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Miricor Enterprises Holdings Limited
卓珈控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1827)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

HIGHLIGHTS

- The Group's revenue amounted to approximately HK$211.9 million for the six months ended 30 September 2022, representing an increase of approximately HK$12.2 million or 6.1% as compared to approximately HK$199.7 million for the six months ended 30 September 2021.

- Profit attributable to the owners of the Company was approximately HK$3.4 million for the six months ended 30 September 2022 (six months ended 30 September 2021: approximately HK$53.9 million).

- The Board resolved not to declare the payment of an interim dividend for the six months ended 30 September 2022 (six months ended 30 September 2021: Nil).

FINANCIAL RESULTS

The Board of Directors (the "**Board**") of Miricor Enterprises Holdings Limited (the "**Company**") is pleased to announce the interim unaudited consolidated results of the Company and its subsidiaries for the six months ended 30 September 2022 together with the comparative unaudited figures for the corresponding period in 2021 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2022

		Six months ended 30 September	
		2022	2021
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
REVENUE	*4*	**211,900**	199,730
Other income	*4*	**7,002**	424
Cost of inventories and consumables		**(18,985)**	(13,317)
Staff costs		**(82,392)**	(56,351)
Property rentals and related expenses		**(35,872)**	(17,527)
Depreciation of property, plant and equipment		**(21,702)**	(7,342)
Other expenses, net		**(53,899)**	(43,873)
Finance cost		**(1,741)**	(1,177)
PROFIT BEFORE TAX	*5*	**4,311**	60,567
Income tax expense	*6*	**(900)**	(6,648)
PROFIT FOR THE PERIOD		**3,411**	53,919
OTHER COMPREHENSIVE INCOME/(LOSS)			
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**(102)**	126
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**3,309**	54,045
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	*8*		
Basic and diluted		**HK0.85 cents**	HK13.48 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 September 2022

	Notes	30 September 2022 HK$'000 (Unaudited)	31 March 2022 HK$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**118,462**	117,678
Right-of-use assets		**118,822**	129,898
Goodwill		**4,305**	4,305
Deposits		**15,192**	16,794
Deferred tax assets		**8,056**	8,033
Total non-current assets		**264,837**	276,708
CURRENT ASSETS			
Inventories		**45,160**	37,969
Trade receivables	*9*	**5,032**	2,237
Prepayments, deposits, other receivables and other assets		**42,074**	31,259
Tax recoverable		**111**	485
Pledged time deposits		**62,772**	62,476
Cash and cash equivalents		**80,802**	65,680
Total current assets		**235,951**	200,106
CURRENT LIABILITIES			
Trade payables	*10*	**11,544**	7,829
Other payables and accruals		**9,659**	20,467
Contract liabilities and deferred revenue		**165,189**	130,238
Provision for reinstatement costs		**1,994**	2,044
Lease liabilities		**41,929**	37,997
Tax payable		**5,341**	4,419
Total current liabilities		**235,656**	202,994
NET CURRENT ASSETS/(LIABILITIES)		**295**	(2,888)
TOTAL ASSETS LESS CURRENT LIABILITIES		**265,132**	273,820

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)
As at 30 September 2022

	30 September 2022	31 March 2022
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
NON-CURRENT LIABILITIES		
Lease liabilities	**76,877**	89,587
Deferred tax liabilities	**2,802**	2,802
Provision for reinstatement costs	**10,874**	10,161
Total non-current liabilities	**90,553**	102,550
Net assets	**174,579**	171,270
EQUITY		
Issued capital	**4,000**	4,000
Reserves	**170,579**	167,270
Total equity	**174,579**	171,270

NOTES

1. CORPORATE INFORMATION

Miricor Enterprises Holdings Limited is a limited liability company incorporated in the Cayman Islands. The principal place of business of the Company is located at 18/F, Nan Fung Tower, 88 Connaught Road Central, Central, Hong Kong.

During the period, the Company and its subsidiaries (collectively referred to as the "Group") were principally engaged in the provision of medical aesthetic services and the sale of skin care products.

In the opinion of the Directors, the immediate holding company and the ultimate holding company of the Company is Sunny Bright Group Holdings Limited, a company incorporated in the British Virgin Islands.

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information of the Group for the six months ended 30 September 2022 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants.

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

The interim condensed consolidated financial information has been prepared under the historical cost convention. The financial information is presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2022, except for the adoption of the following revised Hong Kong Financial Reporting Standards ("HKFRSs") for the first time for the current period's financial information.

Amendments to HKFRS 3	*Reference to the Conceptual Framework*
Amendments to HKAS 16	*Property, Plant and Equipment: Proceeds before Intended Use*
Amendments to HKAS 37	*Onerous Contracts — Cost of Fulfilling a Contract*
Annual Improvements to HKFRSs 2018–2020	Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41

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

(a) Amendments to HKFRS 3 replace a reference to the previous *Framework for the Preparation and Presentation of Financial Statements* with a reference to the *Conceptual Framework for Financial Reporting* issued in June 2018 without significantly changing its requirements. The amendments also add to HKFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of HKAS 37 or HK(IFRIC)-Int 21 if they were incurred separately rather than assumed in a business combination, an entity applying HKFRS 3 should refer to HKAS 37 or HK(IFRIC)-Int 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group has applied the amendments prospectively to business combinations that occurred on or after 1 April 2022. As there were no contingent assets, liabilities and contingent liabilities within the scope of the amendments arising in the business combination that occurred during the period, the amendments did not have any impact on the financial position and performance of the Group.

(b) Amendments to HKAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss. The Group has applied the amendments retrospectively to items of property, plant and equipment made available for use on or after 1 April 2021. Since there was no sale of items produced while making property, plant and equipment available for use on or after 1 April 2021, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to HKAS 37 clarify that for the purpose of assessing whether a contract is onerous under HKAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The Group has applied the amendments prospectively to contracts for which it has not yet fulfilled all its obligations at 1 April 2022 and no onerous contracts were identified. Therefore, the amendments did not have any impact on the financial position or performance of the Group.

(d) *Annual Improvements to HKFRSs 2018–2020* sets out amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41. Details of the amendments that are applicable to the Group are as follows:

- HKFRS 9 *Financial Instruments*: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Group has applied the amendment prospectively to financial liabilities that are modified or exchanged on or after 1 April 2022. As there was no modification of the Group's financial liabilities during the period, the amendment did not have any impact on the financial position or performance of the Group.

- HKFRS 16 *Leases*: removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying HKFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying HKFRS 16.

3. OPERATING SEGMENT INFORMATION

The Group has one reportable operating segment, namely the non-surgical medical aesthetic services segment, and is principally engaged in the provision of medical aesthetic services and the sale of skin care products in Hong Kong and Mainland China. Information reported to the Group's chief operating decision maker for the purpose of making decisions about resource allocation and performance assessment is focused on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.

Geographical information

(a) Revenue from external customers

	Six months ended 30 September	
	2022	2021
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Hong Kong	**203,124**	195,358
Mainland China	**8,776**	4,372
	211,900	199,730

The revenue information above is based on the locations of the services provided or products delivered.

(b) *Non-current assets*

	30 September 2022 *HK$'000* **(Unaudited)**	31 March 2022 *HK$'000* (Audited)
Hong Kong	**239,177**	255,003
Mainland China	**3,119**	664
	242,296	255,667

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about major customers

Since no revenue derived from sales to a single customer of the Group has accounted for over 10% of the Group's total revenue during the six months ended 30 September 2022 and 2021, no information about major customers is presented.

4. REVENUE AND OTHER INCOME

An analysis of revenue is as follows:

	Six months ended 30 September	
	2022	2021
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
Treatment services	**153,569**	176,594
Skin care products	**58,120**	22,775
Medical consultation services	**4**	13
Prescription and dispensing of medical products	**207**	348
	211,900	199,730

Revenue from contracts with customers

Disaggregated revenue information

	Six months ended 30 September 2022 HK$'000 (Unaudited)	2021 HK$'000 (Unaudited)
Types of goods or services		
Sale of skin care products	**58,120**	22,775
Provision of medical aesthetic services	**153,780**	176,955
Total revenue from contracts with customers	**211,900**	199,730
Geographical markets		
Hong Kong	**203,124**	195,358
Mainland China	**8,776**	4,372
Total revenue from contracts with customers	**211,900**	199,730
Timing of revenue recognition		
Goods or services transferred at a point in time	**58,331**	23,135
Services transferred over time	**153,569**	176,595
Total revenue from contracts with customers	**211,900**	199,730

An analysis of other income is as follows:

	Six months ended 30 September 2022 HK$'000 (Unaudited)	2021 HK$'000 (Unaudited)
Bank interest income	**204**	302
Government subsidies*	**6,678**	–
Others	**120**	122
	7,002	424

* Government subsidies mainly represent subsidies received under the Employment Support Scheme and the applicable subsidy scheme under the Anti-epidemic Fund of the Government of the Hong Kong Special Administrative Region. There are no unfulfilled conditions or contingencies relating to the subsidies.

5. PROFIT BEFORE TAX

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

	Six months ended 30 September	
	2022	2021
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Lease payments not included in the measurement of lease liabilities	**7,881**	701
Depreciation of property, plant and equipment	**21,702**	7,342
Depreciation of right-of-use assets	**22,513**	13,196
Foreign exchange differences, net	**(258)**	(243)
Impairment of trade receivables, net	**67**	169

6. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 September 2021: 16.5%) on the estimated assessable profits arising in Hong Kong during the period, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK$2,000,000 (2021: HK$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2021: 8.25%) and the remaining assessable profits are taxed at 16.5% (2021: 16.5%).

	Six months ended 30 September	
	2022	2021
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current — Hong Kong		
Charge for the period	**923**	3,220
Deferred	**(23)**	3,428
Total tax charge for the period	**900**	6,648

7. DIVIDEND

The Board does not recommend the payment of an interim dividend in respect of the six months ended 30 September 2022 (six months ended 30 September 2021: Nil).

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

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the Company of HK$3,411,000 (six months ended 30 September 2021: HK$53,919,000), and the weighted average number of ordinary shares of 400,000,000 (six months ended 30 September 2021: 400,000,000) in issue during the period.

The Group had no potentially dilutive ordinary shares in issue during the six months ended 30 September 2022 and 2021.

9. TRADE RECEIVABLES

	30 September 2022 *HK$'000* **(Unaudited)**	31 March 2022 *HK$'000* (Audited)
Trade receivables	**5,135**	2,273
Impairment	**(103)**	(36)
	5,032	2,237

The Group's trading terms with its individual customers are mainly on cash and/or credit card settlement while the trading terms with its corporate customers are on credit. The credit period is generally 2 to 30 days for credit card settlement from the respective financial institutions and up to 60 days for corporate customers. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. 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.

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

	30 September 2022 *HK$'000* **(Unaudited)**	31 March 2022 *HK$'000* (Audited)
Within 1 month	**3,820**	763
1 to 3 months	**512**	896
Over 3 months	**700**	578
	5,032	2,237

10. TRADE PAYABLES

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

	30 September 2022 *HK$'000* **(Unaudited)**	31 March 2022 *HK$'000* (Audited)
Within 1 month	**11,544**	7,829

The trade payables are non-interest-bearing and generally have an average settlement term of 30 days.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the six months ended 30 September 2022 (the "Period Under Review"), the Group's revenue increased by HK$12.2 million, or 6.1%, to HK$211.9 million when compared with the six months ended 30 September 2021 ("Previous Period").

During the Period Under Review, the COVID-19 pandemic ("COVID-19" or "pandemic"), though stabilised, was still prevailing, as such the overall operating environment continued to be challenging. Nevertheless, with our solid foundation, the Group's overall business remained stable. During the Period, commanded by government pandemic prevention measures, the Group's CosMax medical aesthetic centres and VITAE treatment centres closed for 20 days (between 1 and 20 April 2022). Despite that, it maintained the growth momentum built in early 2022 before the business suspension. Overall performance of the Group remained stable. Profit for the Period Under Review was approximately HK$3.4 million, down by HK$50.5 million, or 94%, against the Previous Period (Previous Period: HK$53.9 million). The decrease in profit was mainly due to the decrease in the amount of contract liabilities recognised in the consolidated statement of profit or loss and other comprehensive income upon expiry of the validity periods of prepaid packages as compared to the corresponding period last year. Despite this effect, the Group's performance was stable. In addition, the Group is ready for the steady economic recovery and traditional peak season like Christmas and New Year in the second half of the financial year. In the past few years, the Group has also fine-tuned its operational strategies and implemented cost control plans to adapt to the "new normal" operating environment.

The Group is currently operating three medical aesthetic centres under its core brand CosMax. Boasting an excellent brand reputation and service standards built over the years, the brand maintained growth despite the pandemic and relatively uncertain market environment. The challenging business environment in recent years has not limited the Group's advancement, but is considered as an opportunity to improve and prepare the Group to seize future opportunities. During the Period Under Review, the Group continued to review and upgrade the environment and service procedures of its medical aesthetic centres and bring in new treatments to enrich the experiences of CosMax customers, which in turn, enlarge its share in the medical aesthetic market.

The Group unveiled the beauty brand VITAE in 2020 and is operating three treatment centres under the brand. VITAE is all about balanced beauty, stressing the need to maintain optimum balance between beauty and health, so that customers will have beauty that emanates from within. The Group has also introduced the FaceGym concept under the brand which brings new elements into traditional beauty services and became a hot topic in and a benchmark for the market. However, the brand has had to intermittently suspend business since the launch because of anti-pandemic measures, and that has affected, to a certain extent, the continuity of the Group's marketing plan. The Period Under Review was the first business period that VITAE operated with relatively less impact from the pandemic. The Group is pleased to see customer number and average spending growth meeting its expectations. It believes as reputation of the brand rises, customer number will increase at steadily increasing pace, which will not only enable the Group to effectively expand its business segments, but also consolidate its leadership in the high-end medical aesthetic market. VITAE is expected to account for a higher share of the Group's future revenue and profit.

XOVĒ is a premium skincare product line developed by a Swiss skincare specialist team. On top of meeting customers' daily skincare needs, it is able to present even better results when used with treatments offered by the Group. During the Period Under Review, the Group optimised its retail store network, adding five new stores bringing the total to 10. The new stores are located at Taikoo Shing on Hong Kong Island, K11 Musea in Tsim Sha Tsui, Telford Plaza in Kowloon Bay, New Town Plaza in Shatin and tmtplaza in Tuen Mun, covering all major shopping areas in Hong Kong.

Apart from introducing new products to enrich existing product lines, the Group has launched the new Snow White series, which has caught eyes among customers. The Group will keep pursuing R&D to enhance the breadth and depth of the brand's products. It expects XOVĒ to contribute a higher share to its revenue and profit going forward.

FINANCIAL REVIEW

Revenue

Revenue amounted to approximately HK$211.9 million for the Period Under Review, representing an increase of approximately HK$12.2 million or 6.1% as compared to approximately HK$199.7 million for the Previous Period. The increase was attributable to 5 retail stores for the sale of skin care products have been opened during the Period Under Review.

Cost of inventories and consumables

Cost of inventories and consumables amounted to approximately HK$19.0 million and HK$13.3 million for the Period Under Review and Previous Period respectively, representing 9.0% and 6.7% of total revenue for the respective periods.

Staff costs

Staff costs increased by approximately HK$26.0 million, or 46.1%, from approximately HK$56.4 million for the Previous Period to approximately HK$82.4 million for the Period Under Review. The increase was primarily attributable to the increase in number of staff during the Period Under Review as compared to Prior Period. As at 30 September 2022, the Group has a total of 377 employees (30 September 2021: 322 employees).

Property rentals and related expenses

Property rentals and related expenses increased by approximately HK$18.4 million or 105.1%, from approximately HK$17.5 million for the Previous Period to approximately HK$35.9 million for the Period Under Review. The increase was primarily due to the effect of new treatment centres and new retail stores for the sale of skin care products which the tenancy period started after Previous Period.

Depreciation of property, plant and equipment

Depreciation charge in relation to property, plant and equipment amounted to approximately HK$21.7 million and approximately HK$7.3 million for the Period Under Review and Previous Period, respectively, representing 10.2% and 3.7% of total revenue for the respective periods.

Other expenses, net

Other expenses, net increased by approximately HK$10.0 million or 22.8%, from approximately HK$43.9 million for the Previous Period to approximately HK$53.9 million for the Period Under Review. The increase was primarily attributable to increase in promotional campaigns for different marketing channels and various social media platforms and bank charges which were in line with increase in cash sales during the Period Under Review.

Finance cost

Finance cost amounted to approximately HK$1.7 million and approximately HK$1.2 million for the Period Under Review and Previous Period, respectively.

Income tax expense

Income tax expense amounted to approximately HK$6.6 million for the Previous Period and approximately HK$0.9 million for the Period Under Review. The tax expense was primarily attributable to profit for the Period Under Review and Previous Period.

Profit for the period

Profit attributable to owners of the Company was approximately HK$3.4 million for the Period Under Review.

INTERIM DIVIDEND

The Board resolved not to declare the payment of an interim dividend for the Period Under Review (Previous Period: Nil).

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

The total equity of the Group as at 30 September 2022 was approximately HK$174.6 million. We continue to maintain a strong financial position with cash and cash equivalents of approximately HK$80.8 million as at 30 September 2022. Our working capital, excluding those lease liabilities relating to properties leased for own use, was HK$42.2 million. Based on our steady cash inflows from operations, coupled with sufficient cash and bank balances, we have adequate liquidity and financial resources to meet our working capital requirements and to fund our budgeted expansion plans in this financial year.

As at 30 September 2022, all of our cash and bank balances was denominated in Hong Kong Dollar, United States Dollar and Renminbi.

LEASE LIABILITIES

As at 30 September 2022, the Group had lease liabilities of approximately HK$118.8 million.

CAPITAL COMMITMENTS

As at 30 September 2022, our Group had capital commitments in respect of the acquisition of items of property, plant and equipment of approximately HK$0.5 million (31 March 2022: approximately HK$0.3 million).

INDEBTEDNESS

Interest-bearing Bank Borrowings

As at 30 September 2022, our Group had no outstanding interest-bearing bank borrowings (31 March 2022: Nil).

Contingent Liabilities and Guarantees

As at 30 September 2022, our Group had no significant contingent liabilities and guarantees (31 March 2022: Nil).

Charge of Assets

As at 30 September 2022, there was no charge on the assets of our Group except for the time deposits of approximately HK$62.8 million (31 March 2022: approximately HK$62.5 million) pledged for banking facilities as security for credit card instalments programme.

Gearing Ratio

As at 30 September 2022, our Group had no interest-bearing borrowings (31 March 2022: Nil).

Foreign Currency Risk

Our Group carries out its business in Hong Kong and most of its transactions are denominated in Hong Kong Dollar. Our Group did not experience any material impact or difficulties in liquidity on its operations resulting from the fluctuation in exchange rate, and no hedging transaction or forward contract arrangement was made by the Group during the six months ended 30 September 2022.

Interest Rate Risk

Our Group has no significant interest rate risk. Our Group currently does not have any specific policies in place to manage interest rate risk and has not entered into any interest rate swap transactions to mitigate interest rate risk, but will closely monitor related risk in the future.

Significant Investments, Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures, and Future Plans for Material Investments or Capital Assets

There were no significant investments held by the Company during the six months ended 30 September 2022, nor were there any material acquisitions and disposals of subsidiaries, associates and joint ventures during the reporting period. Save as disclosed in this announcement, there is no plan authorised by the Board for other material investments or additions of capital assets as at the date of this announcement.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2022, our Group has a total of 377 employees (31 March 2022: 366). Staff costs, including Directors' remuneration, of our Group were approximately HK$82.4 million for the six months ended 30 September 2022 (six months ended 30 September 2021: approximately HK$56.4 million). Remuneration is determined with reference to factors such as comparable market salaries and work performance, time commitment and responsibilities of each individual. Employees are provided with relevant in-house and/or external training from time to time. In addition to basic salary, year-end bonuses are offered to employees who performed outstandingly to attract and retain eligible employees to contribute to our Group.

EVENT AFTER THE REPORTING PERIOD

There was no significant event occurred after the reporting period.

PROSPECTS

With the pandemic looming worldwide, the economic uncertainties and inflationary pressure increasing, consumers' desire to go out and consumer sentiment has been affected, making the business environment in Hong Kong challenging in recent years. However, as the pandemic gradually stabilises, the government eases some of the anti-pandemic measures, the society is recovering to normal in good pace. Thus, the Group is cautiously optimistic about its prospects. Apart from responding to the "new normal" business environment, it is adjusting its operational strategies and implementing cost control plans. It has stayed true to its original intention, which is founding its business on customers' needs, thus has been constantly reviewing its operations. For instance, it has kept optimising the environment and services of its medical aesthetic centres and beauty treatment centres, and pursuing R&D to bolster the breadth and depth of its skin care product lines, so as to reinforce its core values and boosting its advantages and share in the high-end medical aesthetics market, plus preparing to grasp opportunities when the economy is in full recovery.

In the past few years, because of the pandemic and the macroeconomic environment, consumers have become more rational and cautious in selecting brands and services, placing greater emphasis on brand reputation and service quality. With professional expertise and a customer-oriented tenet, the Group's medical aesthetic brand CosMax and beauty brand VITAE offers tailored treatment services based on the customer needs. This dedication has won customers' recognition and helped the Group establish a strong reputation, contributing to its leadership and advantages in the high-end medical aesthetics sector. In the future, the Group will continue to introduce new treatments to enrich customer experience. It will also continue to invest in staff training, so as to maintain high service quality and enable its staff and the Group itself to remain competitive in the ever-changing medical aesthetics sector.

The Group will continue to develop and launch new XOVĒ product lines to take care of different customers' skincare needs. Moreover, it has entered into agreement with an international beauty retail group ("retail group") to establish formal presence in the online and offline sales outlets of the retail group in 2023. Capitalising on their 300+ offline retail outlets and extensive online sales channels, XOVĒ will be able to quickly penetrate into the high-end skincare market in Mainland China, arousing XOVĒ's reputation among Mainland China consumers, as well as introducing the Group's two other brands, CosMax and VITAE. It will help the Group to lay a solid foundation to extend its footprint in the Mainland China in the future.

As the pandemic gradually stabilises and expects the government to progressively lift anti-pandemic restrictions, the number of visitors to Hong Kong is expected to pick up steadily. With the society returning to normal eventually, the Group expects the operating environment to improve, conducive to it taking advantage of the traditional peak seasons, such as Christmas and New Year. This will not only help the Group to maintain its growth, strengthen its reputation but also have positive impact in promoting the Group's three brands both in Hong Kong and the Mainland China market.

The Group will continue to work by its long-upheld belief, which is founding its business on customers' needs, helping customers with their quest for beauty. It will, heeding changes in the external environment, keep reviewing its operational strategies and models, so as to grasp market opportunities and keep its overall performance on a reasonable and upward track.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 September 2022, interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required (i) pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), to be notified to the Company and the Stock Exchange; or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 of the Listing Rules to be notified to the Company and the Stock Exchange, were as follows:

a. Long positions in shares of the Company:

Name of Director	Capacity/nature of interest	Number of shares held	Percentage of the Company's issued share capital
Ms. Lai Ka Yee Gigi ("Mrs. Gigi Ma")	Interest of a controlled corporation *(Note 1)*	275,000,000	68.75%

Note:

1. Such 275,000,000 Shares are registered in the name of Sunny Bright Group Holdings Limited ("Sunny Bright"), a company beneficially owned as to 50% by Mrs. Gigi Ma and 50% by Mr. Ma Ting Keung, Patrick ("Mr. Patrick Ma"). Mr. Patrick Ma is the spouse of Mrs. Gigi Ma. Therefore, Mrs. Gigi Ma is deemed to be interested in all the Shares held by Sunny Bright under the SFO.

b. **Long positions in shares of an associated corporation:**

Name of Director	Name of associated corporation	Capacity/nature of interest	Number of shares held	Percentage of the Company's issued share capital
Mrs. Gigi Ma	Sunny Bright	Beneficial owner and interest of spouse	2	100%

Mrs. Gigi Ma is the legal and beneficial owner of 1 issued ordinary share of Sunny Bright, representing 50% of the issued share capital of Sunny Bright. Mr. Patrick Ma is the legal and beneficial owner of the other 1 issued ordinary share of Sunny Bright, representing the remaining 50% of the issued share capital of Sunny Bright. As Mr. Patrick Ma is the spouse of Mrs. Gigi Ma, Mrs. Gigi Ma is deemed to be interested in all the interest registered in Mr. Patrick Ma's name in Sunny Bright. Accordingly, together with the 50% shareholding interest in Sunny Bright registered in Mrs. Gigi Ma's name, Mrs. Gigi Ma is taken to be interested in 100% of the issued share capital of Sunny Bright.

Save as disclosed above, as at 30 September 2022, none of the Directors nor chief executive of the Company had registered an interest or short position in the 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 (i) pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO), to be notified to the Company and the Stock Exchange; or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 of the Listing Rules to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 September 2022, other than the Directors and chief executive of the Company, the following persons/entities have an interest or a short position in the shares or the underlying shares of the Company which were required to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or required to be recorded in the register of the Company required to be kept under section 336 of the SFO:

Long positions in shares of the Company:

Name	Capacity/Nature of interest	Number of shares held/ interested	Percentage of the Company's issued share capital
Sunny Bright	Beneficial Owner	275,000,000	68.75%
Mr. Patrick Ma	Interest in a controlled corporation and interest of spouse *(Note 1)*	275,000,000	68.75%
Meitu, Inc.	Beneficial Owner	20,000,000	5%

Note:

1. Such 275,000,000 Shares are registered in the name of Sunny Bright, a company beneficially owned as to 50% by Mrs. Gigi Ma and 50% by Mr. Patrick Ma. Mrs. Gigi Ma is the spouse of Mr. Patrick Ma. Accordingly, Mr. Patrick Ma is deemed to be interested in all the Shares held by Sunny Bright under the SFO.

Save as disclosed above, as at 30 September 2022 and so far as known to the Directors, no person, other than the Directors and chief executive of the Company whose interests are set out in the section "Directors' and Chief Executive's Interests and/or Short Positions in the Shares, Underlying Shares and Debentures of the Company or any Associated Corporation" above, had notified the Company of an interest or short position in the shares or underlying shares of the Company that was required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

SHARE OPTION SCHEME

The Company has a share option scheme (the "Share Option Scheme") which was approved and adopted by the sole shareholder of the Company by way of written resolutions passed on 19 December 2016 for a term of 10 years from the date of adoption of the Share Option Scheme.

No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since its adoption and there was no outstanding share option as at 30 September 2022.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save for the Share Options Scheme, at no time during the six months ended 30 September 2022 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Directors or their respective spouses or children under 18 years of age, or were any such rights exercised by them, or was the Company, its holding company, or any of its subsidiaries and fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

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

COMPLIANCE OF CODE OF CONDUCT FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions Directors of Listed Issuers contained in Appendix 10 of the Listing Rules of the Stock Exchange. Having made specific enquiries to all the Directors, all the Directors confirmed that they had complied with the required standard of dealings and the code of conduct regarding securities transactions by Directors adopted by the Company during the six months ended 30 September 2022.

COMPLIANCE OF NON-COMPETITION UNDERTAKING

As disclosed in the prospectus of the Company dated 30 December 2016, pursuant to the non-competition undertakings set out in the deed of non-competition dated 19 December 2016, each of our controlling shareholders, namely, Sunny Bright Group Holdings Limited, Mrs. Gigi Ma and Mr. Patrick Ma (collectively the "Controlling Shareholders"), have undertaken to the Company (for itself and on behalf of its subsidiaries) that, amongst other things, each of them does not or will not, and will procure each of their respective close associates not to, directly or indirectly, carry on, participate in, be engaged, interested directly or indirectly, either for their own account or in conjunction with or on behalf of or for any other person in any business in competition with or similar to or is likely to be in competition with the business of the Group upon the Listing of the Company. Details of the deed of non-competition are set out in the paragraph headed "Non-Competition Deed" in the section headed "Relationship with Controlling Shareholders" in the prospectus of the Company dated 30 December 2016.

The independent non-executive Directors have reviewed the implementation of the deed of non-competition and are of the view that the Controlling Shareholders have complied with their undertakings given under the deed of non-competition for the six months ended 30 September 2022.

COMPETING INTERESTS

As at 30 September 2022, so far as the Directors are aware, none of the Directors, the controlling shareholders and substantial shareholders, neither themselves nor their respective associates (as defined under Rule 8.10 of the Listing Rules) had held any position or had interest in any businesses or companies that were or might be directly or indirectly competing with the business of the Group, or gave rise to any concern regarding conflict of interest.

CORPORATE GOVERNANCE CODE

The Company recognises the importance of achieving the highest standard of corporate governance consistent with the needs and requirements of its businesses and the best interest of all of its stakeholders, and the Board is fully committed to doing so. The Board believes that high standards of corporate governance provide a framework and solid foundation for the Group to manage business risks, enhance transparency, achieve high standard of accountability and protect stakeholders' interests.

The Company has adopted the principles and the code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 of Listing Rules. During the six months ended 30 September 2022, the Company had complied with all the applicable code provisions of the CG Code, except the deviation stipulated below.

According to the code provision C.2.1 of the CG Code, the roles of the chairman and chief executive should be separate and should not be performed by the same individual. Under the current management structure of the Company, Ms. LAI Ka Yee Gigi (Mrs. Gigi Ma) is the chairlady of the Board (the "Chairlady") and chief executive officer of the Company (the "Chief Executive Officer"). As Mrs. Gigi Ma has been leading the Group as the Group's Chief Executive Officer and sole director of each of major subsidiaries since the establishment of the relevant major subsidiaries, the Board believes that it is in the best interest of the Group to continue to have Mrs. Gigi Ma acting as the Chairlady and Chief Executive Officer for more effective management and planning of the Group. Therefore, the Board considers that the deviation from provision C.2.1 of the CG Code is appropriate in the circumstances and currently does not propose to separate the functions of chairman and the chief executive officer.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference following the Rules 3.21 to 3.23 of the Listing Rules. The audit committee consists of three independent non-executive Directors, namely Mr. Cheng Yuk Wo, who has the appropriate auditing and financial related management expertise and serves as the chairman of the audit committee, Mr. Cheng Fu Kwok David and Mr. Li Wai Kwan. The audit committee has reviewed the unaudited condensed consolidated financial information of the Group for the six months ended 30 September 2022 and this announcement.

By order of the Board
Miricor Enterprises Holdings Limited
Lai Ka Yee Gigi
Chairlady & Chief Executive Officer

Hong Kong, 25 November 2022

As at the date of this announcement, the Board comprises three executive directors, namely, Ms. LAI Ka Yee Gigi, Mr. HO Tsz Leung Lincoln and Dr. LAM Ping Yan and three independent non-executive directors, namely, Mr. CHENG Fu Kwok David, Mr. CHENG Yuk Wo and Mr. LI Wai Kwan.