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**PERFECT MEDICAL HEALTH MANAGEMENT LIMITED**

**完美醫療健康管理有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1830)**

**INTERIM RESULTS ANNOUNCEMENT  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022**

**HIGHLIGHTS**

- The Group’s revenue decreased by 16.6% to HK\$668.3 million, impacted by Covid-19 pandemic causing suspension of 20 days in Hong Kong 39 days in Macau, as well as business disruption for an average of 14 days, 23 days, 63 days and 19 days across Guangzhou, Shenzhen, Shanghai and Beijing respectively.
- The second quarter marked a 52.1% growth in revenue quarter-on-quarter in Hong Kong following the ease of Covid-19 pandemic.
- The Group’s EBITDA decreased by 25.5% to HK\$229.7 million.
- The Group’s net profit decreased by 30.4% to HK\$150.7 million, representing the net profit margin of 22.5%. Basic earnings per share was HK12.1 cents.
- The Board recommends the payment of an interim dividend of HK13.0 cents per share, representing a dividend payout ratio of 107.4%.
- The Group operated a total service area of 307,000 square feet in Hong Kong, China, Macau, Australia and Singapore.

## INTERIM RESULTS

The board (the “Board”) of directors (the “Directors”) of Perfect Medical Health Management Limited (the “Company”) announces the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 September 2022. The interim results have been reviewed by the Company’s audit committee.

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*For the six months ended 30 September 2022*

		<b>Six months ended</b>	
		<b>30 September</b>	
		<b>2022</b>	2021
	<i>Note</i>	<b>HK\$’000</b>	<i>HK\$’000</i>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
Revenue	4	<b>668,300</b>	801,644
Other income	5	<b>26,876</b>	6,501
Other gains — net	6	<b>530</b>	4,244
Cost of inventories and consumables		<b>(14,891)</b>	(15,462)
Employee benefit and manpower service expenses		<b>(230,609)</b>	(239,648)
Marketing expenses		<b>(77,717)</b>	(105,095)
Depreciation of property, plant and equipment		<b>(42,661)</b>	(33,342)
Depreciation of right-of-use assets		<b>(71,454)</b>	(69,039)
Rental expenses of short-term leases in respect of stores and offices		<b>(8,855)</b>	(1,255)
Other operating expenses		<b>(62,473)</b>	(73,733)
<b>Operating profit</b>		<b>187,046</b>	274,815
Finance expense — net	7	<b>(6,122)</b>	(7,069)
<b>Profit before income tax</b>		<b>180,924</b>	267,746
Income tax expense	8	<b>(30,266)</b>	(51,332)
<b>Profit for the period attributable to equity holders of the Company</b>		<b>150,658</b>	216,414
<b>Earnings per share attributable to equity holders of the Company during the period</b>	9		
— Basic		<b><u>HK12.1 cents</u></b>	<b><u>HK17.7 cents</u></b>
— Diluted		<b><u>HK12.1 cents</u></b>	<b><u>HK17.7 cents</u></b>

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2022</b>	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Profit for the period attributable to equity holders of the Company</b>	<b>150,658</b>	216,414
<b>Other comprehensive losses:</b>		
<i>Items that have been reclassified or may be reclassified subsequently to profit or loss</i>		
Currency translation differences	<b>(21,966)</b>	(3,154)
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Fair value losses of financial asset at fair value through other comprehensive income	<u><b>(5,405)</b></u>	<u>(45,811)</u>
<b>Total comprehensive income for the period attributable to equity holders of the Company</b>	<u><b>123,287</b></u>	<u>167,449</u>

## CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 September 2022

		30 September 2022	31 March 2022
	<i>Note</i>	<i>HK\$'000</i> (Unaudited)	<i>HK\$'000</i> (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	<i>11</i>	<b>213,535</b>	250,189
Right-of-use asset	<i>18</i>	<b>233,104</b>	302,411
Deposits and prepayments		<b>36,999</b>	53,633
Financial assets at fair value through other comprehensive income	<i>12</i>	<b>86,429</b>	110,420
Deferred income tax assets		<b>54,561</b>	56,452
		<u><b>624,628</b></u>	<u>773,105</u>
<b>Current assets</b>			
Inventories		<b>7,556</b>	5,872
Trade receivables	<i>13</i>	<b>57,006</b>	14,841
Other receivables, deposits and prepayments		<b>55,164</b>	33,013
Term deposits with initial terms of over three months	<i>14</i>	<b>60,214</b>	214
Pledged bank deposits	<i>15, 21</i>	<b>7,789</b>	9,555
Cash and cash equivalents	<i>16</i>	<b>565,784</b>	444,599
		<u><b>753,513</b></u>	<u>508,094</u>
<b>Total assets</b>		<u><b>1,378,141</b></u>	<u>1,281,199</u>

		<b>30 September</b>	31 March
		<b>2022</b>	2022
	<i>Note</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>(Unaudited)</b>	<b>(Audited)</b>
<b>EQUITY</b>			
<b>Capital and reserves attributable to the Company's equity holders</b>			
Share capital	<i>17</i>	<b>125,803</b>	123,996
Reserves	<i>17</i>	<b>478,656</b>	370,270
<b>Total equity</b>		<b>604,459</b>	494,266
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred income tax liabilities		<b>71,004</b>	71,304
Provision for reinstatement costs		<b>16,337</b>	17,032
Lease liabilities	<i>18</i>	<b>128,775</b>	175,699
		<b>216,116</b>	264,035
<b>Current liabilities</b>			
Provision for reinstatement costs		<b>2,967</b>	2,690
Trade payables	<i>19</i>	<b>1,922</b>	1,592
Accruals and other payables		<b>68,364</b>	56,818
Lease liabilities	<i>18</i>	<b>113,146</b>	135,373
Deferred revenue		<b>275,217</b>	236,683
Tax payables		<b>95,950</b>	89,742
		<b>557,566</b>	522,898
<b>Total liabilities</b>		<b>773,682</b>	786,933
<b>Total equity and liabilities</b>		<b>1,378,141</b>	1,281,199

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2022

	Six months ended 30 September	
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Net cash generated from operating activities	298,832	359,349
Net cash used in investing activities	(70,042)	(121,654)
Net cash used in financing activities	(94,344)	(80,790)
	<hr/>	<hr/>
<b>Net increase in cash and cash equivalents</b>	<b>134,446</b>	156,905
Cash and cash equivalents at the beginning of the period	444,599	489,773
Effect on foreign exchange	(13,261)	(5,408)
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the period</b>	<b>565,784</b>	641,270
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# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 1 General Information

Perfect Medical Health Management Limited (the “Company”) and its subsidiaries (together, the “Group”) are principally engaged in the provision of medical beauty and healthcare services in Hong Kong (“HK”), Mainland China, Macau, Australia and Singapore.

The Company was incorporated in the Cayman Islands on 11 March 2011 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 10 February 2012.

This condensed consolidated interim financial information is presented in Hong Kong dollars (“HK\$”), unless otherwise stated. This condensed consolidated interim financial information for the six months ended 30 September 2022 is unaudited and has been reviewed by the audit committee of the Company. This condensed consolidated interim financial information was approved for issue by the Board on 23 November 2022.

## 2 Basis of Preparation and Accounting Policies

These interim financial statements are prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 ‘Interim Financial Reporting’ issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. They have been prepared under the historical cost basis except for certain financial instruments, which are measured at fair value. These unaudited condensed consolidated interim financial statements are presented in Hong Kong dollars (“HK\$”), which is same as the functional currency of the Company and its major subsidiaries.

The interim financial statements do not include all the information and disclosures required in the annual financial statements and thereby should be read in conjunction with the annual financial statements for the year ended 31 March 2022 (“2022 Financial Statements”) which have been prepared in accordance with the Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA.

The interim financial statements have been prepared in accordance with the same accounting policies and methods of computation as adopted by the Group in the 2022 Financial Statements except for the adoption of new accounting policies as a result of applying the new or revised HKFRSs as set out below.

## 2.1 Adoption of new or revised HKFRSs and HKASs

### (a) New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period and the Group had to change its accounting policies and make retrospective adjustments, if applicable, as a result of adopting the following standards:

HKFRS 16 (Amendments)	Covid-19-Related Rent Concessions beyond 30 June 2021
Annual Improvements Project (Amendments)	Annual Improvements to HKFRSs 2018–2020
HKFRS 3, HKAS 16 and HKAS 37 (Amendments)	Narrow-scope Amendments
Hong Kong Accounting Guideline 5 (Revised)	Merger Accounting for Common Control Combinations

The adoption of these new or amended standards listed above did not have any material impact on the Group's accounting policies.

### (b) New and amended standards and interpretation issued but not yet adopted by the Group

The followings are new and amended standards and interpretation which have been issued but are not effective and have not been early adopted. The Group plans to adopt these new and amended standards and interpretation when they become effective:

HKAS 1 and HKFRS Practice Statements 2 (Amendments)	Disclosure of Accounting Policies <sup>(1)</sup>
HKAS 8 (Amendments)	Definition of Accounting Estimates <sup>(1)</sup>
HKAS 12 (Amendments)	Deferred tax related to assets and liabilities arising from a single transaction <sup>(1)</sup>
HKFRS 17	Insurance Contracts <sup>(1)</sup>
HKFRS 17 (Amendments)	Insurance Contracts <sup>(1)</sup>
HKFRS 17	Initial Application of HKFRS 17 and HKFRS 9 – Comparative Information <sup>(1)</sup>
HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current <sup>(1)</sup>
Hong Kong Interpretation 5 (Revised)	Hong Kong Interpretation 5 (Revised) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause <sup>(1)</sup>
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>(2)</sup>

(1) Effective for the Group for annual period beginning on or after 1 January 2023

(2) Effective for the Group for annual period on or after a date to be determined

The Group is in the process of assessing the impact of those new and amended standards and interpretation on the Group's accounting policies and financial statements.



### 3 Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value and cash flow interest rate risks and price risk), credit risk and liquidity risk.

The interim financial information do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2022.

There has been no changes in the risk management policies since the year ended 31 March 2022.

### 4 Segment Information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. As the Group is principally engaged in the provision of medical beauty and healthcare services, which are subject to similar business risk, and resources are allocated based on what is beneficial to the Group in enhancing the value as a whole rather than any specific unit, the Group's chief operating decision-maker considers that the performance assessment of the Group should be based on the profit before income tax of the Group as a whole. Therefore, management considers there to be only one operating segment under the requirements of HKFRS 8.

During the six months ended 30 September 2022 and 2021, all of the Group's revenues was from contracts with customers and was recognised at a point in time.

The Group primarily operates in Hong Kong as well as Mainland China, Macau, Australia and Singapore (the "Regions outside Hong Kong"), and its revenue was derived from the following regions:

	Six months ended 30 September	
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Hong Kong	492,426	627,522
Regions outside Hong Kong	175,874	174,122
	<u>668,300</u>	<u>801,644</u>

The Group's total non-current assets other than deferred income tax assets and financial assets at fair value through other comprehensive income are located in the following regions:

	As at	
	30 September	31 March
	2022	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Hong Kong	365,713	432,269
Regions outside Hong Kong	117,925	173,964
	<u>483,638</u>	<u>606,233</u>

## 5 Other Income

	Six months ended 30 September	
	2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Unaudited)
Government subsidies ( <i>Note a</i> )	24,589	4,575
Dividend income from financial assets at fair value through other comprehensive income	1,050	1,016
Others	1,237	910
	<u>26,876</u>	<u>6,501</u>

*Note (a):* The government subsidies in the six months ended 30 September 2022 includes subsidies related to employment support scheme of HK\$19,744,000 (FY2021/22 interim: Nil).

## 6 Other Gains — Net

	Six months ended 30 September	
	2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Unaudited)
(Losses)/gains on disposal of property, plant and equipment	(7)	84
Net exchange gains/(losses)	537	(115)
Fair value gains on financial assets at fair value through profit or loss	—	4,275
Other gains — net	<u>530</u>	<u>4,244</u>

## 7 Finance Expense — Net

	Six months ended 30 September	
	2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Unaudited)
Interest income on bank deposits	632	1,085
Interest expense on lease liabilities	(6,754)	(8,154)
Finance expense — net	<u>(6,122)</u>	<u>(7,069)</u>

## 8 Income Tax Expense

The Group is not subject to taxation in the Cayman Islands and the British Virgin Islands. Hong Kong profits tax has been provided for at the rate of 16.5% (FY2021/22 interim: 16.5%) for the period on the estimated assessable profits arising in or derived from Hong Kong. Companies established and operating in Mainland China are subject to Mainland China corporate income tax at the rate of 25% (FY2021/22 interim: 25%). Companies established and operating in Macau are subject to Macau complementary tax, under which taxable income of up to MOP600,000 is exempted from taxation with amounts beyond this amount to be taxed at a fixed rate of 12% for the six months ended 30 September 2021 and 2022. Companies established and operating in Australia are subject to Australia corporate income tax at the rate of 25% (FY2021/22 interim: 26%). Companies established and operating in Singapore are subject to Singapore corporate income tax at the rate of 17%.

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

	Six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current income taxation		
— Hong Kong	16,999	33,633
— Regions outside Hong Kong	11,385	15,786
Total current income taxation	28,384	49,419
Deferred taxation	1,882	1,913
	<u>30,266</u>	<u>51,332</u>

## 9 Earnings per Share

### *Basic*

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit attributable to equity holders of the Company	<u>150,658</u>	<u>216,414</u>
Weighted average number of ordinary shares for the purposes of basic earnings per share (thousand of share)	<u>1,240,925</u>	<u>1,222,956</u>
Basic earnings per share (HK cents per share)	<u>12.1</u>	<u>17.7</u>

## ***Diluted***

The calculation of the diluted earnings per share is based on the profit for the period attributable to ordinary equity holders of the Company of HK\$150,658,000. The weighted average number of ordinary shares of 1,240,925,000 used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all share options into ordinary shares.

## **10 Dividends**

At a board meeting held on 30 June 2021, the Directors recommended the payment of a final and special dividend of HK12.0 cents and HK13.0 cents per ordinary share, totalling HK\$146,746,000 and HK\$158,975,000 respectively. The Directors proposed a scrip dividend alternative to all Shareholders of the Company in respect of these dividends. The Company allotted and issued 18,493,507 new ordinary shares of the Company at HK\$6.476 per share, amounting to a total of approximately HK\$119,764,000 in lieu of dividends pursuant to the scrip dividend scheme set out in the circular of the Company dated 7 September 2021. The dividend, with scrip dividend alternative was reflected as an appropriation of retained earnings and share premium for the year ended 31 March 2022.

At a board meeting held on 29 November 2021, the Directors declared an interim dividend of HK17.7 cents (FY2020/21 interim: HK13.0 cents) per ordinary share, totaling HK\$219,474,000 which was paid on 10 January 2022 and was reflected as an appropriation of retained earnings for the year ended 31 March 2022.

At a board meeting held on 30 June 2022, the Directors recommended the payment of a final dividend of HK7.1 cents per ordinary share, totalling HK\$88,038,000. The Directors proposed a scrip dividend alternative to all Shareholders of the Company in respect of these dividend. The Company allotted and issued 15,350,871 new ordinary shares of the Company at HK\$3.896 per share, amounting to a total of approximately HK\$59,807,000 in lieu of dividends pursuant to the scrip dividend scheme set out in the circular of the Company dated 30 August 2022. The dividend, with scrip dividend alternative was reflected as an appropriation of retained earnings and share premium for the six months ended 30 September 2022.

At a board meeting held on 23 November 2022, the Directors declared an interim dividend of HK13.0 cents (FY2021/22 interim: HK17.7 cents) per ordinary share, totaling HK\$163,545,000. The dividend is not reflected as dividend payable in the interim financial information, but will be reflected as an appropriation of retained earnings for the year ending 31 March 2023.

## 11 Property, Plant and Equipment

	<b>Total</b> <i>HK\$'000</i> (Unaudited)
Net book amount as at 1 April 2022	250,189
Additions	11,744
Disposal	(6)
Depreciation	(42,661)
Exchange differences	(5,731)
	<u>213,535</u>
Net book amount as at 30 September 2022	<u>213,535</u>
Net book amount as at 1 April 2021	162,385
Additions	118,791
Disposal	(340)
Depreciation	(33,342)
Exchange differences	(709)
	<u>246,785</u>
Net book amount as at 30 September 2021	<u>246,785</u>

## 12 Financial Assets at Fair Value through Other Comprehensive Income

	As at	
	30 September 2022 <i>HK\$'000</i> (Unaudited)	31 March 2022 <i>HK\$'000</i> (Audited)
Non-current		
Listed equity securities		
— Hong Kong	<u>86,429</u>	<u>110,420</u>

## 13 Trade Receivables

The credit term of the Group's trade receivables generally range from 3 days to 180 days. The aging analysis of trade receivables by the dates on which the relevant invoices are issued is as follows:

	As at	
	30 September 2022 <i>HK\$'000</i> (Unaudited)	31 March 2022 <i>HK\$'000</i> (Audited)
Less than 60 days	45,166	4,499
60 days to 90 days	5,660	1,107
91 days to 120 days	5,474	7,358
121 days to 180 days	706	1,877
	<u>57,006</u>	<u>14,841</u>

The carrying amounts of trade receivables approximate their fair values.

#### 14 Term Deposits with Initial Terms of over Three Months

As at 30 September 2022, the weighted average effective interest rate of the Group's term deposits with initial terms of over three months was 2.78% (as at 31 March 2022: 0.22%).

The Group's term deposits with initial terms of over three months were denominated in the following currency:

	As at	
	30 September 2022 <i>HK\$'000</i> (Unaudited)	31 March 2022 <i>HK\$'000</i> (Audited)
Hong Kong	60,000	—
Macau Patacas	214	214
	<u>60,214</u>	<u>214</u>

#### 15 Pledged Bank Deposits

As at 30 September 2022 and 31 March 2022, some of the Group's banking facilities in respect of credit card and instalment sales arrangement was secured by pledged bank deposits as set out in Note 21. As at 30 September 2022, the weighted average effective interest rate of these pledged bank deposits is 1.92% (as at 31 March 2022: 2.10%).

#### 16 Cash and Cash Equivalents

	As at	
	30 September 2022 <i>HK\$'000</i> (Unaudited)	31 March 2022 <i>HK\$'000</i> (Audited)
Cash at banks	451,368	380,944
Cash on hand	1,238	648
Term deposits with initial terms of less than three months	113,178	63,007
	<u>565,784</u>	<u>444,599</u>
Denominated in:		
Hong Kong dollars	251,189	151,347
Chinese Renminbi	127,379	113,627
United States dollars	141,058	144,629
Macau Patacas	10,910	8,599
Australian dollars	22,396	20,714
Singapore dollars	12,852	5,683
	<u>565,784</u>	<u>444,599</u>

Cash at banks earns interest at floating rates based on daily bank deposit rates. The Group's cash and bank balances denominated in RMB are deposited with banks in Hong Kong and Mainland China. The conversion of RMB-denominated balances into foreign currencies and the remittance of funds out of Mainland China is subject to the rules and regulations of foreign exchange control promulgated by the Government of Mainland China.

## 17 Share Capital and Share Premium

	Number of shares <i>(in thousand)</i>	Ordinary shares <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>At 1 April 2022</b>	<b>1,239,965</b>	<b>123,996</b>	<b>329,159</b>	<b>453,155</b>
Issuance of share <i>(Note a)</i>	3,720	372	18,862	19,234
Insurance of shares upon the distribution of scrip dividends <i>(Note 10)</i>	15,351	1,535	(1,535)	—
Repurchase and cancellation of shares <i>(Note b)</i>	(1,000)	(100)	(3,993)	(4,093)
<b>At 30 September 2022</b>	<b>1,258,036</b>	<b>125,803</b>	<b>342,493</b>	<b>468,296</b>

*Notes:*

- (a) During the six months ended 30 September 2022, the Company issued 3,720,000 shares of the Company for proceeds of approximately HK\$14,996,000, as a result of exercise of share options. The weighted average exercise price was approximately HK\$4.031 per share. As a result, HK\$372,000 were credited to the share capital account and HK\$14,624,000 being proceeds received net of the nominal value of the issued shares were credited to the share premium account. An amount of HK\$4,237,000 previously included in share-based compensation reserve were reclassified to the share premium account upon the issuance of share options.
- (b) During the six months ended 30 September 2022, the Company repurchased 1,000,000 of its own shares. The total amount paid to repurchase was approximately HK\$3,993,000 and was charged to share premium within Shareholders' equity. All of the repurchased 1,000,000 (year ended 31 March 2022: 3,110,000) were cancelled during the six months ended 30 September 2022.

## 18 Right-of-use Assets and Lease Liabilities

### (a) Amounts recognised in the condensed consolidated balance sheet

The condensed consolidated balance sheet shows the following amounts relating to leases:

	As at	
	30 September 2022 <i>HK\$'000</i> (Unaudited)	31 March 2022 <i>HK\$'000</i> (Audited)
<b>Right-of-use assets</b>		
Properties	<u>233,104</u>	<u>302,411</u>
	As at	
	30 September 2022 <i>HK\$'000</i> (Unaudited)	31 March 2022 <i>HK\$'000</i> (Audited)
<b>Lease liabilities</b>		
Non-current portion	128,775	175,699
Current portion	<u>113,146</u>	<u>135,373</u>
	<u>241,921</u>	<u>311,072</u>

### (b) Amounts recognised in the condensed consolidated statement of comprehensive income

The condensed consolidated statement of comprehensive income shows the following amounts relating to leases:

	Six months ended	
	30 September 2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Unaudited)
<b>Depreciation charge of right-of-use assets</b>		
Properties	<u>71,454</u>	<u>69,039</u>
	<u>71,454</u>	<u>69,039</u>
Interest expenses on leases liabilities	6,754	8,154
Expenses related to short-term leases of stores and offices	<u>8,855</u>	<u>1,255</u>



(c) *Amounts recognised in the condensed consolidated statement of cash flows*

During the six months ended 30 September 2022 and 2021, the total cash outflows for leases were analysed as below:

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2022</b>	<b>2021</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Cash flows from operating activities*</b>		
Payments for short-term leases in respect of stores and offices	<u>8,855</u>	<u>1,255</u>
<b>Cash flows from financing activities</b>		
Payment of interest element of lease liabilities	<u>6,754</u>	8,154
Payment of principal element of lease liabilities	<u>70,261</u>	<u>65,965</u>
The total cash outflow of leases	<u><u>77,015</u></u>	<u><u>74,119</u></u>

\* Payments for short-term leases were not shown separately, but included in the line of “profit before income tax” in respect of the net cash generated from operations using the indirect method.

**19 Trade Payables**

Payment terms with majority of suppliers are on open account. Certain suppliers grant credit period ranging from 30 days to 180 days.

As at 30 September 2022, the aging analysis of trade payables based on invoice date is as follows:

	<b>As at</b>	
	<b>30 September</b>	<b>31 March</b>
	<b>2022</b>	<b>2022</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Less than 60 days	<u>750</u>	650
60 days to 120 days	<u>28</u>	485
Over 120 days	<u>1,144</u>	<u>457</u>
	<u><u>1,922</u></u>	<u><u>1,592</u></u>

The carrying amounts of trade payables approximate their fair values.

## 20 Capital Commitments

The Group had the following capital commitments not provided for:

	<b>As at</b>	
	<b>30 September</b>	31 March
	<b>2022</b>	2022
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Capital expenditure contracted for but not yet incurred in respect of acquisition of property, plant and equipment	<u>1,106</u>	<u>4,530</u>

## 21 Pledge of Assets

As at 30 September 2022 and 31 March 2022, certain of the Group's assets were pledged to secure banking facilities granted to the Group. The aggregate carrying amount of the assets of the Group pledged at the end of each reporting period is as follows:

	<b>As at</b>	
	<b>30 September</b>	31 March
	<b>2022</b>	2022
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Bank deposits ( <i>Note 15</i> )	<u>7,789</u>	<u>9,555</u>

## 22 Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control.

- (a) During the periods ended 30 September 2022 and 2021, some of the Group's banking facilities in respect of credit card and instalment sales arrangement was secured by pledged bank deposits as set out in Note 15 and 21.
- (b) Details of key management compensations are disclosed as below:

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2022</b>	2021
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Salaries and other benefits	<u>18,870</u>	20,093
Share-based payment	<u>4,237</u>	4,583
	<u>23,107</u>	<u>24,676</u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### OVERVIEW

Perfect Medical Health Management Limited (the “Company”) together with its subsidiaries (collectively, the “Group”) is pleased to announce its interim results for the six months ended 30 September 2022.

More than two years since the onset of the Coronavirus Disease 2019 (the “Pandemic” or “Covid-19”) in January 2020, every aspect of people’s lives are still being affected. Governments around the world introduced various counter measures to control and to combat with the pandemic, however, multiple waves of the pandemic continued to prevail, resulting in a large amount of infected cases and fatality in our operating regions. The geopolitical tensions emerged early this year has also significantly impacted on the investors’ confidence around the world and the global inflationary environment has added to the pressure on our everyday’s lives.

Despite this difficult circumstance, the Group continued to adhere to our three strategic principles: (i) service centre expansion, (ii) continued organic development of the core aesthetic medical services and (iii) introduction of complementary medical services in order to enhance the lifetime value of the customers. In view of the recent economic fluctuation and the rapid expansion in terms of service area in the last fiscal year, the Group’s focus has been shifted towards improving shop utilisation and increasing existing and new customers’ penetration this period in order to better utilise our current resources and to better promote our excellent services to the target clientele. During the period, the Group has taken a prudent approach in our business expansion, enhancing operating efficiency, business mobility and adaptability in the forefront to better protect the assets and profitability of the Company.

Being one of the largest aesthetic medical operators in the world, the Group continued to focus on the non-invasive aesthetic medical and medical services with operation covering Hong Kong, China, Macau, Singapore and Australia. As of 30 September 2022, the Group operated a total service area of 307,000 square feet. During the period, the Group has further expanded its business penetration with an addition of one shop each in Hong Kong, Guangzhou and Beijing at strategic locations.

**Service Area:**

	<b>As at 30 September 2022 ft<sup>2</sup></b>
Hong Kong	<b>189,000</b>
Regions outside Hong Kong	<b>118,000</b>
	<b><u>307,000</u></b>

**Revenue:**

	<b>Six months ended 30 September</b>			
	<b>2022</b>		<b>2021</b>	
	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%
Hong Kong	<b>492,426</b>	<b>73.7</b>	627,522	78.3
Regions outside Hong Kong	<b>175,874</b>	<b>26.3</b>	174,122	21.7
	<b><u>668,300</u></b>	<b><u>100.0</u></b>	<b><u>801,644</u></b>	<b><u>100.0</u></b>

During the period, the Group continued to maintain a strong cash position with bank and cash balance of HK\$633.8 million and the Group's gearing ratio was nil. We have been closely monitoring the cashflow and the healthiness of our businesses and we believe that we are on the right track to achieve sustainable growth in the long run.

**FINANCIALS****Financial Performance**

For the period under review, the Group's performance has been impacted by the slower consumption trend in Hong Kong and the return of the Pandemic in China. The Group's revenue decreased by 16.6% to HK\$668.3 million (FY2021/22 interim: HK\$801.6 million), mainly attributable to (i) the 5th wave of Pandemic had lingering effect in Hong Kong during the period. Together with the adverse market sentiment due to the global and local economic downturn, the overall consumption sentiment had deteriorated. The softening of the Group's revenue had led to a drop in net profit during the period; and (ii) impacted by the Pandemic, the Group had business suspension of 20 days in Hong Kong, 39 days in Macau, as well as business disruption for an average of 14 days, 23 days, 63 days and 19 days across Guangzhou, Shenzhen, Shanghai and Beijing respectively.

**Value of sale contract by service type:**

	Six months ended	
	30 September	
	2022	2021
	%	%
Aesthetic Medical	76.7	67.2
Medical	10.6	18.9
Beauty and Wellness	12.7	13.9
	<u>100.0</u>	<u>100.0</u>

**Customers Spending Pattern:**

	Six months ended 30 September		
	2022	2021	Change
Average Spending per Client <i>(Note 1)</i> (HK\$)			
— Aesthetic Medical	26,488	25,214	+5.1%
— Medical	25,763	31,458	-18.1%
— Beauty and Wellness	9,584	9,037	+6.1%

*Note 1:* Exclude Singapore operation which newly established in the financial year ended 31 March 2022.

To maintain our competitiveness, the Company has taken an in-depth review on the key cost components to make better use of our financial resources. While the Company has to absorb the fixed costs components under the subpar revenue performance, we have taken a closer look on the variable expenses to minimise the impact to the Group's profitability.

In essence, the employee benefit expenses decreased by 3.8% to HK\$230.6 million (FY2021/22 interim: HK\$239.6 million), as the staff allocation under the impact by the Pandemic but compensated by acquiring talents for future expansion. The marketing expenses decreased substantially by 26.1% to HK\$77.7 million (FY2021/22 interim: HK\$105.1 million) as a result of the control in advertising and promotional campaign. The rental lease related expenses (Note 2) increased by 11.0% at HK\$87.1 million (FY2021/22 interim: HK\$78.4 million) in line with the expansion in service areas.

## Key Cost Components:

	Six months ended 30 September		
	2022	2021	Change
	HK\$'000	HK\$'000	%
Cost of inventories and consumables	14,891	15,462	-3.7%
Employee benefit expenses	230,609	239,648	-3.8%
Marketing expenses	77,717	105,095	-26.1%
Depreciation of property, plant and equipment	42,661	33,342	+27.9%
Rental lease related expenses <sup>Note 2</sup>	87,063	78,448	+11.0%
Other operating expenses	62,473	73,733	-15.3%
	<u>515,414</u>	<u>545,728</u>	<u>-5.6%</u>

*Note 2:* The rental lease related expenses include “depreciation of right-of-use assets”, “expenses related to short term leases of stores and offices” and “interest expenses on lease liabilities”.

At earnings before interest, tax and depreciation of property, plant and equipment (“EBITDA”) level, the Group decreased by 25.5% to HK\$229.7 million (FY2021/22 interim: HK\$308.2 million), representing the EBITDA margin of 34.4% for the period (FY2021/22 interim: 38.4%). The operating profit decreased by 31.9% and reached HK\$187.0 million (FY2021/22 interim: HK\$274.8 million), representing an operating profit margin of 28.0% (FY2021/22 interim: 34.3%). Profit attributable to equity holders of the Company was HK\$150.7 million, dropped 30.4% period-on-period (FY2021/22 interim: HK\$216.4 million), representing a net profit margin of 22.5% for the period (FY2021/22 interim: 27.0%). Basic earnings per share was HK12.1 cents (FY2021/22 interim: HK17.7 cents).

## Dividend and Share Buyback

For the period under review, the Board recommends the payment of an interim dividend of HK13.0 cents per share to shareholders of the Company (the “Shareholders”) whose names appear on the register of members of the Company as at 12 December 2022.

In view of the confidence in the Company’s future performance, the Company has bought back a total of 1 million shares, equivalent to approximately HK\$4.0 million, in the market to further reward and compensate to the shareholders for their continuous support and trust. In addition, the management has also increased their shareholdings in the Company by an aggregate of 18.5 million shares during the period, equivalent to HK\$74.8 million.

## **Business overview**

### **Hong Kong Operation**

In Hong Kong, the devastating fifth wave of the Pandemic has slowly subsided. With the increasing vaccination rates coupled with the heightening of infection cases in the past three years, population in Hong Kong has now attained a certain level of hybrid immunity to the Covid-19. For the period under review, even though we continued to suffer from an increasing number of infections in Hong Kong, it was delighting to see a welcoming move from the Government to gradually relax the social distancing measures so as to bring our life back to normal. Various measures by Hong Kong Government were also introduced to adjust the requirements for quarantine, paving the way for opening Hong Kong to the rest of the world. While we continued to witness a tightening of the pocket amid the poor economic sentiment, with the gradual resumption of our normal life and the potential influx of tourists into Hong Kong in coming years, we believe a brighter future is yet to come soon.

Revenue from Hong Kong operation decreased by 21.5% to HK\$492.4 million (FY2021/22 interim: HK\$627.5 million), owing partly to the suspension of business on 1 April 2022 to 20 April 2022 as well as the slower recovery in the first quarter when we resumed our business operation. Following the ease of the Pandemic, second quarter in Hong Kong marked a 52.1% growth in revenue quarter-on-quarter. As of 30 September 2022, the Group has a well established network of service centres in Hong Kong covering a total of 189,000 square feet. In view of the increasing demand in the New Territories, the Group has opened an additional service centre in Yuen Long during the period to capture additional demand in the surrounding areas. Currently, revenue from Hong Kong operation accounted for 73.7% (FY2021/22 interim: 78.3%) of the Group's revenue.

### **Aesthetic Medical Business**

As an acclaimed specialist in the aesthetic medical industry, the Group is one of the forerunner in adopting new technologies and incorporating novel social media into our daily operation. During the period, the Group has sponsored a reality show “Beauty Reborn” (「靚得起」) in August 2022, featuring a two-month-transformation for participants among six different beauty categories. The reality show has received welcoming response with heat discussion among different social platforms, successfully promoting Perfect Medical as one of the best aesthetic medical specialist in Hong Kong.

With the gradual resumption of our business in last few months, we witnessed a progressive improvement in customer spending and shop utilisation in the aesthetic medical business. Continual effort were made through the combination of online and offline marketing to reach out to existing and new customers. Although we are yet to see a meaningful return of customers from the Greater Bay Area, the Group is well-positioned to serve the potential customers in the long run.

## **Medical Business**

As for the medical business, our current scope comprises a range of complementary services including hair growth treatment, pain treatment, health screening service and others, which allows the Company to enjoy additional revenue stream from the existing customers through cross-selling and further reinforces the Group's image as a one-stop shop for beauty and medical in Hong Kong. During the period, benefiting from the redesigning of shop layout in our new service centres, the Group has seen increasing demand and enquiry to our medical services in Hong Kong, enhancing our confidence to roll out additional services in future.

## **Regions outside Hong Kong**

Revenue from regions outside Hong Kong increased by 1.0% to HK\$175.9 million (FY2021/22 interim: HK\$174.1 million), impacted substantially by the periodic suspension of business in China and Macau but compensated by the encouraging performance in both Singapore and Australia period-on-period. Currently, revenue from regions outside Hong Kong accounted for 26.3% (FY2021/22 interim: 21.7%) of the Group's revenue.

## **China and Macau**

In China, the wide-spreading pandemic in April to May 2022 and the resurgence in several provinces and cities in September 2022 has severely disrupted the economic development in all aspects. Periodic lockdown in selected areas and the advocacy of "zero-Covid-19" policy have substantially reduced the traffic flow in shopping malls, which directly impacted on the customers visit and consumption. The Group has no choice but to look closely on the operating efficiency front to maintain profitability and stability to our business.

As for the aesthetic medical industry, the non-invasive aesthetic services continued to receive strong demand in China. With the benefit of a much lower penetration rate relative to other international countries, a relatively higher repeat purchase rate nature and the improving living standard in China, the high-end aesthetic medical industry is expected to grow healthily. In China, the Government continues to introduce various regulations in recent months in order to restore the market healthiness and improve customers' confidence, which we believe will essentially benefit to the large corporations with stringent control to its operation.

For the period under review, the Group's effort paid off under this difficult circumstance with our business in China continued to record decent profit during the period. Currently, the Group focuses on the first tier cities including Beijing, Shanghai, Guangzhou and Shenzhen to maintain our superior branding in the industry. As reported, the Group has opened two shops in strategic locations in Guangzhou and Beijing during the period to strengthen our presence.



During the period, the Group continued to focus on non-invasive aesthetic medical services in China to better serve our customers. As discussed in the annual results 2021/22, the Group has established its regional office in Shenzhen, Guangzhou and Shanghai to better understand the operating dynamics and customers' preferences in the surround areas. Efforts were made to decentralize daily operation decision to the regional offices and local managements in order to adjust quickly to unexpected situations to the operations. Nonetheless, we expect the Covid-19 will continue to disrupt our operations in the short term.

### **Australia and Singapore**

Performance in both Australia and Singapore were particularly encouraging during the period since we began our journey with the establishment of first shop in Sydney in year 2020. Not only do we saw strong demand from the Asian customers, but also promising support from the local citizens in our Sydney, Melbourne and Singapore service centres subsequent to the normalization of their livelihood since last year. Nevertheless, employee expenses were heightened in both regions for the period under review as we continued to cultivate enough talents and specialists for further expansions.

As of 30 September 2022, the Group has an extensive network in China, Macau, Sydney, Melbourne and Singapore, covering a gross service area of approximately 118,000 square feet.

## **FINANCIAL REVIEW**

### **Liquidity, Financial Resources and Capital Structure**

The Group continues to maintain a strong financial position with bank and cash balance of HK\$633.8 million as at 30 September 2022 (as at 31 March 2022: HK\$454.4 million), without external bank borrowing. The total equity of the Group as at 30 September 2022 was HK\$604.5 million (as at 31 March 2022: HK\$494.3 million). The Group generally finances its operation with internally generated cash flows. The Group's gearing ratio as at 30 September 2022 was nil (as at 31 March 2022: nil), based on the short-term and long-term interest bearing bank borrowings and the equity attributable to equity holders of the Company. As at 30 September 2022, the Group had net current assets of approximately HK\$195.9 million (as at 31 March 2022: net current liabilities of HK\$14.8 million).

Net cash generated from operating activities during the period was HK\$298.8 million (FY2021/22 interim HK\$359.3 million). With the abundant bank and cash balances on hand, the Group's liquidity position remains strong and it has sufficient financial resources to fund its future expansion and acquisition plans but at the same time to meet its working capital requirement.

## **Capital Expenditure**

The total capital expenditure incurred by the Group during the six months ended 30 September 2022 amounted to HK\$11.7 million, which were mainly used in leasehold improvement and equipment in connection with the expansion of service network.

## **Capital Commitments**

Please refer to Note 20 to the financial statements for details of capital commitments.

## **Contingent Liabilities**

As at 30 September 2022, the Group did not have any significant contingent liabilities.

## **Foreign Exchange Exposure**

The Group principally engages its business operation in Hong Kong, Macau, Mainland China, Australia and Singapore. The Group has subsidiaries operating in Mainland China, Macau, Australia and Singapore, in which most of their transactions are denominated and settled in Chinese Renminbi (“RMB”), Macau Patacas (“MOP”), Australian dollars (“AUD”) and Singapore dollar (“SGD”). In respect of transactions settled in RMB, MOP, AUD and SGD, the Group did not have significant exposure to foreign exchange rate risk during the period due to the transactions being generally denominated in the functional currency of the respective group companies. The Group has not entered into any foreign exchange contract as hedging measures.

## **Treasury Policies**

The Group adopts a prudent approach in the treasury and investment activities. The Group’s surplus funds are mainly invested in fixed and saving deposits in renowned banks as well as listed equity securities in Hong Kong as long-term investments. The Board will continue to review the Group’s investment portfolio, implement strict risk control to minimise the impact of market volatility and closely monitor the performance of its investments from time to time in order to reduce the possible financial risk related to its investments and maximise value for the Shareholders.

## **Charges on the Group’s Assets**

As at 30 September 2022, some of the Group’s banking facilities in respect of credit card and instalment sales arrangement was secured by pledged bank deposits as set out in Note 21.

## **Employees and Remuneration Policies**

The Group adheres to a strong belief that one of the most valuable assets of a corporation is its employees. The Group values its human resources and recognises the importance of attracting and retaining qualified staff for its continuing success. Maintaining the quality of service from our well-skilled professionals is crucial in strengthening our competitiveness.

The Group employed a total work force of 1,357 employees as at 30 September 2022 (as at 31 March 2022: 1,414 employees). The Group's remuneration policies are in line with the prevailing market practices and are determined on the basis of performance and experience of the individual. The Group has been constantly reviewing staff remuneration package to ensure it is competitive with relevant industries.

## **Material Acquisition and Disposal**

Save as disclosed in this announcement, there was no material acquisition and disposal processed by the Group during the period.

## **Future Plans for Material Investments or Capital Assets**

Save as disclosed in this announcement, the Group had no other future plans for material investments or capital assets.

## **PROSPECTS**

Looking forward, the Pandemic will unavoidably be part of our daily life in the foreseeable future. The Group will continue to monitor closely the ever-changing situation and swiftly adjust our business operation to minimise the potential impact of the Covid-19.

In Hong Kong, as a home-grown enterprise which has been established for more than 19 years, the Group is confident on the long term prospect of our aesthetic medical and medical service business model. With the Omicron outbreak in Hong Kong, the Company is optimistic on the full year development of our operations in Hong Kong. In future, the Group will expand both organically and inorganically to offer additional and complementary services to our customers.

In China, our proven track record as a profitable and long-standing aesthetic medical corporate allows us to sail through the good and the bad. While the pandemic fluctuation is going to be short-term, the Company will be cautiously expanding our geographical coverage and replicating our success in the Greater Bay Area and Eastern China in the coming years, taking advantage on our lean and efficient business model.

For the international expansion, the better performance in Singapore and Australia has enhanced our confidence in the future development in other overseas countries. The Group will proceed with its international business development in a prudent and steady manner with relentless dedication to customer satisfaction. We will continue to focus on providing quality services that serves our customers well and enhance our brand awareness.

## **INTERIM DIVIDEND**

The Board recommended a payment of an interim dividend of HK13.0 cents per share of the Company (the “Share”) for the six months ended 30 September 2022 to the Shareholders whose name appear on the register of members of the Company on 12 December 2022. The proposed interim dividend will be paid on or around 30 December 2022.

## **OTHER INFORMATION**

### **Model Code for Securities Transactions by Directors**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”). Specific inquiry has been made to each of the Directors and all Directors have confirmed that they have complied with the Model Code during the six months period ended 30 September 2022.

### **Closure of Register of Members**

The register of members of the Company will be closed from 8 December 2022 to 12 December 2022 (both dates inclusive), during which period no transfer of Shares will be registered. In order to qualify for the interim dividend, all transfers of Shares, accompanied by the relevant share certificates and transfer forms must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on 7 December 2022.

## Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or Any Associated Corporation

As at 30 September 2022, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required to be recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Name of Directors	Nature of interest	Number of ordinary shares	Percentage of the total number of shares of the Company (Note 2)
Dr. Au-Yeung Kong	Beneficial owner	100,642,747 (L)	73.75%
	Interest of controlled corporation (Note 1)	827,169,021 (L)	
Ms. Au-Yeung Wai	Interest of controlled corporation (Note 1)	827,169,021 (L)	65.75%
Ms. Au-Yeung Hung	Beneficial owner	11,632,000 (L)	66.67%
	Interest of controlled corporation (Note 1)	827,169,021 (L)	
Mr. So Hin Lung	Beneficial owner	140,000 (L)	0.01%

(L): Long position

Notes:

- The 827,169,021 Shares are held by Sure Sino Investments Limited, among which 159,123,029 Shares are held through its wholly-owned subsidiary Perfect Medical Charity Foundation Limited (formerly known as Market Event Holdings Limited) and 208,306,511 Shares are held through its wholly-owned subsidiary Earlson Holdings Limited, respectively. Dr. Au-Yeung Kong, Ms. Au-Yeung Wai and Ms. Au-Yeung Hung beneficially own the entire issued share capital of Sure Sino Investments Limited. By virtue of the SFO, Dr. Au-Yeung Kong, Ms. Au-Yeung Wai and Ms. Au-Yeung Hung are deemed to be interested in the 827,169,021 Shares held by Sure Sino Investments Limited.
- The calculation of percentage is based on the total number of shares of the Company as at 30 September 2022, which was 1,258,036,771.

Save as disclosed above, as at 30 September 2022, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

### **Directors' Right to Acquire Shares or Debentures**

Apart from as disclosed under the sections headings "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or Any Associated Corporation" above and "Share Option Scheme" below, at no time during the six months ended 30 September 2022 was the Company, or any of its holding companies, its subsidiaries or its fellow subsidiaries a party to any arrangement to enable the Directors and chief executives of the Company (including their spouses and children under 18 years of age) to hold any interest or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO).

### **Competing Interest**

During the period under review and last financial year, none of the Directors, management shareholders and substantial shareholders of the Company, or their respective associate (as defined in the Listing Rules) had any interest in any business which compete or may co-operate with the business of the Group.

During the period under review and last financial year, confirmations were provided by or obtained from the Directors and the controlling shareholders to ensure that none of them was engaged in the competing business. The Directors and the controlling shareholders had participated in training or reading materials to understand their obligation with respect to the competing business. The independent non-executive Directors also reviewed the controlling shareholders' compliance with the non-competition undertakings.

## Substantial Shareholders' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company

As at 30 September 2022, other than the interests of certain Directors and chief executives of the Company as disclosed under the section headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or Any Associated Corporation" above, persons who had interests or short positions in the shares, underlying shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who are, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, or any other substantial Shareholders whose interests or short positions were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of Shareholders	Capacity	Number of issued ordinary shares held	Percentage of the total number of shares of the Company (Note 2)
Sure Sino Investments Limited	Beneficial owner	459,739,481 (L)	36.54%
	Interest of controlled corporation (Note 1)	367,429,540 (L)	29.20%
Earlson Holdings Limited (Note 1)	Beneficial owner	208,306,511 (L)	16.55%
Perfect Medical Charity Foundation Limited (Note 1)	Beneficial owner	159,123,029 (L)	12.64%

(L): Long position

Notes:

1. Sure Sino Investments Limited beneficially owns the entire issued share capital of Earlson Holdings Limited and Perfect Medical Charity Foundation Limited (formerly known as Market Event Holdings Limited). By virtue of the SFO, Sure Sino Investments Limited is deemed to be interested in the 208,306,511 Shares held by Earlson Holdings Limited and 159,123,029 Shares held by Perfect Medical Charity Foundation Limited, respectively.
2. The calculation of percentage is based on the total number of shares of the Company as at 30 September 2022, which was 1,258,036,771.

Save as disclosed above, as at 30 September 2022, the Directors were not aware of any other person (other than the Directors and chief executives of the Company) who had an interest or short position in the shares, underlying shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, or any other substantial Shareholders whose interests or short positions were recorded in the register required to be kept by the Company under Section 336 of the SFO.

## Share Option Scheme

The share option scheme of the Company (the “Share Option Scheme”) was adopted by the Shareholders on 13 August 2021 for the purpose of providing the people and the parties working for the interests of the Group with an opportunity to obtain an equity interest in the Company, thus linking their interest with the interests of the Group and thereby providing them with an incentive to work better for the interests of the Group. The terms of the Share Option Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules.

Details of the share options movements during the six months ended 30 September 2022 under the Share Option Scheme are as follows:

Name or category of grantees	Date of grant of share options	Exercise price (HK\$)	Exercise period	Number of share options					
				Balance as at 01.04.2022	Granted during the period	Exercised during the period	Lapsed during the period	Canceled during the period	Balance as at 30.09.2022
<b>Directors</b>									
Dr. Au-Yeung Kong	29/08/2022 (Note 1)	HK\$3.900	29/08/2022– 28/08/2025 (Note 3)	—	1,282,000	1,282,000 (Note 4)	—	—	—
Ms. Au-Yeung Wai	08/07/2022 (Note 2)	HK\$4.100	08/07/2022– 07/07/2025 (Note 3)	—	1,219,000	1,219,000 (Note 5)	—	—	—
Ms. Au-Yeung Hung	08/07/2022 (Note 2)	HK\$4.100	08/07/2022– 07/07/2025 (Note 3)	—	1,219,000	1,219,000 (Note 5)	—	—	—
<b>Total</b>				<u>—</u>	<u>3,720,000</u>	<u>3,720,000</u>	<u>—</u>	<u>—</u>	<u>—</u>



*Notes:*

1. The closing price of the Shares immediately before 29 August 2022, on which those options were granted, was HK\$3.89.
2. The closing price of the Shares immediately before 8 July 2022, on which those options were granted, was HK\$3.98.
3. The options shall be exercisable immediately on the Date of Grant.
4. The weighted average closing price of the Shares immediately before the date on which the share options were exercised by Dr. Au-Yeung Kong was HK\$3.884.
5. The weighted average closing price of the Shares immediately before the date on which the share options were exercised by Ms. Au-Yeung Wai and Ms. Au-Yeung Hung was HK\$4.1.

The estimate fair value of the share options granted during the six months ended 30 September 2022 was approximately HK\$4,237,000. The estimated fair value of the share options granted was measured using Black-Scholes option pricing model with the fair value per share option of HK\$1.1389, taking into account the terms and conditions upon which the options were granted. The fair values calculated are inherently subjective and uncertain due to the assumptions made and the limitations of the model used. The value of a share option varies with different variables of certain subjective assumptions. Any change in variables so adopted may materially affect the estimation of the fair value of a share option.

#### **Purchase, Sale or Redemption of Listed Securities of the Company**

During the six months ended 30 September 2022, the Company repurchased 1,000,000 of its own Shares. The total amount paid for this repurchase was HK\$3,993,000 and was charged to Share premium within shareholders' equity. All of the repurchased 1,000,000 Shares were cancelled during the period.

<b>Month of repurchase</b>	<b>Number of ordinary Shares repurchased</b>	<b>Purchase price paid per Share</b>		<b>Aggregate consideration paid (including transaction costs) HK\$</b>
		<b>Highest HK\$</b>	<b>Lowest HK\$</b>	
July 2022	<u>1,000,000</u>	4.10	3.90	<u>3,993,000</u>
	<u><u>1,000,000</u></u>			<u><u>3,993,000</u></u>

Save as disclosed above, during the six months ended 30 September 2022, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

### **Pre-Emptive Rights**

There is no provision for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated.

### **Corporate Governance**

The Company is committed to the establishment of good corporate governance practices and procedures. The Company has complied with all the code provisions as set out in Corporate Governance Code to the Appendix 14 of the Listing Rules (the "CG Code") throughout the six months ended 30 September 2022 except the issues mentioned in the following paragraphs:

According to the code provision C.2.1 of the CG Code, the roles of the chairman and the chief executive should be separate and should not be performed by the same individual. During the six months ended 30 September 2022, Dr. Au-Yeung Kong has been performed as both the chairman of the Board (the "Chairman") and the chief executive officer of the Company (the "Chief Executive Officer"). Therefore, the Group does not at present separate the roles of the Chairman and the Chief Executive Officer.

The Board considered that Dr. Au-Yeung Kong has in-depth knowledge and experience in the medical and aesthetic medical industry and is the appropriate person to manage the Group. Therefore, the roles of the Chairman and the Chief Executive Officer performed by the same individual, Dr. Au-Yeung Kong, is beneficial to the business prospects and management of the Group. The Board believes that vesting the roles of both Chairman and Chief Executive Officer in the same individual can provide the Company with strong and consistent leadership and allows for effective and efficient planning and implementation of business decisions and strategies. Notwithstanding the above, the Board will review the current structure from time to time. If a candidate with suitable leadership, knowledge, skills and experience can be identified within or outside the Group, the Company may make necessary arrangements.

### **Audit Committee**

The audit committee of the Company (the "Audit Committee") was established on 5 December 2011 with the latest written terms of reference which were in compliance with the CG Code and are available on the websites of the Stock Exchange and the Company. The primary duties of the Audit Committee are to review the financial information of the Group, oversee the financial reporting process and risk management and internal control procedures of the Group, and oversee the relationship with the Company's external auditor.

The Audit Committee comprises three independent non-executive Directors, namely, Ms. Hsu Wai Man, Helen, Ms. Cho Yi Ping and Mr. Chi Chi Hung, Kenneth. Ms. Hsu Wai Man, Helen is the chairman of the Audit Committee.

The Audit Committee has reviewed the accounting standards and practices adopted by the Group and discussed with the management about the financial reporting matters, including the review of the unaudited interim results for the six months ended 30 September 2022.

### **Remuneration Committee**

The remuneration committee of the Company (the “Remuneration Committee”) was established on 5 December 2011 with written terms of reference which were in compliance with the CG Code and are available on the websites of the Stock Exchange and the Company. The primary duties of the Remuneration Committee are to make recommendations to the Board on the Company’s policy and structure for all Directors’ and senior management remuneration, make recommendations to the Board on the remuneration of non-executive Directors and the remuneration packages of individual executive Directors and senior management, including benefits in kind, pension rights and compensation payments, which include any compensation payable for loss or termination of their office or appointment.

The Remuneration Committee comprises three independent non-executive Directors, namely, Mr. Chi Chi Hung, Kenneth, Ms. Hsu Wai Man, Helen and Ms. Cho Yi Ping and three executive Directors, namely, Dr. Au-Yeung Kong, Ms. Au-Yeung Wai and Mr. So Hin Lung. Mr. Chi Chi Hung, Kenneth is the chairman of the Remuneration Committee.

### **Nomination Committee**

The nomination committee of the Company (the “Nomination Committee”) was established on 5 December 2011 with the latest written terms of reference which were in compliance with the CG Code and are available on the websites of the Stock Exchange and the Company. The primary duties of the Nomination Committee are to make recommendations to the Board on the appointment of Directors and management of the Board succession, assess the independence of independent non-executive Directors and review the board diversity policy and the policy for the nomination of Directors.

The Nomination Committee comprises three independent non-executive Directors, namely, Ms. Cho Yi Ping, Mr. Chi Chi Hung, Kenneth and Ms. Hsu Wai Man, Helen and three executive Directors, namely, Dr. Au-Yeung Kong, Ms. Au-Yeung Wai and Mr. So Hin Lung. Ms. Cho Yi Ping is the chairman of the Nomination Committee.

## **Changes of Directors' Information**

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information on the Director are as follows:

Mr. So Hin Lung, the chief financial officer and company secretary of the Company, has been appointed as the executive Director, a member of each of the nomination committee and the remuneration committee of the Company on 28 September 2022.

## **Publication of Interim Results Announcement and Interim Report**

This interim results announcement is published on the Company's website ([www.perfectmedical.com](http://www.perfectmedical.com)) and the Stock Exchange's website ([www.hkex.com.hk](http://www.hkex.com.hk)). The 2022/23 Interim Report containing all the information required by the Listing Rules will be dispatched to the Shareholders and available on the same websites in due course.

By Order of the Board  
**Perfect Medical Health Management Limited**  
**Dr. Au-Yeung Kong**  
*Chairman*

Hong Kong, 23 November 2022

*As at the date of this announcement, the Board comprises Dr. Au-Yeung Kong, Ms. Au-Yeung Wai, Ms. Au-Yeung Hung and Mr. So Hin Lung as executive Directors and Ms. Hsu Wai Man, Helen, Ms. Cho Yi Ping and Mr. Chi Chi Hung, Kenneth as independent non-executive Directors.*