PERFECT SHAPE (PRC) HOLDINGS LIMITED
必瘦站（中國）控股有限公司

(incorporated in the Cayman Islands with limited liability)

(stock code: 1830)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2012

HIGHLIGHTS

- The Group's revenue rose by 23.4% year-on-year from HK$309.0 million to HK$381.2 million
- Revenue from the PRC operation increased by 79.1% year-on-year from HK$162.9 million to HK$291.7 million
- The Group's operating profit margin increased from 21.2% to 23.0% year-on-year
- The Group's net profit margin increased from 16.3% to 18.0% year-on-year
- The Group's net profit for the year increased by 36.6% year-on-year from HK$50.3 million to HK$68.7 million
- Basic earnings per share was HK8.7 cents as compared to HK6.7 cents in the previous year
- Final dividend per share proposed is HK2.5 cents
- The Group's revenue from Shanghai and Beijing region increased by 238.0% and 146.9% year-on-year, comparing with last year
- The Group's service centres expanded from 46 to 61, a net increase of 15 service centres
- The development and sustainable expansion in mainland market has been strengthened so as to sharpen the Group's external competitive edges

FINAL RESULTS

The board (the "Board") of directors (the "Directors") of Perfect Shape (PRC) Holdings Limited (the "Company") announces the results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2012, together with the comparative figures for the year ended 31 March 2011:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2012

	Note	**2012** ***HK\$'000***	2011 *HK\$'000*
Revenue	3	**381,160**	308,976
Other income		**2,284**	384
Other gains — net		**1,320**	1,580
Cost of inventories and consumables		**(8,658)**	(7,450)
Employee benefit expenses		**(95,599)**	(85,648)
Marketing expenses		**(61,901)**	(56,420)
Depreciation		**(18,126)**	(16,494)
Operating lease rentals		**(40,105)**	(29,875)
Other operating expenses		**(72,555)**	(49,590)
Operating profit		**87,820**	65,463
Finance income		**2,510**	238
Finance cost		**(43)**	—
Finance income — net		**2,467**	238
Profit before income tax		**90,287**	65,701
Income tax expense	4	**(21,615)**	(15,441)
Profit for the year attributable to equity holders of the Company		**68,672**	50,260
Other comprehensive income/(loss):			
Net fair value losses on available-for-sale financial assets		**—**	(15)
Disposal of available-for-sale financial assets		**15**	—
Currency translation differences		**397**	465
Total other comprehensive income for the year		**412**	450
Total comprehensive income for the year attributable to equity holders of the Company		**69,084**	50,710
Earnings per share attributable to equity holders of the Company during the year	6		
— basic		**HK8.7 cents**	HK6.7 cents
— diluted		**HK8.7 cents**	HK6.7 cents
Dividends	5	**113,500**	39,369

CONSOLIDATED BALANCE SHEET

As at 31 March 2012

	Note	2012 HK$'000	2011 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**39,568**	32,403
Available-for-sale financial assets		**—**	9,943
Deposits and prepayments		**18,303**	15,109
Deferred income tax assets		**9,843**	12,897
		67,714	70,352
Current assets			
Inventories		**571**	1,068
Trade receivables	7	**9,133**	8,103
Other receivables, deposits and prepayments		**18,648**	20,825
Amounts due from related companies		**329**	290
Amounts due from directors		**—**	37,268
Financial assets at fair value through profit or loss		**6,391**	46,760
Term deposits with initial terms of over three months		**38,901**	—
Pledged bank deposits		**36,200**	—
Cash and cash equivalents		**205,684**	74,206
		315,857	188,520
Total assets		**383,571**	258,872
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		**100,000**	—
Share premium		**91,748**	—
Other reserves		**3,287**	2,121
Retained earnings		**25,686**	46,725
Total equity		**220,721**	48,846

	Note	2012 HK$'000	2011 HK$'000
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		**3,716**	2,622
Provision for reinstatement costs		**1,808**	1,292
		5,524	3,914
Current liabilities			
Provision for reinstatement costs		**972**	424
Trade payables	8	**898**	1,503
Accruals and other payables		**27,223**	22,264
Deferred revenue		**119,400**	148,672
Tax payable		**8,197**	14,781
Amounts due to directors		**636**	15,791
Amount due to a shareholder		**—**	2,677
		157,326	206,112
Total liabilities		**162,850**	210,026
Total equity and liabilities		**383,571**	258,872
Net current assets/(liabilities)		**158,531**	(17,592)
Total assets less current liabilities		**226,245**	52,760

1 GENERAL INFORMATION

Perfect Shape (PRC) Holdings Limited (the "Company") and its subsidiaries (together the "Group") are principally engaged in the provision of slimming and beauty services and the sales of slimming and beauty products in Hong Kong ("HK"), the People's Republic of China (the "PRC") and Macau.

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.

Pursuant to the reorganisation (the "Reorganisation") in preparation for the listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Company acquired the entire issued share capital of Perfect Shape Holdings (HK) Limited, Perfect Shape Holdings (China) Limited, Perfect Shape & Skin Management Co., Ltd. and Perfect Shape Advertising Company Limited, the then holding companies of all other companies comprising the Group and consequently became the holding company of the Group. The Reorganisation was completed on 1 December 2011.

The Company's shares were listed on the Main Board of the Stock Exchange on 10 February 2012.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The consolidated financial statements of the Company have been prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss and available-for-sale financial assets which are carried at fair value.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Prior to and following the Reorganisation, the Company and its subsidiaries were and are directly or indirectly controlled by the same shareholders. Accordingly, the Reorganisation has been accounted for as a reorganisation of businesses under common control in a manner similar to a uniting of interests. The consolidated financial statements of the Group for the year ended 31 March 2012 including the comparative figures have been prepared on the merger basis as if the Company has been the holding company of these companies comprising the Group since 1 April 2010, or since the dates of their incorporation or establishment.

(a) Effect of adopting amendments to standards and interpretations

The following amendments to standards and interpretations are mandatory for accounting periods beginning on or after 1 April 2011. The adoption of these amendments to standards and interpretations does not have any significant impact to the results and financial position of the Group.

HKFRSs (amendment)	Improvements to HKFRSs 2010
HKFRS 1 (amendment)	Limited exemption from comparative HKFRS 7 disclosures for first-time adopters
HKAS 24 (revised)	Related party disclosures
HK(IFRIC) Int 14 (amendment)	Prepayments of a minimum funding requirement
HK(IFRIC) Int 19	Extinguishing financial liabilities with equity instruments

(b) New standards, amendments to standards and interpretation that have been issued but are not effective

The following new standards, amendments to standards and interpretation have been issued but are not effective in the current period and have not been early adopted:

HKFRS 1 (amendment)	Severe hyperinflation and removal of fixed dates for first-time adopters (1)
HKFRS 1 (amendment)	First-time adoption of Hong Kong Financial Standards — government loans (2)
HKFRS 7 (amendment)	Disclosures — transfers of financial assets (1)
HKFRS 7 (amendment)	Disclosures — offsetting financial assets and financial liabilities (2)
HKFRS 7 (amendment)	Mandatory effective date of HKFRS 9 and transition disclosures (4)
HKFRS 9	Financial instruments (4)
Additions to HKFRS 9	Financial instruments — financial liabilities (4)
HKFRS 10	Consolidated financial statements (2)
HKFRS 11	Joint arrangements (2)
HKFRS 12	Disclosure of interests in other entities (2)
HKFRS 13	Fair value measurements (2)
HKAS 1 (amendment)	Presentation of financial statements (2)
HKAS 12 (amendment)	Deferred tax: recovery of underlying assets (1)
HKAS 19 (2011)	Employee benefits (2)
HKAS 27 (2011)	Separate financial statements (2)
HKAS 28 (2011)	Investments in associates and joint ventures (2)
HKAS 32 (amendment)	Offsetting financial assets and financial liabilities (3)
HK(IFRIC) Int 20	Stripping costs in the production phase of a surface mine (2)

(1) Effective for the Group for annual period beginning on 1 April 2012.

(2) Effective for the Group for annual period beginning on 1 April 2013.

(3) Effective for the Group for annual period beginning on 1 April 2014.

(4) Effective for the Group for annual period beginning on 1 April 2015.

The directors anticipate that the adoption of these new standards, amendments to standards and interpretation will not result in a significant impact on the results and financial position of the Group.

3 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 beauty and slimming treatments and the sales of beauty and slimming products, 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 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.

The Group primarily operates in Hong Kong, the PRC and Macau, and its revenue is derived from the following regions:

	2012	2011
	HK$'000	*HK$'000*
Hong Kong	**75,215**	131,947
The PRC	**291,745**	162,851
Macau	**14,200**	14,178
	381,160	308,976

The consolidated profit before income tax of the Group, excluding the listing expenses, is attributable to the (loss)/ profit of following regions:

	2012	2011
	HK$'000	*HK$'000*
Hong Kong	**(381)**	14,758
The PRC	**87,921**	40,582
Macau	**8,964**	10,361
	96,504	65,701

The Group's total non-current assets other than deferred income tax assets (there are no employment benefit assets and rights arising under insurance contracts) are located in the following regions:

	2012	2011
	HK$'000	*HK$'000*
Hong Kong	**13,260**	22,989
The PRC	**44,325**	34,235
Macau	**286**	231
	57,871	57,455

The Group's capital expenditures are incurred in the following regions:

	2012	2011
	HK$'000	*HK$'000*
Hong Kong	**4,427**	3,872
The PRC	**19,158**	17,467
Macau	**—**	11
	23,585	21,350

Capital expenditures are allocated based on where the assets are located.

4 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% (2011: 16.5%) for the year on the estimated assessable profits arising in or derived from Hong Kong. Companies established and operated in the PRC are subject to PRC corporate income tax at the rate of 25% (2011: 25%). Companies established and operated in Macau is subject to Macao complementary tax, which is 9% on taxable income above MOP200,000 but below MOP300,000, and thereafter at a fixed rate at 12% for the years ended 31 March 2012 and 2011.

	2012	2011
	HK$'000	*HK$'000*
Current income taxation		
— Hong Kong profits tax	**6,409**	8,312
— PRC corporate income tax	**12,756**	12,339
— Macao complementary tax	**60**	1,217
	19,225	21,868
Over-provision in prior years		
— Hong Kong profits tax	**(222)**	—
— PRC corporate income tax	**(4,017)**	—
	(4,239)	—
Total current income taxation	**14,986**	21,868
Deferred taxation	**6,629**	(6,427)
	21,615	15,441

5 DIVIDENDS

	2012	2011
	HK$'000	*HK$'000*
Interim, paid *(note i)*	**—**	39,369
Special, paid *(note ii)*	**88,500**	—
Final, proposed, of HK2.5 cents per ordinary share *(note iii)*	**25,000**	—
	113,500	39,369

Notes:

(i) Pursuant to the respective resolutions passed on 15 February 2011, certain subsidiaries comprising the Group declared interim dividends relating to the year ended 31 March 2011 amounting to HK$39,369,000, the amount of which were paid on 15 February 2011.

(ii) Pursuant to respective resolutions passed on 3 November 2011, certain subsidiaries comprising the Group declared a special dividend relating to the year ended 31 March 2012 amounting to HK$88,500,000 prior to the Company's public offering of shares, the amount of which was paid in January 2012.

(iii) At a meeting held on 28 June 2012, the directors recommended the payment of a final dividend for the year ended 31 March 2012 of HK2.5 cents per ordinary share, totaling HK$25,000,000. This proposed dividend is not reflected as dividend payable in these financial statements, but will be reflected as an appropriation of retained earnings for the year ending 31 March 2013.

6 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 year.

	2012	2011
	HK$'000	*HK$'000*
Profit attributable to equity holders of the Company	**68,672**	50,260
Weighted average number of ordinary shares for the purposes of basic earnings per share *(thousand of share)*	**784,932**	750,000
Basic earnings per share *(HK cents per share)*	**8.7**	6.7

The weighted average number of ordinary shares used for the purposes of calculating the basic earnings per share for the years ended 31 March 2012 and 2011 have been retrospectively adjusted for the effects of the capitalisation issue of the ordinary shares which took place on 9 February 2012.

Diluted

Diluted earnings per share is of the same amount as the basic earnings per share as there were no potential dilutive ordinary shares outstanding during the year.

7 TRADE RECEIVABLES

The credit terms of the Group's trade receivables generally range from 3 days to 90 days. The ageing analysis of trade receivables by the dates on which the relevant invoices are issued is as follows:

	2012	2011
	HK$'000	*HK$'000*
Less than 60 days	**7,974**	6,224
60 days to 90 days	**283**	761
91 days to 120 days	**223**	192
Over 120 days	**653**	926
	9,133	8,103

8 TRADE PAYABLES

Payment terms with majority of the suppliers are on open account. Certain suppliers grant credit period ranging from 30 to 60 days.

An ageing analysis of trade payables as at the balance sheet date is as follows:

	2012	2011
	HK$'000	*HK$'000*
Less than 60 days	**265**	616
60 days to 120 days	**46**	323
Over 120 days	**587**	564
	898	1,503

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Financial Performance

For the year ended 31 March 2012, the Group recorded revenue of HK$381.2 million, representing an increase of 23.4% from HK$309.0 million last year, and this was primarily due to revenue growth from the PRC operation, which accounted for over 75% of the Group's total revenue during the year. Earnings before interest, taxes, depreciation and amortization was HK$105.9 million, representing a rise of 29.1% from HK$82.0 million in FY2010/11. Operating profit reached HK$87.8 million (2011: HK$65.5 million), representing a significant increase of 34.0%. Operating profit margin topped 23.0%, up from 21.2% in FY2010/11. The profit attributable to equity holders of the Company was HK$68.7 million, up an impressive 36.6% year-on-year (2011: HK$50.3 million). Net profit margin increased from 16.3% in FY2010/11 to 18.0% during the year. Basic earnings per share climbed 29.9% to HK8.7 cents (2011: HK6.7 cents).

Market Overview

The slimming and beauty market in the PRC possesses vast development potential which is expected to be sustained by increasingly high consumption power. According to data compiled by the Euromonitor Report, the market size of the body shaping and slimming industry in Mainland China increased from RMB3,271.7 million in 2005 to RMB7,166.9 million in 2010, representing a Compound Annual Growth Rate, ("CAGR") of 17.0% in terms of sales value of services. This industry is expected to further increase, rising from RMB7.2 billion in 2010 to RMB21.0 billion in 2015, representing a CAGR of 24.0%.

The burgeoning market of the PRC has consequently resulted in increasing competition, though the trend has been for companies to either target the mass or premium market. Recognising the advantage of the latter, the Group's 'Perfect Shape 必瘦站' brand targets mid to high end consumers with greater disposable income.

According to the trend that Euromonitor subscribes to, it is expected that the premium segment will capture greater market share as consumers continue to migrate upwards. To cater the growing demand of premium sliming and beauty services, the Group further strengthens its market position by employing endorsements from celebrities as well as the listing status on a highly-recognized stock exchange, conveying a message of trustworthiness that consumers are more receptive towards.

Mainland China Operations

Rapid expansion in Mainland China

The Company has a strong presence in the PRC. During the year under review, the Group recorded HK$291.7 million from its PRC operations, representing a year-on-year growth of 79.1% compared with the revenue of HK$162.9 million recorded last year.

Of the 61 service centres the Group operates in Hong Kong, Macau and the PRC, 50 are located in the Mainland – up from 30 service centres in the preceding financial year. These 50 stores are located in ten major metropolitan cities, namely Shanghai, Beijing, Shenzhen, Guangzhou, Chengdu, Chongqing, Dongguan, Foshan, Nanjing and Tianjin. The Group's top-end centres can be found in prestigious shopping malls or upscale department stores that are located in areas regularly frequented by mid to high-end customers. By further expanding in these prime locations, the Company has been able to rapidly capture the market share, allowing it to command higher premiums for its services, as well as strengthen its position in the upper echelon of the industry.

To date, the Company has over 100,000 members in the PRC, Hong Kong and Macau. This impressive clientele has helped instil confidence among new members, while referrals have also aided the Group grasp new market opportunities.

The Company entered the PRC via the opening of a service centre at the Jinguanghua Plaza in Shenzhen back in 2009. Since the establishment of this flagship centre, the Group has quickly strengthened its presence in the local market; leading to the strong rise in operating results since then. Revenue from the service centres in Shanghai recorded a phenomenal year-on-year jump of 238%, while revenue performance in Beijing was equally impressive with a rise of 147% compared with the preceding year. During the period under review, service centres in Shenzhen and Guangzhou achieved revenue increase of 56% and 11%, respectively. Revenue generated from the stores located in Chongqing, Dongguan, Foshan, Chengdu, Nanjing and Tianjin also presented a year-on-year increase of 32%.

While the Group's strong performance highlights the appeal of the slimming and beauty market, the relatively high entry barrier that exists for those seeking to enter the premium segment presents the Company with a decided advantage. Among the challenges that new entrants must contend with include, investing significant capital in large-scale marketing programmes to build brand awareness that must subsequently be supported by follow-up campaigns; leasing service centres in prime locations; recruiting and training staff to ensure their proficiency and professionalism for high-calibre services demanded; and purchasing relevant slimming and beauty-related equipment.

As senior management plays a crucial role in the Group's success, our team members possessing a proven track record for brand building and corporate management; are able to identify and respond to changing trends; and provide new and appealing slimming and beauty services that cater to customers' needs and sets the Group apart from its peers.

Hong Kong and Macau Operations

Medical beauty services

The Group provides medical beauty services, which include injection treatments such as Botox, Restylane and Sculptra, as well as laser treatments for hair removal, skin rejuvenation and depigmentation. All of the aforementioned services are carried under the 'Dr Face' brand name. The Group has also introduced the new brand 'BK 激光醫學美容中心' to further enhance its medical beauty service, which is engaged in laser treatments, with two service centres in Hong Kong.

The medical beauty services is expected to become one of the key growth drivers in the coming years. Revenue is expected to increase further: boding well for the future of this segment. It is worth noting that medical beauty services deliver a higher profit margin than other services, thus adding its importance to the Group's portfolio.

The Group's management team, with their significant medical knowledge and expertise, is determined to further expand the medical beauty services. In particular, the founder, chairman, executive director and chief executive officer of the Company, Dr Au-Yeung Kong is a registered medical practitioner who holds extensive experience in the slimming and beauty industry. Fully capable of selecting or referring relevant medical practitioners to perform medical beauty services, this underscores the Company's commitment to customer safety.

Future Plan

With the goal of further leveraging the robust growth of the slimming and beauty market in Mainland China, the Group plans to expand the size of its business network by 31 March 2015 under the renowned 'Perfect Shape 必瘦站' brand name. This will include looking for prestigious shopping malls for opening such establishments, and thus better accommodate the needs of affluent clients.

Medical beauty services are spurring the Group's business development. With the tremendous business opportunities arising from the medical beauty services, the Group has carefully reviewed its business portfolio in the last quarter during the review year and decided to allocate more resources in developing this business, including but not limited to injection treatment and laser treatment, which promises the Group with higher profit margins. Subsequent to the year ended 31 March 2012 and in the first quarter of FY2012/13, the Group recorded satisfactory performance in the medical beauty services business, and the sales from this sector is expected to grow further, as the Group expects the average spending per customer on medical beauty service will triple that of the average spending on slimming service, reaching around RMB60,000 per customer. The Group aims to devote more effort to expand its medical beauty service business under the brand name "Dr Face", intending to create synergy with the well-established slimming service offered under its "Perfect Shape" brand. In this way the Company can optimise its extensive client base of more than 100,000 members, enticing them to experience the medical beauty services and thus boost the average spending per customer, thereby increasing the Group's recurring income.

Aside from medical beauty services, the Group plans to launch the multi-clinic offering one-stop beauty and health management services. Premium medical beauty services, anti-aging treatments and body checks will be offered to customers in these clinics. The Company will leverage its strong customer base to enter this business and increase its revenue stream. The Group targets to open four multi-clinics which will be located in Shanghai, Beijing, Guangzhou and Shenzhen respectively by 30 September 2012. The Group plans to expand to twelve multi-clinics by 30 September in 2013.

Complementing the Group's organic growth, the management will consider and weigh the benefits of potential partnerships with companies or mergers and acquisition opportunities which may further enhance the Company's competitiveness and market position.

Liquidity, Financial Resources and Capital Structure

The total equity of the Company as at 31 March 2012 was HK$220.7 million (2011: HK$48.8 million). The Group generally finances its operation with internal generated cash flows. The Group had bank and cash balance of approximately HK$280.8 million as at 31 March 2012 (2011: HK$74.2 million), with no external bank borrowing. The Group's gearing ratio as at 31 March 2012 was nil (2011: 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 31 March 2012, the Group had net current assets of approximately HK$158.5 million (2011: net current liabilities HK$17.6 million).

Cash generated from operations in 2012 is approximately HK$80.0 million (2011: HK$105.7 million). With the bank and cash balances in hand, the Group liquidity position remains strong and it has sufficient financial recourses to finance its commitments and to meet its working capital equipment.

Foreign Exchange Exposure

Since the Group's assets and liabilities, revenue and payments are mainly denominated in Hong Kong Dollars and Renminbi, the Group considers that there was no significant exposure to foreign exchange fluctuations.

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 value its human resources and recognises the importance of attracting and retaining qualified staff for its continuing success.

The Group employed a total work force of 864 employees as at 31 March 2012 (2011: 738 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.

Capital commitments

As at 31 March 2012, the Group had the following capital commitments.

	2012	2011
	HK$'000	*HK$'000*
Capital expenditure contracted for but not yet incurred in respect of acquisition of property, plant and equipment	**1,059**	5,752

Contingent liabilities

As at 31 March 2012, the Group did not have any significant contingent liabilities.

Proceeds from Initial Public Offering

The net proceeds from the Company's initial public offering in February 2012 were approximately HK$183.5 million, after deduction of related listing expenses. During the year ended 31 March 2012, these usage of proceeds were in accordance with the future plans and prospects set out in the Company's prospectus dated 31 January 2012 and within the limit of the net proceeds.

DIVIDEND

The Board recommended a payment of a final dividend equivalent to HK2.5 cents per share of the Company (the "Share") for the year ended 31 March 2012 to the shareholders of the Company (the "Shareholders") whose names appear on the register of members of the Company on Thursday, 23 August 2012. Such proposed final dividend is pending approval by the Shareholders at the forthcoming annual general meeting of the Company to be held on Wednesday, 15 August 2012 (the "AGM") and will be paid on or around Tuesday, 18 September 2012.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 10 August 2012 to Wednesday, 15 August 2012 (both dates inclusive) during which period no transfer of Shares will be registered. In order to attend and vote at the AGM, all transfers of Shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Thursday, 9 August 2012.

The register of members of the Company will be closed from Tuesday, 21 August 2012 to Thursday, 23 August 2012 (both dates inclusive), during which period no transfer of Shares will be registered. In order to qualify for the final dividend, all transfers of Shares, accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrars in Hong Kong, Tricor Investor Services Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 20 August 2012.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the period from the listing date of the Company (i.e. 10 February 2012) to 31 March 2012 (the "Period"), neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE PRACTICES

During the Period under review, the Company has complied with the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") except the issue mentioned in the following paragraph.

According to the code provision A.2.1 of the CG Code, the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual. During the Period under review, Dr. Au-Yeung Kong is both the chairman of the Board and the chief executive officer of the Company; therefore, the Group does not at present separate the roles of the chairman and the chief executive officer of the Company.

The Board considered that Dr. Au-Yeung Kong has in-depth knowledge and experience in the slimming and beauty industry and is the appropriate person to manage the Group, therefore, the roles of chairman and chief executive officer exercised by the same individual, Dr. Au-Yeung Kong, is beneficial to the business prospects and management of the Group. Notwithstanding the above, the Board will review the current structure from time to time. If candidate with suitable leadership, knowledge, skills and experience can be identified within or outside the Group, the Company may make necessary arrangements.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the model code for securities transactions by Directors as set out in Appendix 10 to the Listing Rules (the "Model Code"). Specific enquiry has been made to each of the Directors and all Directors have confirmed that they have complied with the Model Code during the Period under review.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") was established on 5 December 2011 with written terms of reference which was revised on 20 March 2012 in compliance with the CG Code and is 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 internal control procedures of the Group, and oversee the relationship with the Company's external auditors.

The Audit Committee comprises three independent non-executive Directors namely, Ms. Hsu Wai Man, Helen, Mr. Chi Chi Hung, Kenneth and Ms. Pang Siu Yin. 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 internal control and financial reporting matters, including reviewing the financial statements and annual results for the year ended 31 March 2012.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the Company's website (www.perfectshape.com.hk/) and the Stock Exchange's website (http://www.hkex.com.hk). The 2012 Annual Report containing all the information required by the Listing Rules will be dispatched to the Shareholders and available on the same websites in due course.

By Order of the Board
Perfect Shape (PRC) Holdings Limited
Dr. Au-Yeung Kong
Chairman

Hong Kong, 28 June 2012

As at the date of this announcement, the Board comprises Dr. Au-Yeung Kong, Ms. Au-Yeung Wai, and Ms. Au-Yeung Hung as executive Directors and Ms. Hsu Wai Man, Helen, Mr. Chi Chi Hung, Kenneth and Ms. Pang Siu Yin as independent non-executive Directors.