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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 2024**

HIGHLIGHTS

- Revenue decreased by 13.6% to HK\$620.3 million.
- The Company's profit attributable to equity holders decreased by 15.4% to HK\$140.8 million.
- Basic earnings per share amounted to HK11.2 cents.
- Proposed interim dividend and special dividend of HK11.2 cents and HK0.1 cent per share, with total dividend of HK11.3 cents per share.
- The dividend payout ratio is 100.9%, which the Group has established with consecutive 10-year 100% and above dividend payout ratio.

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 2024. 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 2024

		Six months ended 30 September	
	Note	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Revenue	4	620,272	718,149
Other income	5	2,823	5,507
Other gains/(losses) — net	6	215	(587)
Cost of inventories and consumables		(10,492)	(13,248)
Employee benefit expenses		(217,604)	(238,149)
Marketing expenses		(77,239)	(85,473)
Depreciation of property, plant and equipment		(35,454)	(40,168)
Depreciation of right-of-use assets		(56,088)	(62,511)
Expenses related to short term leases of stores and offices		(14,489)	(14,984)
Other operating expenses		(53,466)	(66,603)
Operating profit		158,478	201,933
Finance income — net	7	1,442	1,834
Profit before income tax		159,920	203,767
Income tax expense	8	(28,576)	(37,374)
Profit for the period		131,344	166,393
Attributable to:			
Equity holders of the Company		140,844	166,393
Non-controlling interests		(9,500)	—
Profit for the period		131,344	166,393
Earnings per share attributable to equity holders of the Company during the period			
— Basic	9	<u>HK11.2 cents</u>	<u>HK13.2 cents</u>
— Diluted	9	<u>HK11.2 cents</u>	<u>HK13.2 cents</u>

	Six months ended	
	30 September	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Profit for the period	131,344	166,393
Other comprehensive income/(losses):		
<i>Items that have been reclassified or may be reclassified subsequently to profit or loss</i>		
Currency translation differences	4,661	(14,384)
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Fair value gains/(losses) of financial asset at fair value through other comprehensive income	24,341	(9,507)
Total comprehensive income for the period	160,346	142,502
Attributable to:		
Equity holders of the Company	169,848	142,502
Non-controlling interests	(9,502)	—
Total comprehensive income for the period	160,346	142,502

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 September 2024

		30 September 2024	31 March 2024
	<i>Note</i>	<i>HK\$'000</i> (Unaudited)	<i>HK\$'000</i> (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	<i>11</i>	136,550	146,979
Right-of-use assets	<i>18</i>	227,173	260,748
Deposits and prepayments		38,541	40,749
Financial assets at fair value through other comprehensive income	<i>12</i>	91,208	59,717
Deferred income tax assets		17,584	16,474
		<u>511,056</u>	<u>524,667</u>
Current assets			
Inventories		13,077	6,445
Trade receivables	<i>13</i>	32,593	62,784
Other receivables, deposits and prepayments		40,513	52,641
Term deposits with initial terms of over three months	<i>14</i>	181,610	—
Pledged bank deposits	<i>15, 21</i>	8,218	7,874
Cash and cash equivalents	<i>16</i>	289,808	567,401
		<u>565,819</u>	<u>697,145</u>
Total assets		<u>1,076,875</u>	<u>1,221,812</u>

		30 September 2024	31 March 2024
	<i>Note</i>	<i>HK\$'000</i> (Unaudited)	<i>HK\$'000</i> (Audited)
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	<i>17</i>	125,619	125,619
Reserves	<i>17</i>	326,567	371,892
		452,186	497,511
Non-controlling interests		(10,205)	(703)
Total equity		441,981	496,808
LIABILITIES			
Non-current liabilities			
Provision for reinstatement costs		14,035	12,703
Deferred income tax liabilities		23,987	23,819
Lease liabilities	<i>18</i>	142,492	171,662
		180,514	208,184
Current liabilities			
Provision for reinstatement costs		4,526	5,348
Trade payables	<i>19</i>	1,541	1,070
Accruals and other payables		55,239	75,295
Lease liabilities	<i>18</i>	96,205	97,064
Deferred revenue		215,219	260,807
Tax payables		81,650	77,236
		454,380	516,820
Total liabilities		634,894	725,004
Total equity and liabilities		1,076,875	1,221,812

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, aesthetic medical and beauty and wellness services in Hong Kong (“HK”), the People’s Republic of China (the “PRC”), 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 2024 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 29 November 2024.

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 2024 (“2024 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 2024 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) Amended standards and revised interpretation adopted by the Group

The Group has applied the following amended standards and revised interpretation for the first time for the current reporting period beginning 1 April 2024:

HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current
HKAS 1 (Amendments)	Non-current Liabilities with Covenants
HKFRS 16 (Amendments)	Lease Liability in a Sale and Leaseback
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
HKAS 7 and HKFRS 7 (Amendments)	Supplier Finance Arrangements

The adoption of these amended standards and revised interpretation did not have any significant impact on the amounts recognised in prior or current periods.

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

The following new and amended standards and revised interpretation have been issued that are not effective for periods commencing on or after 1 April 2024 and have not been early adopted by the Group:

		Effective for accounting period beginning on or after
HKAS 21 and HKFRS 1 (Amendments)	Lack of Exchangeability	1 January 2025
HKFRS 9 and HKFRS 7 (Amendments)	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group is in process of making an assessment of the impact of these new and amended standards and revised interpretation upon initial application, and has concluded on a preliminary basis that these are not expected to have a significant impact on the Group's results of operations or financial position.

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 2024.

There has been no changes in the risk management policies since the year ended 31 March 2024.

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, aesthetic medical and beauty and wellness 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 2024 and 2023, 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 PRC, Macau, Australia and Singapore (the "Regions outside Hong Kong"), and its revenue was derived from the following regions:

	Six months ended	
	30 September	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Hong Kong	497,803	549,616
Regions outside Hong Kong	122,469	168,533
	<u>620,272</u>	<u>718,149</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 2024 <i>HK\$'000</i> (Unaudited)	31 March 2024 <i>HK\$'000</i> (Audited)
Hong Kong	329,040	397,502
Regions outside Hong Kong	<u>73,224</u>	<u>50,974</u>
	<u><u>402,264</u></u>	<u><u>448,476</u></u>

5 Other Income

	Six months ended	
	30 September 2024 <i>HK\$'000</i> (Unaudited)	2023 <i>HK\$'000</i> (Unaudited)
Government subsidies	832	3,549
Dividend income from financial assets at fair value through other comprehensive income	1,160	1,247
Others	<u>831</u>	<u>711</u>
	<u><u>2,823</u></u>	<u><u>5,507</u></u>

6 Other Gains/(Losses) — Net

	Six months ended	
	30 September 2024 <i>HK\$'000</i> (Unaudited)	2023 <i>HK\$'000</i> (Unaudited)
Losses on disposal of property, plant and equipment	(454)	(298)
Net exchange gains/(losses)	<u>669</u>	<u>(289)</u>
Other gains/(losses) — net	<u><u>215</u></u>	<u><u>(587)</u></u>

7 Finance Income — Net

	Six months ended 30 September	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Interest income on bank deposits	7,083	7,539
Interest expense on lease liabilities	<u>(5,641)</u>	<u>(5,705)</u>
Finance income — net	<u><u>1,442</u></u>	<u><u>1,834</u></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% (FY2023/24 interim: 16.5%) for the period on the estimated assessable profits arising in or derived from Hong Kong. Companies established and operating in the PRC are subject to PRC corporate income tax at the rate of 25% (FY2023/24 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 2023 and 2024. Companies established and operating in Australia are subject to Australia corporate income tax at the rate of 30% (FY2023/24 interim: 30%). Companies established and operating in Singapore are subject to Singapore corporate income tax at the rate of 17% (FY2023/24 interim: 17%).

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

	Six months ended 30 September	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Current income taxation		
— Hong Kong profits tax	19,743	21,494
— PRC and overseas income tax	<u>8,026</u>	<u>14,260</u>
Total current income taxation	27,769	35,754
Deferred taxation	<u>807</u>	<u>1,620</u>
	<u><u>28,576</u></u>	<u><u>37,374</u></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	
	2024	2023
	(Unaudited)	(Unaudited)
Profit attributable to equity holders of the Company (HK\$'000)	<u>140,844</u>	<u>166,393</u>
Weighted average number of ordinary shares for the purposes of basic earnings per share (thousand of share)	<u>1,256,197</u>	<u>1,256,414</u>
Basic earnings per share (HK cents per share)	<u>11.2</u>	<u>13.2</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\$140,844,000. The weighted average number of ordinary shares of 1,256,197,000 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 28 June 2023, the Directors recommended the payment of a final and special dividend of HK12.3 cents and HK4.7 cents per ordinary share, totalling HK\$154,513,000 and HK\$59,041,000 respectively. The dividend was reflected as an appropriation of retained earnings and share premium for the six months ended 30 September 2023.

At a board meeting held on 24 November 2023, the Directors declared an interim dividend and special dividend of HK13.2 cents and HK1.0 cent per ordinary share, totaling HK\$165,810,000 and HK\$12,513,000 respectively. The dividend is not reflected as dividend payable in the interim financial information, but will be reflected as an appropriation of retained earnings and share premium for the year ending 31 March 2024.

At a board meeting held on 28 June 2024, the Directors recommended the payment of a final and special dividend of HK11.9 cents and HK5.4 cents per ordinary share, totalling HK\$149,488,000 and HK\$67,835,000 respectively. The dividend was reflected as an appropriation of retained earnings and share premium for the six months ended 30 September 2024.

At a board meeting held on 29 November 2024, the Directors declared an interim dividend and special dividend of HK11.2 cents and HK0.1 cent per ordinary share, totaling HK\$140,694,000 and HK\$1,256,000 respectively. The dividend is not reflected as dividend payable in the interim financial information, but will be reflected as an appropriation of retained earnings and share premium for the year ending 31 March 2025.

11 Property, Plant and Equipment

	Total <i>HK\$'000</i> (Unaudited)
Net book amount as at 1 April 2024	146,979
Additions	26,134
Disposal	(2,006)
Depreciation	(35,454)
Exchange differences	897
	<hr/>
Net book amount as at 30 September 2024	136,550
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Net book amount as at 1 April 2023	177,755
Additions	15,801
Disposal	(298)
Depreciation	(40,168)
Exchange differences	(1,815)
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Net book amount as at 30 September 2023	151,275
	<hr/> <hr/>

12 Financial Assets at Fair Value through Other Comprehensive Income

	As at	
	30 September	31 March
	2024	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Non-current		
Listed equity securities	91,208	59,717
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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 invoices are issued is as follows:

	As at	
	30 September 2024 <i>HK\$'000</i> (Unaudited)	31 March 2024 <i>HK\$'000</i> (Audited)
Less than 60 days	26,649	52,543
60 days to 90 days	3,532	4,867
91 days to 120 days	2,120	5,010
121 days to 180 days	292	364
	<u>32,593</u>	<u>62,784</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 2024, the weighted average effective interest rate of the Group's term deposits with initial terms of over three months was 3.48%.

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

	As at	
	30 September 2024 <i>HK\$'000</i> (Unaudited)	31 March 2024 <i>HK\$'000</i> (Audited)
Hong Kong dollars	<u>181,610</u>	<u>—</u>
	<u>181,610</u>	<u>—</u>

15 Pledged Bank Deposits

As at 30 September 2024 and 31 March 2024, 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 2024, the weighted average effective interest rate of these pledged bank deposits is 2.93% (as at 31 March 2024: 2.66%).

16 Cash and Cash Equivalents

	As at	
	30 September 2024 <i>HK\$'000</i> (Unaudited)	31 March 2024 <i>HK\$'000</i> (Audited)
Cash at banks	126,752	218,309
Cash on hand	582	625
Term deposits with initial terms of less than three months	<u>162,474</u>	<u>348,467</u>
	<u>289,808</u>	<u>567,401</u>
Denominated in:		
Hong Kong dollars	186,815	263,335
Chinese Renminbi	77,173	234,309
United States dollars	13	33,553
Macau Patacas	4,400	6,101
Australian dollars	18,318	17,618
Singapore dollars	<u>3,089</u>	<u>12,485</u>
	<u>289,808</u>	<u>567,401</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 the PRC. The conversion of RMB-denominated balances into foreign currencies and the remittance of funds out of the PRC is subject to the rules and regulations of foreign exchange control promulgated by the Government of the People's Republic of 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>
At 1 April 2024	<u>1,256,197</u>	<u>125,619</u>	<u>263,462</u>	<u>389,081</u>
The distribution of special dividends <i>(Note 10)</i>	<u>—</u>	<u>—</u>	<u>(67,835)</u>	<u>(67,835)</u>
At 30 September 2024	<u>1,256,197</u>	<u>125,619</u>	<u>195,627</u>	<u>321,246</u>

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 2024 <i>HK\$'000</i> (Unaudited)	31 March 2024 <i>HK\$'000</i> (Audited)
Right-of-use assets		
Properties	<u>227,173</u>	<u>260,748</u>
	As at	
	30 September 2024 <i>HK\$'000</i> (Unaudited)	31 March 2024 <i>HK\$'000</i> (Audited)
Lease liabilities		
Non-current portion	142,492	171,662
Current portion	<u>96,205</u>	<u>97,064</u>
	<u>238,697</u>	<u>268,726</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 2024 <i>HK\$'000</i> (Unaudited)	2023 <i>HK\$'000</i> (Unaudited)
Depreciation charge of right-of-use assets		
Properties	<u>56,088</u>	<u>62,511</u>
Interest expenses on leases liabilities	5,641	5,705
Expenses related to short-term leases of stores and offices	<u>14,489</u>	<u>14,984</u>

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

During the six months ended 30 September 2024 and 2023, the total cash outflows for leases were analysed as below:

	Six months ended	
	30 September	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Cash flows from operating activities*		
Payments for short-term leases in respect of stores and offices	<u>14,489</u>	<u>14,984</u>
Cash flows from financing activities		
Payment of interest element of lease liabilities	5,641	5,705
Payment of principal element of lease liabilities	<u>52,159</u>	<u>57,752</u>
The total cash outflow of leases	<u><u>57,800</u></u>	<u><u>63,457</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 2024, the aging analysis of trade payables based on invoice date is as follows:

	As at	
	30 September	31 March
	2024	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Less than 60 days	1,386	940
60 days to 120 days	134	130
Over 120 days	<u>21</u>	<u>—</u>
	<u><u>1,541</u></u>	<u><u>1,070</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:

	As at	
	30 September 2024 <i>HK\$'000</i> (Unaudited)	31 March 2024 <i>HK\$'000</i> (Audited)
Capital expenditure contracted for but not yet incurred in respect of acquisition of property, plant and equipment	<u>954</u>	<u>2,312</u>

21 Pledge of Assets

As at 30 September 2024 and 31 March 2024, 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:

	As at	
	30 September 2024 <i>HK\$'000</i> (Unaudited)	31 March 2024 <i>HK\$'000</i> (Audited)
Bank deposits (<i>Note 15</i>)	<u>8,218</u>	<u>7,874</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) Details of key management compensations are disclosed as below:

	Six months ended	
	30 September 2024 <i>HK\$'000</i> (Unaudited)	2023 <i>HK\$'000</i> (Unaudited)
Salaries and other benefits	19,716	19,638
Share-based payment	<u>2,150</u>	<u>—</u>
	<u>21,866</u>	<u>19,638</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 2024.

The global economy in 2024 continues to face significant headwinds. Persistently high interest rates, inflationary pressures, and intense geopolitical tensions have introduced uncertainties for economic activities worldwide. Despite the implementation of various government stimuli aimed at revitalizing growth, consumer sentiment remains fragile, particularly within the retail and consumption sectors. The economic outlook for most retail industries is clouded by uncertainty in the post-pandemic era, with business confidence dampened, forcing industry leaders to implement austerity measures to manage costs and ensure stability.

In Hong Kong, the Census and Statistics Department reported a year-on-year decline in retail sales value from March to September 2024, driven by weak market sentiment and consumer budget tightening. A strong Hong Kong dollar has encouraged more outbound travel by residents, especially to Southern China and other Asian countries, further reducing local spending. These unfavorable market dynamics have significantly affected retail performance, posing challenges to Hong Kong’s economic recovery in the near term.

In response, the Hong Kong government has introduced multiple initiatives to boost the economy and enhance the city’s competitiveness. These measures include promoting mega events and positioning Hong Kong as a hub for international talent. While these initiatives are a positive step, the path to a full recovery requires ongoing strategic planning and perseverance. Despite the challenges, the Group remains cautiously optimistic, adapting swiftly to changing market conditions, identifying new opportunities, and positioning itself to navigate evolving challenges.

In Mainland China, following a robust expansion in 2023, consumer activity is expected to slow significantly this year, largely due to weakened consumer confidence. The ongoing downturn in the property sector, cautious consumer spending, and deflationary risks continue to constrain growth. However, despite these headwinds, certain service sectors have demonstrated resilience, though overall sentiment remains muted.

As one of Hong Kong’s largest aesthetic medical companies, the Group has taken a cautious approach to address these volatile market conditions. During the period, the Group pursued a multi-format shop strategy, including flagship and small-format residential shops, to serve customers closer to their neighborhoods. The “integrated service approach” strategy — integrating non-invasive aesthetic medical services and

non-aesthetic medical services such as hair growth treatment, pain management, and sleep therapy — has enabled the Group to meet a broader range of consumer needs and preferences.

Service Area:

	As at 30 September 2024 ft²
Hong Kong	202,000
Regions outside Hong Kong	116,000
	<u>318,000</u>

FINANCIAL PERFORMANCE

For the six months ended 30 September 2024, the Group encountered challenges across all operating regions, yet demonstrated resilience in sustaining core operations amid the pressures of a challenging economic environment. Revenue for the period decreased by 13.6% year-on-year to HK\$620.3 million (FY2023/24 interim: HK\$718.1 million). The decline was primarily driven by reduced demand in Hong Kong and Mainland China, along with an increase in outbound tourism impacting local retail spending.

The aesthetic medical business remained the primary driver of the Group's revenue, contributing 73.3% of total sales, while non-aesthetic medical services made up the remainder. Average spending per client in aesthetic medical services fell by 36.6% year-on-year to HK\$17,243, reflecting a shift in customer spending behavior toward more value-for-money options.

Revenue breakdown by region:

	Six months ended 30 September			
	2024		2023	
	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%
Hong Kong	497,803	80.3	549,616	76.5
Regions outside Hong Kong	122,469	19.7	168,533	23.5
	<u>620,272</u>	<u>100.0</u>	<u>718,149</u>	<u>100.0</u>

Value of sale contract by service type:

	Six months ended	
	30 September	
	2024	2023
	%	%
Aesthetic Medical	73.3	80.7
Non-Aesthetic Medical	26.7	19.3
	<u>100.0</u>	<u>100.0</u>

Customers Spending Pattern:

	Six months ended 30 September		
	2024	2023	Change
Average Spending per Client (HK\$)			
— Aesthetic Medical	17,243	27,188	(36.6%)
— Non-Aesthetic Medical	15,948	15,554	2.5%
Overall average spending per individual client	<u>20,311</u>	<u>27,540</u>	<u>(26.2%)</u>

The Group focused on rigorous cost control to manage margins during the period. Employee benefit expenses fell by 8.6% year-on-year to HK\$217.6 million, reflecting efforts to maintain efficiency and reduce overhead costs. Marketing expenses declined by 9.6% to HK\$77.2 million, owing to a strategic reduction in promotional spending. Rental lease-related expenses decreased by 8.4% to HK\$76.2 million, facilitated by favorable renegotiations and optimized utilization of shop space.

Key Cost Components:

	Six months ended 30 September		
	2024	2023	Change
	HK\$'000	HK\$'000	%
Cost of inventories and consumables	10,492	13,248	(20.8%)
Employee benefit expenses	217,604	238,149	(8.6%)
Marketing expenses	77,239	85,473	(9.6%)
Depreciation of property, plant and equipment	35,454	40,168	(11.7%)
Rental lease related expenses ^(Note 1)	76,218	83,200	(8.4%)
Other operating expenses	53,466	66,603	(19.7%)
	<u>470,473</u>	<u>526,841</u>	<u>(10.7%)</u>

Note 1: The rental lease related expenses include “depreciation of right-of-use assets”, “expenses related to short term leases of stores and offices”, “interest expenses on lease liabilities” and “building management fee”.

At earnings before interest, tax and depreciation of property, plant and equipment (“EBITDA”) level, the EBITDA decreased by 19.9% year-on-year to HK\$193.9 million (FY2023/24 interim: HK\$242.1 million), representing the EBITDA margin of 31.3% for the period (FY2023/24 interim: 33.7%). The operating profit decreased by 21.5% year-on-year to HK\$158.5 million (FY2023/24 interim: HK\$201.9 million), representing an operating profit margin of 25.6% (FY2023/24 interim: 28.1%). Profit attributable to equity holders of the Company was HK\$140.8 million, decreased by 15.4% year-on-year (FY2023/24 interim: HK\$166.4 million), representing an decrease of 0.5% in net profit margin to 22.7% for the period (FY2023/24 interim: 23.2%). Basic earnings per share was HK11.2 cents (FY2023/24 interim: HK13.2 cents).

Dividend and Share Buyback

For the period under review, the board (the “Board”) of directors (the “Director(s)”) of the Company recommends the payment of an interim dividend of HK11.2 cents and a special dividend of HK0.1 cent per share to shareholders whose names appear on the register of members of the Company as at 17 December 2024.

BUSINESS OVERVIEW

Hong Kong Operation

The economic environment in Hong Kong throughout 2024 has been challenging, characterized by a sluggish economy and marked declines in retail sales. From January to September 2024, total retail sales dropped by 7.6% year-on-year, driven by broader economic stagnation and shifts in consumer behavior. The surge in outbound travel by Hong Kong residents has further reduced local retail foot traffic. In response, the Group has prioritized strengthening core offerings and enhancing operational efficiency.

During the period, the Group expanded its residential shop network, adding two new locations in strategic areas such as Tseung Kwan O and Kowloon Bay, increasing the total service area in Hong Kong to approximately 202,000 square feet. This expansion supports the Group's strategy to enhance customer accessibility and reinforce our market presence, despite a 9.4% decline in overall revenue from Hong Kong operations.

Aesthetic Medical Business

The Group observed a shift in customer preferences toward more budget-conscious options. In response, the Group recalibrated its existing operations, introducing new service packages aimed at providing value-for-money alternatives. Additionally, the closure of underperforming shop space in Mong Kok at the end of the last fiscal year enabled a more efficient allocation of resources. The launch of a "supermarket" concept, offering budgeted and pay-as-you-go options for beauty services, has helped attract new customers and increase visit frequency.

Our flagship medical beauty centers in Causeway Bay and Tsim Sha Tsui continued to attract cross-border customers, strengthening the Group's position as a premium medical beauty service provider in the Greater Bay Area.

Non-Aesthetic Medical Business

Non-aesthetic medical services, including hair growth treatment, pain management, and sleep therapy, have continued to support the Group's business growth. Since its inception in January 2024, "Goku Spa" has expanded to 11 shops across Hong Kong, offering authentic Japanese-style sleep therapy. Despite challenging economic conditions, "Goku Spa" has established a loyal customer base, contributing positively to the Group's overall performance.

Regions Outside Hong Kong

In Mainland China, the Group faced a subdued business environment, with challenges including a downturn in the property sector and weakened consumer confidence. Revenue from Mainland China fell by 19.3% year-on-year. Despite these unfavorable conditions, the Group remains focused on delivering high-quality service and improving shop productivity in key locations, including Beijing, Shanghai, Guangzhou and Shenzhen.

Operations in Australia and Singapore continue to face headwinds, with both regions experiencing slow recoveries amidst high inflation and reduced consumer spending. Nevertheless, the Group remains committed to maintaining operational stability and optimizing its market presence in these regions.

As of 30 September 2024, the Group has an extensive network in mainland China, Macau, Sydney, Melbourne and Singapore, covering a gross service area of approximately 116,000 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\$479.6 million as at 30 September 2024 (as at 31 March 2024: HK\$575.3 million), without external bank borrowing. The total equity of the Group as at 30 September 2024 was HK\$442.0 million (as at 31 March 2024: HK\$496.8 million). The Group generally finances its operation with internally generated cash flows. The Group's gearing ratio as at 30 September 2024 was nil (as at 31 March 2024: 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 2024, the Group had net current assets of approximately HK\$111.4 million (as at 31 March 2024: HK\$180.3 million).

Net cash generated from operating activities during the period was HK\$203.4 million (FY2023/24 interim: HK\$288.0 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 2024 amounted to HK\$26.1 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 2024, 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 2024, 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 1,161 employees as at 30 September 2024 (as at 31 March 2024: 1,273 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

As we move into the second half of FY2024/25, the competitive landscape and business dynamics will continue to be challenging. Despite this, the Group expects a sequential improvement in business fundamentals, as well as customer spending and patronage, in the coming months, barring any unforeseen externalities. We remain committed to enhancing operational efficiency and maintaining prudent cost management to ensure stable margins and uphold financial discipline. This will ensure sustainable growth in the future and create lasting value for our shareholders.

We believe the introduction of our “Dual-Circulation” strategy, which emphasizes both aesthetic and non-aesthetic medical services, is well-positioned to drive sustainable growth. By continuing to expand our market presence and refine our services to align with evolving consumer needs, we are committed to creating synergies that will enhance the Group’s profitability and market competitiveness. Our long-standing dedication to enhancing customer experience and engagement will serve as a differentiator in a crowded market.

The Group also aims to enhance its premium service offerings and continue its network expansion in key regions. The introduction of new service concepts, like the VIP lounges at our major centers, has proven successful in engaging affluent clients seeking personalized experiences. We are optimistic about replicating this model in other locations, as affluent consumers increasingly seek unique, exclusive shopping experiences. We plan to extend such initiatives to other key centers across Mainland China and Hong Kong to cater to top-tier customers, thereby bolstering loyalty and strengthening our brand as a trusted provider of premium services.

The competitive landscape is not without its challenges. However, we are optimistic that through targeted marketing campaigns, strategic partnerships, and an emphasis on the highest service standards, the Group will continue to attract and retain a diverse customer base. Our continued investment in the expansion and enhancement of our service offerings will remain pivotal as we strive to capture market opportunities amidst the shifting dynamics of consumer behavior. In the near future, the Group will integrate AI-driven customer service tools into our operations, leveraging state-of-the-art technology to provide 24/7 automated customer support. This initiative will enhance customer engagement and satisfaction, creating a superior customer experience.

The Group has positioned itself to capitalize on the gradual economic recovery, especially in Hong Kong and Mainland China. We are committed to refining our tenant mix, optimizing resource allocation, and driving efficiencies in our operations to ensure we are agile and able to adapt quickly to market changes.

Sustainability remains at the heart of our long-term vision. Building on our success in reducing carbon emissions and implementing sustainable practices across our facilities, we are committed to creating a positive environmental and social impact. These efforts not only enhance our brand reputation but also resonate strongly with our growing base of environmentally conscious clients.

As we advance into the next period, we remain dedicated to our core values of providing quality, safety, and efficacy in our services. The Group will continue to explore opportunities for growth, actively seeking innovative ways to expand our market share and reinforce our position as a leading provider of both aesthetic and non-aesthetic medical services. We are confident that with a well-balanced strategy of growth, operational efficiency, and customer-centricity, the Group will navigate the ongoing economic uncertainties and emerge even stronger.

INTERIM DIVIDEND

The Board recommended a payment of an interim dividend and special dividend of HK11.2 cents and HK0.1 cent per share of the Company respectively for the six months ended 30 September 2024 to the shareholders whose name appear on the register of members of the Company on 17 December 2024. The proposed interim dividend will be paid on or around 31 December 2024.

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 C3 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 ended 30 September 2024.

Closure of Register of Members

The register of members of the Company will be closed from 16 December 2024 to 17 December 2024 (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 13 December 2024.

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 2024, 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:

(i) Long position in Shares

Name of Directors	Nature of interest	Number of ordinary shares	Number of underlying shares held pursuant to options	Percentage of the number of shares of the Company (Note 2)
Dr. Au-Yeung Kong	Beneficial owner	114,834,747 (L)	1,256,000	75.08%
	Interest of controlled corporation (Note 1)	827,169,021 (L)		
Ms. Au-Yeung Wai	Interest of controlled corporation (Note 1)	827,169,021 (L)	1,256,000	65.94%
Ms. Au-Yeung Hung	Interest of controlled corporation (Note 1)	827,169,021 (L)	1,256,000	65.94%
Mr. So Hin Lung	Beneficial owner	140,000 (L)	—	0.01%

(ii) Long position in the shares of the associated corporations of the Company

Name of Director	Name of associated corporation	Capacity/Nature of Interest	Approximate percentage of shareholding
Dr. Au-Yeung Kong	Sure Sino Investments Limited	Beneficial Owner	54.65%
Ms. Au-Yeung Hung	Sure Sino Investments Limited	Beneficial Owner	22.68%
Ms. Au-Yeung Wai	Sure Sino Investments Limited	Beneficial Owner	22.67%

(L): Long position

Notes:

1. 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 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.
2. The calculation of percentage is based on the total number of shares of the Company as at 30 September 2024, which was 1,256,197,771.

Save as disclosed above, as at 30 September 2024, 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 2024 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 2024, 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)	36.59%
	Interest of controlled corporation (Note 1)	367,429,540 (L)	29.24%
Earlson Holdings Limited (Note 1)	Beneficial owner	208,306,511 (L)	16.58%
Perfect Medical Charity Foundation Limited (Note 1)	Beneficial owner	159,123,029 (L)	12.66%

(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. 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 2024, which was 1,256,197,771.

Save as disclosed above, as at 30 September 2024, 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.

As at 1 April 2024 and 30 September 2024, the total number of options available for grant under the scheme mandate limit and available for issue under the Share Option Scheme were 114,090,339. There was no service provider sublimit set under the Share Option Scheme.

Details of the options movements during the six months ended 30 September 2024 under the Share Option Scheme are as follows:

Name or category of grantees	Date of grant of options	Exercise price (HK\$)	Exercise period	Number of options						
				Balance as at 01.04.2024	Granted during the Period	Vested during the Period	Exercised during the Period	Lapsed during the Period	Canceled during the Period	Balance as at 30.09.2024
Directors										
Dr. Au-Yeung Kong	12/12/2023 (Note 1)	HK\$3.346	12/12/2024– 11/12/2033 (Note 2)	1,256,000	—	—	—	—	—	1,256,000
Ms. Au-Yeung Wai	12/12/2023 (Note 1)	HK\$3.346	12/12/2024– 11/12/2033 (Note 2)	1,256,000	—	—	—	—	—	1,256,000
Ms. Au-Yeung Hung	12/12/2023 (Note 1)	HK\$3.346	12/12/2024– 11/12/2033 (Note 2)	1,256,000	—	—	—	—	—	1,256,000
Total				3,768,000	—	—	—	—	—	3,768,000

Notes:

1. The closing price of the Shares immediately before the date of grant (i.e. 11 December 2023), on which those options were granted, was HK\$3.260.
2. The options shall be vested on the first anniversary of the date of grant (i.e. 12 December 2024). No performance targets attached to the options.

Purchase, Sale or Redemption of Listed Securities of the Company

During the six months ended 30 September 2024, 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 C1 of the Listing Rules (the "CG Code") throughout the six months ended 30 September 2024 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 2024, 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 four independent non-executive Directors, namely, Ms. Hsu Wai Man, Helen, Ms. Cho Yi Ping, Mr. Chi Chi Hung, Kenneth and Mr. Chuk Sai Cheong Simon. 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 2024.

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 four independent non-executive Directors, namely, Mr. Chi Chi Hung, Kenneth, Ms. Hsu Wai Man, Helen, Ms. Cho Yi Ping and Mr. Chuk Sai Cheong Simon 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 four independent non-executive Directors, namely, Ms. Cho Yi Ping, Mr. Chi Chi Hung, Kenneth, Ms. Hsu Wai Man, Helen and Mr. Chuk Sai Cheong Simon 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.

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

Hong Kong, 29 November 2024

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, Mr. Chi Chi Hung, Kenneth and Mr. Chuk Sai Cheong Simon as independent non-executive Directors.