Placing of new shares under general mandate

On 16 April 2021, the Company and the placing agent, Haitong International Securities Company Limited, entered into a placing agreement, pursuant to which the Company agreed to place through the placing agent an aggregate of 29,636,000 placing shares on a best effort basis at the placing price of HK\$7.8 per placing share. The closing price of the Company's shares was HK\$7.68 on the date of the placing agreement and the aggregate nominal value of the placing shares was HK\$296.40. The placing was completed on 28 April 2021 and all 29,636,000 placing shares have been successfully placed by the placing agent to Dr. Cheng Chi Kong, Adrian JP (as his personal investment) and Aspex Master Fund ("Aspex"). The net proceeds were approximately HK\$231.0 million with net issue price of approximately HK\$7.79 per placing share.

The Directors believe that the placing would introduce strategic investors to the Group to (i) empower the Group's development in Hong Kong and Mainland China through leveraging on the placees' resources in real estate and capital markets; and (ii) optimise the shareholders base of the Company. The Company intended to apply the net proceeds from the placing in full for (i) expansion of clinic network of the Group in Hong Kong and the Greater Bay Area in the PRC; (ii) mergers and acquisitions; and (iii) general corporate purposes of the Group. The net proceeds were used according to the intended use previously announced by the Company. For further details, please refer to the announcements of the Company dated 19 April 2021 and 28 April 2021.

The net proceeds were fully utilised as at 31 March 2022 according to the intended use previously announced by the Company.

Intended use of net proceeds as announced	Planned amount to be utilised <i>HK\$ million</i>	Actual amount utilised during the Reporting Period <i>HK\$ million</i>	Unutilised amount as at 31 March 2022 <i>HK\$ million</i>
Expand the clinic network of the Company in Hong Kong and the Greater Bay Area in the PRC; Mergers and Acquisitions; and General corporate purposes	231.0	231.0	–

Placing of existing shares and the top-up subscription of new shares under general mandate

On 8 July 2021, the Company, Union Medical Care Holding Limited (“Union Medical Care”) and the placing agent, Haitong International Securities Company Limited, entered into an agreement of placing of existing shares and top-up subscription, pursuant to which (i) the placing agent agreed to act as an agent of the Union Medical Care to procure Mr. Cheng Chi Kong, Adrian JP and Aspex (collectively, “Purchasers”), on a best effort basis, to purchase a total of 27,972,413 shares at placing price of HK\$14.50 per share; and (ii) the Union Medical Care conditionally agreed to subscriber for, and the Company conditionally agreed to allot and issue to the Union Medical Care, a total of 17,213,793 new shares at the subscription price of HK\$14.50 per share. The closing price of the Company’s shares was HK\$14.94 on the date of the agreement and the aggregate nominal value of the subscription shares of HK\$172.14. The placing of existing shares and the top-up subscription of new shares under general mandate were completed on 9 July 2021 and 19 July 2021, respectively. The net proceeds were approximately HK\$248.8 million, pursuant to which a total of 17,213,793 new shares were allotted and issued at net issue price of approximately HK\$14.46 per share.

The Directors believe that the placing would enable the Group to have a stronger relationship with the strategic investors to (i) empower the Group’s development in Hong Kong and Mainland China through leveraging on the Purchasers’ resources in real estates and capital markets; and (ii) optimise the shareholders base of the Company. The Company intends to apply the net proceeds in full from the placing for (i) expansion of clinic network of the Group in Hong Kong and the Greater Bay Area in the PRC; (ii) mergers and acquisitions; and (iii) general corporate purposes of the Group. For further details, please refer to the announcements of the Company dated 8, 14 and 20 July 2021. As at 31 March 2022, the details of the use of net proceeds are set out in the table below.

The net proceeds were used according to the intended use previously announced by the Company and the Directors do not intend to change the use of the net proceeds. It is intended that the remaining unutilized amount will be fully utilized by December 2023.

Intended use of net proceeds as announced	Planned amount to be utilised <i>HK\$ million</i>	Actual amount utilised during the Reporting Period <i>HK\$ million</i>	Unutilised amount as at 31 March 2022 <i>HK\$ million</i>	Expected timeline of full utilisation
Expand the clinic network of the Company in Hong Kong and the Greater Bay Area in the PRC	99.5	–	99.5	By December 2023
Mergers and Acquisitions	112.0	112.0	–	
General corporate purposes	37.3	37.3	–	
Total	248.8	149.3	99.5	

SUBSEQUENT EVENTS

Subscription of 30% shareholding interest in the JV Company and Potential Lease

On 5 June 2022, Healthy Cameron Property Limited (“Healthy Cameron”), and Union (Group) Investment Limited (“Union Group”), both being indirect wholly-owned subsidiaries of the Company, entered into a subscription agreement (the “Subscription Agreement”), pursuant to which Healthy Cameron conditionally agreed to subscribe for, and Creative Profit Development Limited (the “JV Company”) conditionally agreed to allot and issue to Healthy Cameron, 7,200 ordinary shares in the JV Company (the “Subscription Shares”), which will represent 30% of the total enlarged issued share capital of the JV Company immediately after the closing of the subscription of the Subscription Shares. Union Group has agreed to guarantee the performance by Healthy Cameron of certain obligations under the Subscription Agreement.

Under the Subscription Agreement, the Group (including Healthy Cameron) shall invest up to HK\$275,000,000.00 to the JV Company. The JV Company is a joint venture company established by the existing shareholders of the JV Company for the purpose of the development, management and operation of the building to be constructed on the combined sites of the land parcels located Cameron Road and Granville Circuit, Tsim Sha Tsui (the “Building”). The JV Company currently owns and possesses the title to the parcels of land together with the existing buildings erected thereon and intends to re-develop the same into the Building with an estimated lettable floor area of approximately 103,000 square feets mainly for medical centre and other clinical use.

Pursuant to the Subscription Agreement, Healthy Cameron Op (HK) Limited, an indirect wholly-owned subsidiary of the Company, has also undertaken to lease all of the floor areas of the for an initial term of 5 years following completion of the development of the Building.

The Group will customise medical space configurations in the Building designed to accommodate specialised medical equipment, enabling the Group to deliver one-stop premium medical and medical aesthetic services. The Group plans to consolidate its scattered clinics across different buildings in Kowloon and anticipates the purpose-built property to drive business growth and improve overall operational efficiency. The Building is expected to complete construction by the fourth quarter of 2024.

The aforesaid transactions constitute discloseable transactions for the Company under the Listing Rules. For further details of the Subscription Agreement, please refer to the announcement of the Company dated 6 June 2022.

CAPITAL EXPENDITURE AND COMMITMENTS

Capital Expenditure

Our capital expenditure during FY22 was primarily related to the establishment of new clinics and services centres, purchases of operation equipment, which mainly included medical, dental and beauty devices, and expenditure in leasehold improvements. We financed our capital expenditure mainly through cash flows generated from operating activities.

Capital Commitment

The Board has approved to establish imaging centers and integrated medical clinics and entered into agreements to acquire certain property, plant and equipment, with aggregate capital expenditure of approximately HK\$200 million as at 31 March 2022.

In addition, the Group was committed at 31 March 2022 to enter into few new leases that is not yet commenced, the aggregate lease payments without considering the extension options amounted to HK\$44.9 million.

INDEBTEDNESS

Interest-bearing Liabilities

As at 31 March 2022, the Group had convertible bonds of HK\$235.7 million and lease liabilities, except for those relating to the properties leased for own use, of HK\$0.6 million.

Contingent Liabilities and Guarantees

As at 31 March 2022, the Group had no significant contingent liabilities and guarantees.

Charge of Assets

As at 31 March 2022, investment properties of HK\$197.1 million, ownership interests in land and building held for own use of HK\$33.5 million and time deposits of HK\$2.0 million were pledged for certain banking facilities.

Further, operation equipment of HK\$1.4 million was pledged under financing arrangement with banks.

Gearing Ratio

Gearing ratio equals total debt (excluding lease liabilities relating to properties leased for own use) divided by total equity. As at 31 March 2022, the Group had interest-bearing liabilities, except for the properties leased for own use, of HK\$236.3 million and the gearing ratio is 10.1%.

Foreign Currency Risk

The Group carries out certain operating transactions in foreign currencies, which expose the Group to foreign currency risk, mainly pertaining to the risk of fluctuations in the Hong Kong dollar and U.S. dollar against Renminbi.

The Group has not used any derivative contracts to hedge against its exposure to currency risk. The management manages the currency risk by closely monitoring the fluctuation of the foreign currency rates and will consider hedging against significant foreign exchange exposure should such need arise.

Interest Rate Risk

As at 31 March 2022, the Group's outstanding convertible bonds were on fixed interest rates. The management does not consider the Group has significant interest rate risk.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

During the Reporting Period, the Group has entered into the following significant investments and acquisitions.

(a) Discloseable transaction — Acquisition of veterinary business

On 15 June 2021, High Group Corporation Limited (“High Group”), being an indirectly wholly-owned subsidiary of the Company (as the purchaser), entered into the first sale and purchase agreement with Dr. Tiong Hai Hean (“Dr. Tiong”) and Dr. Tan Shyue Wei (“Dr. Tan”) (as the sellers), each held 50% issued share capital in King Equity Investments Limited (“King Equity”) respectively, to acquire an aggregate of 51% issued share capital in King Equity, comprising 25.5% and 25.5% from each of Dr. Tiong and Dr. Tan, respectively. The aggregate consideration for the acquisition of the 51% issued share capital in King Equity is HK\$48,300,000.

On 15 June 2021, High Group (as the purchaser) entered into the second sale and purchase agreement with Dr. Tiong (as the seller), who held 100%, 95% and 85% issued share capital of Eternal Harvest International Limited (“Eternal Harvest”), Hong Kong Veterinary Imaging Center Limited (“HKVIC”) and Crown Leader Limited (“Crown Leader”) respectively, to acquire 51% issued share capital in each of Eternal Harvest, HKVIC and Crown Leader. The consideration for the acquisitions of the 51% issued share capital in Eternal Harvest, HKVIC and Crown Leader are HK\$17,700,000, HK\$850,000, and HK\$850,000 respectively.

King Equity, Eternal Harvest, HKVIC and Crown Leader are principally engaged in the provision of veterinary services in Hong Kong. As at the date of the first sale and purchase agreement, the aforesaid companies operate two veterinary hospitals and two veterinary imaging centres in Hong Kong.

The Company aims to consolidate the veterinary market and promote corporatization for veterinary business.

(i) Each of Dr. Tiong and Dr. Tan guarantees to each of the purchaser and the Company that the net profit of King Equity; and (ii) Dr. Tiong guarantees to each of the purchaser and the Company that the aggregate net profit of Eternal Harvest, HKVIC and Crown Leader, ending each profit guaranteed year shall be no less than such designated guaranteed amount respectively from the year ending 31 March 2022 to the year ending 31 March 2028. If the target amount is not met, the relevant guarantors shall pay a shortfall to the purchaser, subject to any compensation payback by the purchaser to them.

Completion of the above acquisitions took place on 20 August 2021. For details, please refer to the announcements of the Company dated 15 June 2021 and 20 August 2021.

(b) Discloseable transaction — Acquisition of Premier Medical Group (BVI) Limited

On 5 November 2021, Jade Master International Limited (as the purchaser) (“Jade Master”), being a wholly-owned subsidiary of the Group, entered into a sale and purchase agreement to acquire 70% equity interests in Premier Medical Group (BVI) Limited (“PMC”), at the consideration of HK\$100,000,000, which was owned by 16 registered medical practitioners.

PMC is principally engaged in the operation of five medical service centres in Hong Kong with over 30 registered medical practitioners offering 18 medical specialties and allied health services. Upon completion of the acquisition 31 December 2021, PMC became a non-wholly owned subsidiary of the Group.

A revenue guarantee arrangement is included in the agreement. Under the arrangement, the sellers and seller guarantors agreed to guarantee the total audited revenue of PMC shall be no less than HK\$1,176.7 million. The sellers and seller guarantor shall compensate Jade Master for any shortfall attributable to Jade Master in accordance with the sale and purchase agreement. Based on the latest management account, management expected that the guarantee revenue for FY22 could be met.

The acquisition was part of the Group’s expansion strategy in medical service. For details, please refer to the announcement of the Company dated 8 November and 31 December 2021.

(c) Discloseable and connected transaction — Acquisition of Bayley & Jackson Dental Surgeons Limited

On 29 November 2021, Union Dental Holding Limited entered into a sale and purchase agreement with the sellers to acquire 55% equity interests in Bayley & Jackson Dental Surgeons Limited. The transaction constitute a discloseable and connected transaction of the Company. For details, please refer to the paragraph headed “Connected Transactions” of this section.

(d) Discloseable transaction — Acquisition of Excellent Power Investments Limited (i.e. GenRx Healthcare Group)

On 16 February 2022, Union (Group) Investment Limited (as purchaser), being a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with a subsidiary of HKR International Limited (stock code: 480) to acquire 100% issued share capital and the sale loan of Excellent Power Investments Limited (“Excellent Power”) at a total consideration of HK\$68.0 million to be settled by cash. Excellent Power carries on its business with the brand name “GenRx Healthcare Group”.

Excellent Power operates a comprehensive healthcare service network in Hong Kong and Macau, covering specialist services that focus on chronic disease management and dental care, supported by medical diagnostic services. It administrates a comprehensive medical network of over 250 affiliated clinics, providing general practitioners, specialists and physiotherapy services.

This acquisition was completed on 31 March 2022. For details, please refer to the announcement of the Company dated 16 February 2022 and 31 March 2022 respectively.

Save as disclosed in this announcement, there were no significant investments held by the Company during the Reporting Period, nor were there any material acquisitions and disposals of subsidiaries, associates and joint ventures during the Reporting Period and there is no plan authorised by the Board for other material investments or additions of capital assets as at the date of this announcement.

There are other transactions entered into by the Group in the prior years which profit guarantees have been given. However, those profit guarantee periods have not yet expired as at 31 March 2022 nor the date of this announcement.

CONNECTED TRANSACTIONS

During the Reporting Period, the Group has entered into the following connected transaction:

(a) Discloseable and connected transaction — Acquisition of Bayley & Jackson Dental Surgeons Limited

On 29 November 2021, the Company, Union Dental Holding Limited (as purchaser), being a wholly-owned subsidiary of the Company (“Union Dental”), entered into a sale and purchase agreement with the sellers (“B&J Sellers”) to acquire 55% equity interests in Bayley & Jackson Dental Surgeons Limited (“B&J”), at a consideration of HK\$129,423,950, which was satisfied (i) as to HK\$119,424,057 in cash; and (ii) approximately HK\$9,999,893 by the allotment and issue of 796,360 consideration shares at issue price of HK12.557 per consideration shares. B&J is principally engaged in the operation of seven dental clinics in Hong Kong with 32 practicing dentists.

One of the B&J Sellers is an associate of Mr. Look Andrew, an independent non-executive Director, the B&J Sellers are therefore connected persons of the Company as defined under Chapter 14A of the Listing Rules. As more than one of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the acquisition contemplated under the agreement are more than 5% but all applicable percentage ratios are less than 25%, the transaction constitutes a discloseable and connected transaction of the Company. The acquisition and issue of consideration shares, but for Rule 14A.37 of the Listing Rules, are subject to the reporting, announcement and the independent shareholders’ approval requirements under Chapter 14 and Chapter 14A of the Listing Rules. The Company has applied for, and on 17 December 2021, the Stock Exchange has granted, a waiver from the requirement for the Company to convene a general meeting under Rule 14A.37 of the Listing Rules.

A profit guarantee arrangement is included in the agreement. Under the arrangement, the B&J Sellers and guarantors agreed to guarantee the profit generated by B&J for the coming 7 years shall be no less than HK\$120 million. The B&J Sellers and the guarantor shall compensate the shortfall of the profit attributable to Union Dental in accordance with the sale and purchase agreement. Based on the latest management account, the management expected that the profit guarantee for FY22 could be met.

The acquisition was part of the Group's expansion strategy in medical specialist operations.

The acquisition was completed on 17 January 2022. For details, please refer to the announcement of the Company dated 29 November 2021, 20 December 2021, 31 December 2021 and 17 January 2022 and circular dated 13 January 2022.

(b) Connected transaction — Tenancy agreements of Fung House

On 20 December 2021, the Company entered into six tenancy agreements (“Tenancy Agreements”) with the landlord (the “Landlord”) to lease seven floors of Fung House, 19–20 Connaught Road Central with a total of gross floor area of approximately 22,226 square feet. The lease terms under four of the Tenancy Agreements were for four years and nine months commencing from 1 January 2022 while two of the Tenancy Agreements were for five years commencing from 1 June 2022. The floors will be used in the ordinary and usual course of business of the Company, which includes medical centre, beauty service centre, dental centre, health management centre, clinics, medical laboratory, office and/or other similar operations. The value of right-of-use assets to be recognised by the Group under the Tenancy Agreements is approximately HK\$86.6 million in accordance with HKFRS 16. The aggregate fixed monthly rentals for the Tenancy Agreements is HK\$1,506,811, exclusive of government rates, government rent, management fee, air-conditioning charges and all other outgoings. During FY22, the aggregate amount of rentals paid by the Group to the Landlord were HK\$1.9 million.

Given the Landlord is an associate of Mr. Lu Lyn Wade Leslie, an executive Director and co-chief executive officer of the Company, the Landlord is therefore a connected person of the Company. The entering into of the tenancy agreements constitute connected transactions of the Company.

For details of the lease transactions, please refer to the announcement of the Company dated 20 December 2021.

ANNUAL GENERAL MEETING

The annual general meeting of the Company is proposed to be held on 23 August 2022. A notice convening the AGM will be published and dispatched to the Shareholders in accordance with the requirements of the Articles of Association and the Listing Rules in due course.

DIVIDEND

The Board recommends the declaration of a final dividend of 4.2 HK cents per Share in cash for FY22 which is subject to the approval of the shareholders at the AGM. The proposed final dividend, if approved by the Shareholders at the AGM, will be paid on or around 20 September 2022 to the Shareholders whose names appear on the register of members of the Company on 6 September 2022 (the record date). There will be no closure of the register of members for ascertaining Shareholders' entitlement for the proposed dividends. All transfer of Shares accompanied by the relevant Share certificates and transfer forms must be lodged with the branch share registrar of the Company in Hong Kong, Link Market Services (Hong Kong) Pty Ltd, at Suite 1601, 16/F., Central Tower, 28 Queen's Road Central, Hong Kong for registration no later than 4:30 pm on 6 September 2022.

If the above final dividend is approved, the total amount of dividend attributable to the full financial year ended 31 March 2022 will be 14.4 HK cents (2021: 15.9 HK cents) per Share.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 18 August 2022 to Tuesday, 23 August 2022, both days inclusive, for the purpose of ascertaining Shareholders' entitlement to attend and vote at the AGM. All transfers of Shares accompanied by the relevant Share certificates and transfer forms must be lodged with the branch share registrar of the Company in Hong Kong, Link Market Services (Hong Kong) Pty. Ltd., at Suite 1601, 16/F., Central Tower, 28 Queen's Road Central, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 17 August 2022.

CORPORATE GOVERNANCE PRACTICES

The Board acknowledges the vital importance of good governance to the Group's success and sustainability by providing a framework for the Company to formulate its business strategies and policies, and to enhance its transparency, accountability and shareholder value.

The Board is committed to maintaining statutory and regulatory standards and adhering to the principles of corporate governance emphasising on transparency, independence, accountability, responsibility and fairness.

The Company has adopted the principles as set out in the CG Code contained in Appendix 14 to the Listing Rules (effective from 1 January 2022). The Company has complied with all code provisions set out in the CG Code during the Reporting Period, save for the deviation from code provision C.2.1 as disclosed below.

Code Provision C.2.1

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer of the Company should be separate and should not be performed by the same individual. The roles of chairman and chief executive officer of the Company have been performed by Mr. Tang. Although the dual roles of chairman and chief executive officer is a deviation from the code provision C.2.1 of the CG Code, the Board considers that having Mr. Tang acting as both the chairman and chief executive officer of the Company provides a strong and consistent leadership to the Company and allow the Company to have more effective planning and management. Further, in view of Mr. Tang's extensive experience in the industry, personal profile and roles in the Group and the historical development of the Group, the Board considers that it is appropriate and beneficial to the business prospects of the Group that Mr. Tang continues to act as both the chairman and chief executive officer of the Company. Mr. Lu Lyn Wade Leslie, an executive Director, was appointed as a co-chief executive officer with effect from 23 August 2021. The Board intends to regularly review the operations of the Company under Mr. Tang's leadership, and does not believe that this arrangement will have a negative influence on the balance of power between the Board and the management of the Group.

Further information of the corporate governance practice of the Company will be set out in the corporate governance report in the annual report of the Company for FY22.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its code of conduct regarding securities transactions by the Directors. Specific enquiry has been made of all the Directors, and the Directors have confirmed that they have complied with the Model Code throughout the Reporting Period.

Co-owners, senior management, executives and talents who, because of their offices in the Company are likely to possess inside information, have also been requested to comply with the Model Code for securities transactions. No incident of non-compliance with the Model Code by such employees was noted by the Company during the Reporting Period.

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

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE

The audit committee of the Company has reviewed the consolidated financial statements of the Group for FY22. The audit committee of the Company has also reviewed the accounting principles and practices adopted by the Company and discussed auditing, internal control, risk management and financial reporting matters.

SCOPE OF WORK OF KPMG

The financial figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for FY22 as set out in this announcement have been compared by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's draft consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the auditor.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement of the Company is published on the Company's website at www.ehealthcare.com and Hong Kong Exchanges and Clearing Limited website at www.hkexnews.hk. The annual report of the Company for the Reporting Period will be dispatched to the Shareholders and made available on the above websites in due course.

DEFINITION

“AGM”	the annual general meeting of the Company proposed to be held on 23 August 2022
“Articles of Association”	the Company's articles of association
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors
“CG Code”	the Corporate Governance Code contained in Appendix 14 to the Listing Rules, as amended from time to time

“Chinese Medicine Practitioner(s)”	person(s) who is (are) registered as registered Chinese medicine practitioner(s) of the Chinese Medicine Council of Hong Kong under the Register of Chinese Medicine Practitioners kept in accordance with the Chinese Medicine Ordinance
“Company”	EC Healthcare 醫思健康 (formerly known as Union Medical Healthcare Limited (香港醫思醫療集團有限公司*)), an exempted Company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Compulsory Closure”	the order of closure of venues under the Prevention and Control of Disease (Requirements and Directions) (Business and Premises) Regulation (Cap. 599F) in Hong Kong
“Director(s)”	the director(s) of the Company
“EBITDA”	earnings before interests, taxation, depreciation-owned property, plant and equipment and amortisation
“FY21”	the financial year ended 31 March 2021
“FY22” or “Reporting Period”	the financial year ended 31 March 2022
“Greater Bay Area”	city cluster cross the Guangdong-Hong Kong-Macau region, consisting of Hong Kong, Macau and nine cities in Guangdong Province, namely, Dongguan, Foshan, Guangzhou, Huizhou, Jiangmen, Shenzhen, Zhaoqing, Zhongshan and Zhuhai
“Group”	the Company and its subsidiaries
“g.f.a.”	gross floor area
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“M&A”	mergers and acquisitions
“Macau”	the Macau Special Administrative Region of the People’s Republic of China
“Macau Doctor(s)”	doctor(s) licensed by and registered with the department of health in Macau (澳門特別行政區政府衛生局)
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
“Mr. Tang”	Mr. Tang Chi Fai, the chairman, executive Director and the chief executive officer of the Company
“PRC”	the People’s Republic of China
“PRC Doctor(s)”	medical practitioner(s) with the qualification of a doctor (醫師) or assistant doctor (執業助理醫師) under the PRC Law on Medical Practitioners (中華人民共和國執業醫師法) and is practicing at a medical or healthcare institution
“Registered Practitioner(s)”	registered dentist within the meaning of the Dentists Registration Ordinance (Cap. 156), registered medical practitioner within the meaning of the Medical Registration Ordinance (Cap. 161), registered chiropractor within the meaning of the Chiropractors Registration Ordinance (Cap. 428), listed or registered Chinese Medicine Practitioner within the meaning of the Chinese Medicine Ordinance (Cap. 549), Macau Doctors and PRC Doctors
“Sales Volume”	being the total sales volume generated from contracted sales entered into, and all products and services offered by the Group
“Share(s)”	ordinary share(s) in the share capital of the Company with par value of HK\$0.00001 each
“Shareholder(s)”	holder(s) of Share(s)

“Stock Exchange” The Stock Exchange of Hong Kong Limited

“YoY” year-on-year

“%” per cent.

By order of the Board
EC Healthcare
Raymond Siu
Company Secretary

Hong Kong, 23 June 2022

As at the date of this announcement, the executive Directors of the Company are Mr. Tang Chi Fai, Mr. Lu Lyn Wade Leslie, Mr. Lee Heung Wing, Ms. Wong Ka Ki Ada and Mr. Wong Chi Cheung; the non-executive Director is Mr. Luk Kun Shing Ben; and the independent non-executive Directors are Mr. Ma Ching Nam, Mr. Look Andrew and Mr. Lam Chi Hang Josekin.