Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

MODERN HEALTHCARE TECHNOLOGY HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 919)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2020

The Board of Directors ("the Board") of MODERN HEALTHCARE TECHNOLOGY HOLDINGS LIMITED ("the Company") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively referred to as "the Group") for the year ended 31 March 2020 ("FY2020" or "the year under review"), with comparative figures for the year ended 31 March 2019 ("FY2019") as follows. The consolidated results for the year ended 31 March 2020 have been reviewed by the audit committee of the Company.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2020

	Note	**2020** ***HK$'000***	2019 *(Note)* *HK$'000*
Revenue	*5*	**522,606**	576,017
Other income	*6*	**6,858**	3,067
Cost of inventories sold		**(18,917)**	(24,112)
Advertising costs		**(5,346)**	(4,382)
Building management fees		**(13,046)**	(13,993)
Bank charges		**(25,182)**	(26,717)
Employee benefit expenses		**(311,732)**	(319,087)
Depreciation and amortisation		**(71,930)**	(15,264)
Occupancy costs		**(43,843)**	(114,450)
Other operating expenses		**(56,739)**	(63,232)

	Note	2020	2019
			(Note)
	Note	***HK$'000***	*HK$'000*
Loss from operations		**(17,271)**	(2,153)
Finance costs		**(2,896)**	—
Interest income		**1,541**	688
Fair value change on investment properties		**110**	(90)
Impairment loss on property, plant and equipment		**(9,933)**	(5,103)
Net gain/(loss) on disposal of subsidiaries		**809**	(306)
Loss before taxation	*7*	**(27,640)**	(6,964)
Income tax expense	*8*	**(4,389)**	(5,833)
Loss for the year		**(32,029)**	(12,797)
Attributable to:			
Equity shareholders of the Company		**(31,590)**	(13,289)
Non-controlling interests		**(439)**	492
Loss for the year		**(32,029)**	(12,797)
Loss per share *(HK cents)*	*9*		
Basic		**(3.49)**	(1.47)
Diluted		**(3.49)**	(1.47)

Note: The Group has initially applied HKFRS 16 at 1 April 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See note 3.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2020

	Note	2020	2019
			(Note)
		HK$'000	*HK$'000*
Loss for the year		**(32,029)**	(12,797)
Other comprehensive income for the year (after tax and reclassification adjustments):			
Items that may be reclassified subsequently to profit or loss:			
— Exchange differences on translation of foreign operations, net of Nil tax		**(2,867)**	1,706
— Reserves released upon disposal of subsidiaries		**—**	511
Other comprehensive income for the year		**(2,867)**	2,217
Total comprehensive income for the year		**(34,896)**	(10,580)
Attributable to:			
Equity shareholders of the Company		**(34,457)**	(11,072)
Non-controlling interests		**(439)**	492
Total comprehensive income for the year		**(34,896)**	(10,580)

Note: The Group has initially applied HKFRS 16 at 1 April 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See note 3.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2020

	Note	**31 March 2020** **HK$'000**	31 March 2019 *(Note)* *HK$'000*
Non-current assets			
Property, plant and equipment		**144,374**	80,452
Investment properties		**13,920**	13,810
Intangible assets		**1,343**	1,776
Goodwill		**1,070**	1,070
Deposits and prepayments	*10*	**10,264**	22,256
Deferred tax assets		**3,863**	3,874
		174,834	123,238
Current assets			
Inventories		**15,131**	18,881
Trade and other receivables, deposits and prepayments	*10*	**188,081**	190,077
Tax recoverable		**7,929**	5,860
Pledged bank deposits		**54,092**	53,206
Bank deposits with original maturity over three months		**5,151**	5,469
Cash and bank balances		**174,779**	182,766
		445,163	456,259
Current liabilities			
Trade and other payables, deposits received and accrued expenses	*11*	**79,702**	86,832
Deferred revenue	*12*	**301,822**	297,621
Lease liabilities		**48,602**	—
Tax payable		**4,910**	7,690
		435,036	392,143
Net current assets		**10,127**	64,116
Total assets less current liabilities		**184,961**	187,354

	Note	31 March 2020 HK$'000	31 March 2019 (Note) HK$'000
Non-current liabilities			
Lease liabilities		**32,281**	—
Deferred tax liabilities		**570**	458
		32,851	458
NET ASSETS		**152,110**	186,896
CAPITAL AND RESERVES			
Share capital		**90,448**	90,448
Reserves		**56,345**	90,802
Total equity attributable to equity shareholders of the Company		**146,793**	181,250
Non-controlling interests		**5,317**	5,646
TOTAL EQUITY		**152,110**	186,896

Note: The Group has initially applied HKFRS 16 at 1 April 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See note 3.

NOTES TO THE ANNOUNCEMENT

(Expressed in Hong Kong dollars unless otherwise indicated)

1 GENERAL INFORMATION

Modern Healthcare Technology Holdings Limited (formerly known as Modern Beauty Salon Holdings Limited) ("the Company") was incorporated in the Cayman Islands with limited liability. The address of its registered office is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The address of its principal place of business is Workshops Nos. 66–68, 6th Floor, Sino Industrial Plaza, 9 Kai Cheung Road, Kowloon Bay, Kowloon, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited ("the Stock Exchange").

The Company is an investment holding company. The principal activities of its subsidiaries are provision of beauty and wellness services and the sales of skincare and wellness products. In the opinion of the directors of the Company, Dr. Tsang Yue, Joyce ("Dr. Tsang"), who is a director of the Company, is the ultimate controlling party of the Company.

2 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The consolidated results set out in this announcement do not constitute the Group's consolidated financial statements for the year ended 31 March 2020 but are extracted from those financial statements.

The financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods.

The consolidated financial statements for the year ended 31 March 2020 comprise the Company and its subsidiaries ("the Group").

3 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a new HKFRS, HKFRS 16, *Leases*, and a number of amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group.

Except for HKFRS 16, *Leases*, early adoption of amendment to HKFRS 16-COVID-19-Related Rent Concessions and amendments to HKFRS 3, *Definition of a business*, none of the developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented.

HKFRS 16, *Leases* and early adoption of amendment to HKFRS 16-COVID-19-Related Rent Concessions

HKFRS 16 replaces HKAS 17, *Leases*, and the related interpretations, HK(IFRIC) 4, *Determining whether an arrangement contains a lease*, HK(SIC) 15, *Operating leases — incentives*, and HK(SIC) 27, *Evaluating the substance of transactions involving the legal form of a lease*. It introduces a single accounting model for lessees, which requires a lessee to recognise a right-of-use asset and a lease liability for all leases, except for leases that have a lease term of 12 months or less ("short-term leases") and leases of low-value assets. The lessor accounting requirements are brought forward from HKAS 17 which remain substantially unchanged.

HKFRS 16 also introduces additional qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

The Group has initially applied HKFRS 16 as from 1 April 2019. The Group has elected to use the modified retrospective approach and has therefore recognised the cumulative effect of initial application as an adjustment to the opening balance of equity at 1 April 2019. Comparative information has not been restated and continues to be reported under HKAS 17.

Further details of the nature and effect of the changes to previous accounting policies and the transition options applied are set out below:

a. New definition of a lease

The change in the definition of a lease mainly relates to the concept of control. HKFRS 16 defines a lease on the basis of whether a customer controls the use of an identified asset for a period of time, which may be determined by a defined amount of use. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

The Group applies the new definition of a lease in HKFRS 16 only to contracts that were entered into or changed on or after 1 April 2019. For contracts entered into before 1 April 2019, the Group has used the transitional practical expedient to grandfather the previous assessment of which existing arrangements are or contain leases. Accordingly, contracts that were previously assessed as leases under HKAS 17 continue to be accounted for as leases under HKFRS 16 and contracts previously assessed as non-lease service arrangements continue to be accounted for as executory contracts.

b. Lessee accounting and transitional impact

HKFRS 16 eliminates the requirement for a lessee to classify leases as either operating leases or finance leases, as was previously required by HKAS 17. Instead, the Group is required to capitalise all leases when it is the lessee, including leases previously classified as operating leases under HKAS 17, other than those short-term leases and leases of low-value assets which are exempt. As far as the Group is concerned, these newly capitalised leases are primarily in relation to property, plant and equipment.

At the date of transition to HKFRS 16 (i.e. 1 April 2019), the Group determined the length of the remaining lease terms and measured the lease liabilities for the leases previously classified as operating leases at the present value of the remaining lease payments, discounted using the relevant incremental borrowing rates at 1 April 2019. The weighted average of the incremental borrowing rates used for determination of the present value of the remaining lease payments was 3.45%.

To ease the transition to HKFRS 16, the Group applied the following recognition exemption and practical expedients at the date of initial application of HKFRS 16:

(i) the Group elected not to apply the requirements of HKFRS 16 in respect of the recognition of lease liabilities and right-of-use assets to leases for which the remaining lease term ends within 12 months from the date of initial application of HKFRS 16, i.e. where the lease term ends on or before 31 March 2020; and

(ii) when measuring the lease liabilities at the date of initial application of HKFRS 16, the Group applied a single discount rate to a portfolio of leases with reasonably similar characteristics (such as leases with a similar remaining lease term for a similar class of underlying asset in a similar economic environment).

As a practical expedient on the early adoption of amendment relating to COVID-19-Related Rent Concessions, the Group elected not to assess whether a rent concession that meets the following condition is a lease modification:

(a) the change in lease payments results in revised consideration for the lease immediately preceding the change;

(b) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and

(c) there is no substantive change in other terms and conditions of the lease.

The Group has accounted for any change in lease payment resulting from these rental concessions the same way it had accounted for the change in applying HKFRS 16, as if the change were not a modification.

The following table reconciles the operating lease commitments as at 31 March 2019 to the opening balance for lease liabilities recognised as at 1 April 2019:

	1 April 2019
	HK$'000
Operating lease commitments at 31 March 2019	128,393
Less: commitments relating to leases exempt from capitalisation:	
— short-term leases and other leases with remaining lease term ending on or before 31 March 2020	(35,494)
	92,899
Less: total future interest expenses	(3,470)
Present value of remaining lease payments, discounted using the incremental borrowing rate at 1 April 2019	89,429

The right-of-use assets in relation to leases previously classified as operating leases have been recognised at an amount equal to the amount recognised for the remaining lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position at 31 March 2019.

The following table summarises the impacts of the adoption of HKFRS 16 on the Group's consolidated statement of financial position:

	Carrying amount at 31 March 2019	**Capitalisation of operating lease contracts**	**Carrying amount at 1 April 2019**
	HK$'000	*HK$'000*	*HK$'000*
Line items in the consolidated statement of financial position impacted by the adoption of HKFRS 16:			
Property, plant and equipment	80,452	87,327	167,779
Total non-current assets	**123,238**	**87,327**	**210,565**
Trade and other payables, deposits received and accrued expenses	86,832	(2,102)	84,730
Lease liabilities (current)	—	44,324	44,324
Total current liabilities	**392,143**	**42,222**	**434,365**
Net current assets	**64,116**	**(42,222)**	**21,894**
Total assets less current liabilities	**187,354**	**45,105**	**232,459**
Lease liabilities (non-current)	—	45,105	45,105
Total non-current liabilities	**458**	**45,105**	**45,563**
Net assets	**186,896**	**—**	**186,896**

c. Leasehold investment property

Under HKFRS 16, the Group is required to account for all leasehold properties as investment properties when these properties are held to earn rental income and/or for capital appreciation ("leasehold investment properties"). The adoption of HKFRS 16 does not have a significant impact on the Group's financial statements as the Group previously elected to apply HKAS 40, *Investment properties*, to account for all of its leasehold properties that were held for investment purposes as at 31 March 2019. Consequentially, these leasehold investment properties continue to be carried at fair value.

d. Lessor accounting

In addition to leasing out the investment property referred to in paragraph c. above, the Group leases out a number of building units as the lessor of operating leases. The accounting policies applicable to the Group as a lessor remain substantially unchanged from those under HKAS 17.

Amendments to HKFRS 3, Definition of a business

The Group has early adopted the amendments to HKFRS 3, *Definition of business*, in the current accounting period. The amendment clarifies and simplifies the assessment on whether an acquired set of activities and assets is not a business. The Group has applied the amendments to transactions for which the acquisition date is on or after 1 April 2019.

4 SEGMENT INFORMATION

The Group has two reportable segments as follows:

Beauty and wellness services	—	Provision of beauty and wellness services
Skincare and wellness products	—	Sales of skincare and wellness products

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies. Segment profits do not include other income, interest income and fair value changes on investment properties, unallocated costs, which comprise corporate administrative expenses, and income tax credit/expense. Segment assets do not include properties held for corporate uses, investment properties, deferred tax assets and tax recoverable. Segment liabilities do not include tax payable, deferred tax liabilities and amounts due to related companies and the ultimate controlling party.

(a) Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 March 2020 and 2019 is set out below.

	Beauty and wellness services *HK$'000*	**Skincare and wellness products** *HK$'000*	**Total** *HK$'000*
Year ended 31 March 2020			
Revenue from external customers	**492,327**	**30,279**	**522,606**
Reportable segment (loss)/profit	**(20,168)**	**11,518**	**(8,650)**
Other segment information:			
Additions to property, plant and equipment	**55,093**	**6,423**	**61,516**
Depreciation and amortisation	**68,200**	**3,730**	**71,930**
As at 31 March 2020			
Reportable segment assets	**561,132**	**19,485**	**580,617**
Reportable segment liabilities	**441,374**	**20,944**	**462,318**

	Beauty and wellness services *HK$'000*	Skincare and wellness products *HK$'000*	Total *HK$'000*
Year ended 31 March 2019 *(Note)*			
Revenue from external customers	543,147	32,870	576,017
Reportable segment profit	9,772	10,143	19,915
Other segment information:			
Additions to property, plant and equipment	32,051	546	32,597
Depreciation and amortisation	14,116	1,148	15,264
As at 31 March 2019			
Reportable segment assets	532,553	9,462	542,015
Reportable segment liabilities	372,694	11,670	384,364

Note: The Group has initially applied HKFRS 16 at 1 April 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See note 3.

(b) Reconciliations of reportable segment profit/(loss), assets and liabilities

	2020	2019
		(Note)
	HK$'000	*HK$'000*
(Loss)/profit		
Reportable segment (loss)/profit	**(8,650)**	19,915
Other income	**6,858**	3,067
Interest income	**1,541**	688
Fair value change on investment properties	**110**	(90)
Unallocated costs	**(27,499)**	(30,544)
Income tax expense	**(4,389)**	(5,833)
Consolidated loss for the year	**(32,029)**	(12,797)
Assets		
Reportable segment assets	**580,617**	542,015
Properties held for corporate use	**13,668**	13,938
Investment properties	**13,920**	13,810
Deferred tax assets	**3,863**	3,874
Tax recoverable	**7,929**	5,860
Consolidated total assets	**619,997**	579,497
Liabilities		
Reportable segment liabilities	**462,318**	384,364
Tax payable	**4,910**	7,690
Deferred tax liabilities	**570**	458
Amounts due to related companies	**87**	87
Amount due to the ultimate controlling party	**2**	2
Consolidated total liabilities	**467,887**	392,601

Note: The Group has initially applied HKFRS 16 at 1 April 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See note 3.

(c) Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the specified non-current asset is based on the physical location of the asset, in the case of property, plant and equipment. Specified non-current assets do not include investment properties, intangible assets, goodwill, deferred tax assets and deposits.

	Revenue from external customers		Specified non-current assets	
	2020	2019	**2020**	2019
		(Note)		*(Note)*
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong (place of domicile)	**451,329**	491,232	**121,904**	76,633
PRC	**11,281**	19,439	**4,169**	814
Singapore	**57,588**	60,802	**18,065**	2,604
Malaysia	**—**	285	**—**	—
Taiwan	**—**	678	**—**	—
Australia	**2,408**	3,581	**236**	401
	522,606	576,017	**144,374**	80,452

Note: The Group has initially applied HKFRS 16 at 1 April 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See note 3.

5 REVENUE

The principal activities of the Group are the provision of beauty and wellness services and sales of skincare and wellness products.

The amount of each significant category of revenue is as follows:

	2020	2019
	HK$'000	*HK$'000*
Revenue from contracts with customers within the scope of HKFRS 15		
Revenue recognised from provision of beauty and wellness services and expiry of prepaid beauty packages	**492,327**	543,147
Sales of skincare and wellness products	**30,279**	32,870
	522,606	576,017

Revenue comprises revenue recognised from provision of beauty and wellness services and expiry of prepaid beauty packages and sales of skincare and wellness products transferred to customers at a point in time, no revenue derived from services transferred over time.

Disaggregation of revenue from contracts with customers by geographical segment is disclosed in note 4(c).

6 OTHER INCOME

	2020	2019
	HK$'000	*HK$'000*
Income from provision of domestic helper agency services	**2,152**	—
Rent concessions received*	**1,200**	—
Net gain on disposals of property, plant and equipment	**560**	107
Rental income	**423**	1,015
Government grants	**167**	234
Compensation received	**—**	932
Others	**2,356**	779
	6,858	3,067

* The Group has early adopted the amendment to HKFRS 16 relating to COVID-19-Related Rent Concessions to all rent concessions that meet the conditions set out in note 3.

7 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

(a) Employee benefit expenses

	2020	2019
	HK$'000	*HK$'000*
Salaries, wages and other benefits	**295,466**	301,534
Contributions to defined contribution retirement plans	**16,266**	17,553
	311,732	319,087

(b) Other items

	2020	2019
		(Note)
	HK$'000	*HK$'000*
Finance costs — interest on lease liabilities	**2,896**	—
Auditor's remuneration	**4,252**	3,157
Occupancy costs		
— Total minimum lease payments for leases previously classified as operating leases under HKAS 17	**—**	114,450
— Short-term lease payments not included in the measurement of lease liabilities	**43,843**	—

Note: The Group has initially applied HKFRS 16 at 1 April 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See note 3.

8 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Taxation in the consolidated statement of profit or loss represents:

	2020	2019
	HK$'000	*HK$'000*
Current tax — Hong Kong Profits Tax		
Provision for the year	**1,499**	4,010
Under/(over)-provision in respect of prior years	**1,063**	(130)
	2,562	3,880
Current tax — Overseas		
Provision for the year	**1,768**	2,007
Under/(over)-provision in respect of prior years	**59**	(54)
	1,827	1,953
	4,389	5,833

The provision for Hong Kong Profits Tax for 2020 is calculated at 16.5% (2019: 16.5%) of the estimated assessable profits for the year, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime.

For this subsidiary, the first HK$2 millions of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

The provision for Hong Kong Profits Tax for 2020 is taken into account a reduction granted by the Hong Kong SAR Government of 75% of the tax payable for the year of assessment 2018–19 subject to a maximum reduction of HK$30,000 for each business (2019: a maximum reduction of HK$30,000 was granted for the year of assessment 2017–18 and was taken into account in calculating the provision for 2019).

Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

9 LOSS PER SHARE

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company of HK$31,590,000 (2019: loss attributable to ordinary equity shareholders of the Company of HK$13,289,000) and the weighted average number of 904,483,942 ordinary shares (2019: weighted average number of 904,483,942 ordinary shares) in issue during the year. Diluted loss per share is the same as basic loss per share as there were no dilutive potential shares in issue throughout the years ended 31 March 2019 and 2020.

10 TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2020	2019
	HK$'000	*HK$'000*
Non-current assets		
Deposits and prepayments	**10,264**	22,256
Current assets		
Trade receivables, net of loss allowance for expected credit loss	**21,929**	31,033
Trade deposits retained by banks/credit card companies *(Note)*	**133,490**	133,959
Rental and other deposits, prepayments and other receivables	**32,599**	24,501
Amounts due from related companies	**63**	584
	188,081	190,077
	198,345	212,333

Note: Trade deposits represent trade receivables that were retained by the banks/credit card companies in reserve accounts to secure the Group's performance of services to customers who paid for the services by credit cards, in accordance with the merchant agreements entered into between the Group and the banks/credit card companies.

(a) Ageing analysis

As of the end of the reporting period, the ageing analysis of trade receivables, based on the invoice date and net of allowance for expected credit loss, is as follows:

	2020	2019
	HK$'000	*HK$'000*
0–30 days	**9,504**	15,678
31–60 days	**3,395**	5,332
61–90 days	**3,693**	4,779
91–180 days	**5,337**	4,853
Over 180 days	**—**	391
	21,929	31,033

Trade receivables are due within 7–180 days (2019: 7–180 days) from the date of billing.

The ageing analysis of the trade receivables based on the payment due date and net of allowance for expected credit loss is as follows:

	2020	2019
	HK$'000	*HK$'000*
Neither past due nor impaired	**21,070**	25,763
Less than 30 days past due	**574**	4,596
31–60 days past due	**264**	271
61–90 days past due	**17**	3
91–150 days past due	**4**	380
Over 150 days past due	**—**	20
	21,929	31,033

(b) Impairment of trade receivables

The movement in the expected credit loss allowance in respect of trade receivables during the year is as follows:

	2020	2019
	HK$'000	*HK$'000*
At 1 April and 31 March	**828**	828

11 TRADE AND OTHER PAYABLES, DEPOSITS RECEIVED AND ACCRUED EXPENSES

	31 March 2020	1 April 2019	31 March 2019
	HK$'000	*HK$'000*	*HK$'000*
Trade payables	**442**	861	861
Other payables, deposits received and accrued expenses *(Note)*	**79,171**	83,780	85,882
Amount due to the ultimate controlling party	**2**	2	2
Amounts due to related companies	**87**	87	87
	79,702	84,730	86,832

Note: On the date of transition to HKFRS 16, accrued lease payments of HK$2,102,000 previously included in "Other payables, deposits received and accrued expenses" were adjusted to right-of-use assets included in property, plant and equipment recognised at 1 April 2019. See note 3.

All of the trade and other payables, deposit received and accrued expenses are expected to be settled or recognised as income within one year or are repayable on demand.

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

	2020	2019
	HK$'000	*HK$'000*
Within 90 days	**442**	851
Over 90 days	**—**	10
	442	861

12 DEFERRED REVENUE

(a) An ageing analysis of deferred revenue, based on invoice date, is as follows:

	2020	2019
	HK$'000	*HK$'000*
Within 1 year	**301,822**	297,621

(b) Movement of deferred revenue:

	2020	2019
	HK$'000	*HK$'000*
At the beginning of the year	**297,621**	301,139
Gross receipts from sales of prepaid beauty packages	**496,257**	543,181
Revenue recognised for provision of beauty and wellness services and expiry of prepaid beauty packages	**(492,327)**	(543,147)
Adjustment on disposal of subsidiaries	**—**	(1,826)
Exchange differences	**271**	(1,726)
At the end of the year	**301,822**	297,621

13 DIVIDENDS

The Board does not recommend the payment of a final dividend for the year ended 31 March 2020 (2019: Nil).

BUSINESS REVIEW

Overview

During the financial year ended 31 March 2020, revenue of the Group amounted to approximately HK$522.6 million, representing a decrease of 9.3% compared with approximately HK$576.0 million for the year ended 31 March 2019 ("FY2019" or the "same period last year"). The receipts from sales of prepaid beauty packages during the year under review was HK$496.3 million, a decrease of 8.6% over the same period last year. The employees benefit expenses and occupancy costs and depreciation charge of other properties leased for own use decreased by 2.3% to HK$311.7 million and decreased by 19.4% to HK$92.2 million respectively as compared with the same period last year. The Group recorded an operating loss of HK$17.3 million during the year under review (FY2019: operating loss of HK$2.2 million).

Below is the key statistics:

	For the year ended 31 March		
	2020	2019	Change
Revenue *(HK$ million)*	**522.6**	576.0	–9.3%
Operating loss margin *(%)*	**–3.3**	–0.4	–2.9 percentage points
Net loss margin *(%)*	**–6.1**	–2.2	–3.9 percentage points
Number of shops	**55**	59	–4
Employee benefit expenses *(HK$ million)*	**311.7**	319.1	–2.3%
Occupancy costs and depreciation charge of other properties leased for own use:			
— Occupancy costs *(HK$ million)*	**43.8**	114.5	–61.7%
— Depreciation charge of other properties leased for own use *(HK$ million)*	**48.4**	—	N/A
	92.2	114.5	–19.4%
Total dividend per ordinary share *(HK cents)*	**Nil**	Nil	—
Annual dividend pay-out ratio *(%)*	**N/A**	N/A	—

Hong Kong

The China-US trade tensions and social events in Hong Kong, followed by the global outbreak of COVID-19 has deepened the economic recession in Hong Kong in the first quarter of 2020, with real GDP contracting sharply by 8.9% year-on-year, the steepest for a single quarter on record.

During the financial year ended 31 March 2020, with the restructure of our shop portfolio and streamlined optimisation of our workforce, both the employees benefit expenses and occupancy costs and depreciation charge of properties leased for own use were reduced compared with that of last year. We will continue to ensure the safety and quality of the services and products offered in our beauty and wellness centres.

Revenue for the year under review decreased by 8.1%. Revenue from services rendered and receipts from prepaid beauty packages for the year under review were HK$429.1 million and HK$441.5 million respectively (FY2019: HK$471.2 million and HK$475.4 million). Revenue from sales of skincare and wellness products was HK$22.3 million in FY2020 (FY2019: HK$20.1 million). Our customers in Hong Kong amounted up to a total of approximately 424,000 during the year under review, representing an increase of 1.2% as compared to approximately 419,000 in the same period last year.

Various comprehensive high quality beauty, slimming and facial services are offered to the general public including, inter alia, skincare, slimming, hairstyling, cosmetics, manicures, pedicures, electrology, and aesthetics services. In an effort to further strengthen its leading market position, the Group introduced a number of innovative beauty, slimming and anti-aging treatments and machineries during the year under review, such as the Salus Talent which is a therapeutic device for transcutaneous magnetic stimulation. It non-invasively optimizes circulation of the nervous system, increases tissue energy conversion, successfully increases muscle mass and at the same time reduces body fat.

In terms of the sales of skincare and wellness products, as of 31 March 2020, the Group had a total of 10 stores under the names of "be Beauty Shop", locating across Hong Kong, Kowloon and New Territories. More than 100 varieties of products are available for sale under different series of skincare service, including "Y.U.E", "Advanced Natural", "Bioline", "BeYu", "Malu Wilz" which can fulfill the needs of customers with different skin types.

Mainland China

During the FY2020, our Mainland China operations are conducted through two wholly owned foreign enterprises established in Shanghai and Guangzhou. These two wholly owned foreign enterprises operate a total of 3 service centres at the two cities referred to. During the year under review, our service income and receipts from prepaid beauty packages in Mainland China amounted to HK$11.1 million and HK$10.7 million respectively, representing a decrease of 29.6% and 17.1% respectively, as compared to the same period last year.

Singapore

During the FY2020, the Group operated a total of 10 beauty and wellness service centres in Singapore (FY2019: 11). During the FY2020, the revenue from operations in Singapore was HK$57.6 million, as compared with HK$60.8 million for the same period last year. Revenue recognised for provision of beauty and wellness services and receipts from sales of prepaid beauty packages in Singapore amounted to HK$52.2 million and HK$44.1 million respectively, as compared with HK$55.3 million and HK$54.4 million for the same period last year.

The Group will proceed with its Singapore business development in a prudent and steady manner. With relentless dedication to customer satisfaction, we will continue to focus on providing quality services that serve our customers well and enhance our brand awareness.

FINANCIAL REVIEW

Revenue

Set out below is a breakdown on the revenue of the Group by service lines and product sales during FY2020 (with comparative figures for FY2019):

	For the year ended 31 March				
	2020		2019		
Sales mix	***HK$'000***	**Percentage of revenue**	*HK$'000*	Percentage of revenue	Change
Beauty & facial	**372,100**	**71.2%**	453,706	78.8%	−18.0%
Slimming	**94,463**	**18.1%**	64,477	11.2%	+46.5%
Spa and massage	**25,764**	**4.9%**	24,964	4.3%	+3.2%
Beauty and wellness services	**492,327**	**94.2%**	543,147	94.3%	−9.4%
Sales of skincare and wellness products	**30,279**	**5.8%**	32,870	5.7%	−7.9%
Total	**522,606**	**100%**	576,017	100%	−9.3%

Revenue of the Group was mainly contributed by the beauty, facial and slimming services. The Group's revenue from beauty and wellness services decreased by about 9.4% from approximately HK$543.1 million in FY2019 to approximately HK$492.3 million in FY2020.

The Group reported that the sales of new prepaid beauty packages of the Group amounted to HK$496.3 million, representing a decrease of 8.6% compared with HK$543.2 million for FY2019, while cash and cash equivalents in hand were maintained at a healthy level.

Set out below is an analysis on the deferred revenue:

	For the year ended 31 March								
	2020				2019				
Movement of deferred revenue	**Hong Kong**	**Mainland**	**Singapore**	**Total**	Hong Kong	Mainland	Taiwan	Singapore and Malaysia	Total
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At the beginning of the year	**261,211**	**5,850**	**30,560**	**297,621**	370,697	10,315	832	46,875	428,719
Impact of changes in accounting policy	**—**	**—**	**—**	**—**	(113,750)	—	—	(13,830)	(127,580)
Exchange differences	**—**	**(118)**	**389**	**271**	—	(690)	(33)	(1,003)	(1,726)
Gross receipts from sales of prepaid beauty packages	**441,457**	**10,713**	**44,087**	**496,257**	475,420	12,930	253	54,578	543,181
Revenue recognized for provision of beauty and wellness services and expiry of prepaid beauty package	**(429,077)**	**(11,073)**	**(52,177)**	**(492,327)**	(471,156)	(15,726)	(677)	(55,588)	(543,147)
Adjustment on disposal of subsidiaries	**—**	**—**	**—**	**—**	—	(979)	(375)	(472)	(1,826)
At the end of the year	**273,591**	**5,372**	**22,859**	**301,822**	261,211	5,850	—	30,560	297,621

Employee benefit expenses

Employee benefit expenses (including staff's salaries and bonuses as well as directors' remunerations) represented the largest component of the Group's operating costs. During the year under review, employee benefit expenses decreased by about 2.3% from HK$319.1 million in FY2019 to approximately HK$311.7 million. Employee benefit expenses accounted for 59.6% of our revenue in FY2020, as compared to 55.4% for FY2019. The total headcount of the Group as at 31 March 2020 decreased by 6.9% to 1,087, as compared to a headcount of 1,167 for the FY2019. The decrease of the amount of employee benefits expenses and headcount is mainly due to the continuous cost efficiency that we endeavor to pursue. The Group's remuneration policies are in line with the prevailing market practices and are determined based on the individual performance and experience. For the purpose of motivating and rewarding our staff, discretionary bonus and share options may be granted to eligible employees based on individual performance and the Group's results. The Group introduced the elite system since the first quarter of 2010, whereby excellent staff with outstanding performance may receive discretionary bonus in recognition of their contribution.

Occupancy costs and depreciation charge of other properties leased for own use

During the year under review, the Group's occupancy costs and depreciation of other properties leases for own use were approximately HK$92.2 million (2019: HK$114.5 million), accounting for approximately 17.7% of our revenue (2019: 19.9%). As of 31 March 2020, the Group operated a total of 35 service centres in Mainland China and Hong Kong with a total weighted average gross floor area of 209,000 square feet, representing a decrease of 11.4% as compared to 236,000 square feet in FY2019. As of 31 March 2020, the Group had 10 centres in Singapore, with a total weighted average gross floor area of approximately 20,000 square feet (FY2019: approximately 21,000 square feet).

Other operating expenses

Other operating expenses include bank charges, advertising costs, utilities and building management fees. Bank charges recorded changes in line with sales of new prepaid beauty packages, which decreased by 5.7% to HK$25.2 million. Advertising costs increased to HK$5.3 million from HK$4.4 million for the same period last year. Advertising cost as a percentage of revenue in FY2020 was 1.0% which remained stable compared with that of the same period last year. This reflected the Group's ability to enjoy cost advantage in advertising cost as it could spread such costs across an enlarged service centre network that covers Hong Kong, Mainland China and Singapore. Advertising cost is allocated in an effective way to raise brand awareness and capture a greater market share.

Net loss

The net loss attributable to equity shareholders of the Company was approximately HK$31.6 million in FY2020, as compared to the net loss attributable to equity shareholders of the Company of HK$13.3 million in FY2019. The Group will continue to expand its business when opportunities arise in order to achieve the long-term value added objective of maximising shareholders' returns.

Dividend per share

The Board did not recommend any final dividend to the shareholders of the Company for the year under review (FY2019: Nil). As no interim dividend had been approved by the Board for the six months ended 30 September 2019, the total dividend for the year ended 31 March 2020 will be nil (FY2019: Nil).

Liquidity, financial resources and capital structure

The Group generally finances its liquidity requirements through the receipts from sales of prepaid beauty packages and settlement of credit card prepayment transactions with banks. During the year under review, we maintained a strong financial position with abundant cash and bank balances of approximately HK$180.0 million (FY2019: HK$188.2 million) with no bank borrowings. Our cash is primarily used as working capital and to finance our normal operating expenses, as well as to pay for the purchase of skincare and wellness products, materials and consumable used in the provision of beauty and wellness services. During the year under review, except for the fund required for operation, the majority of the Group's cash was held under fixed and savings deposits as in line with the Group's prudent treasury policies.

Capital expenditure

The total capital expenditure of the Group (excluding additions to right-of-use assets for leases of properties for own use) during the year under review was approximately HK$20.0 million, as compared to HK$32.6 million for the same period last year. The amount was mainly used for the additions of leasehold improvements, motor vehicles and equipment and machinery in connection with the expansion and integration of its service network in Hong Kong, Mainland China and Singapore.

Contingent liabilities and capital commitment

The Board considered that there was no material contingent liabilities as at 31 March 2020. The Group had capital commitment of HK$0.1 million as at 31 March 2020 (31 March 2019: HK$4.9 million), mainly for the acquisition of plant and equipment.

Charges on assets

As of 31 March 2020, the Group had pledged bank deposits of HK$54.1 million (31 March 2019: HK$53.2 million) in favour of certain banks to secure banking facilities granted to certain subsidiaries in the Group.

Foreign exchange risk exposures

The Group's transactions were mainly denominated in Hong Kong Dollars. However, the exchange rates of Hong Kong Dollars against Renminbi and Singapore Dollars also affected the operating costs as the Group expanded its business to Mainland China and Singapore. The management will closely monitor the risk exposures faced by the Group, and will take necessary actions to minimise potential risks and strike a balance between our exposure and return so as to properly hedge such exposures.

Human resources and training

The Group had a workforce of 1,087 staff as of 31 March 2020 (31 March 2019: 1,167 staff), including 900 front-line service centre staff in Hong Kong, 36 in Mainland China and 60 in Singapore. Back office staff totaled 69 in Hong Kong, 5 in Mainland China, 14 in Singapore and 3 in Australia. The Group reviews its remuneration policies on a regular basis with reference to the legal framework, market conditions and performance of the Group and individual staff. The Remuneration Committee also reviews the remuneration policies and packages of executive directors and the senior management.

Pursuant to the remuneration policies of the Group, employees' remunerations comply with the legal requirements of all jurisdictions in which we operate, and are in line with the market rates. During the year under review, total employee benefit expenses including directors' emoluments amounted to HK$311.7 million, representing a 2.3% decrease as compared to HK$319.1 million in FY2019. To enhance the service quality and core skills of our staff members, the Group regularly organises training programs designed by the Group's senior management for its staff. In addition, the seminars also facilitate the interaction and communication between the Group's management and the general staff.

OUTLOOK

The negative economic outlook and trade tensions between the US and China, as well as the combined impact of the global COVID-19 outbreak, have had a profound impact on the retail and services sector in Hong Kong and Singapore. Our shops in Hong Kong and Singapore are closed from 10 April 2020 to 7 May 2020 and 7 April to 18 June 2020 respectively due to the anti-epidemic and circuit-breaker measures launched by the Hong Kong and Singapore governments. Our performance after the year end period will inevitably be affected. Nonetheless, the Group was or would be granted subsidy under the Subsidy Scheme for Beauty Parlours under the Anti-epidemic Fund and subsidy under the Employment Support Scheme in Hong Kong. Both subsidies compensated for the loss destined to incur during the shop closure period.

During the year under review, in order to provide the Group with a more appropriate corporate identity and strategic direction, we have changed the name of the Company to Modern Healthcare Technology Holdings Limited to better reflect and highlight the future strategic business plan to diversify into healthcare and high technological business segments. During the year under review, the Group has acquired the ICONX electronic business card application software, which is used as a social networking platform for users to exchange their electronic business cards via QR codes.

In the future, the Group will continue to explore various business opportunities proactively and prudently in order to seek new sources of business income.

Looking ahead, while the road to recovery is challenging, the Group will remain cautious in opening new salons with a focus on improving the performance of services to our customers through our salon network. We will also endeavor to negotiate with the landlords for rent reduction so that the Group's rental cost will be decreased to a reasonably low level in face of the uncertain global and local business environment.

Environmental Policies and Performance

The Group understands that its business has an impact on the environment and recognises the importance of sound environmental management practices and sustainable business operations. It is committed to comply with the relevant environmental standards and policies related to its business operations as set by the relevant governments. The Group has implemented a number of environment-friendly measures in its operations and workplaces including but not limited to retail shops, warehouses and offices. In its day-to-day operations, the Group advocates "paperless office" and actively promotes electronic management information system. It also sets up required equipment in order to arrange different kinds of meeting by using teleconference and video conference, resulting in savings in time and resources. For retail shops, the Group has implemented energy saving practices by using some LED lighting fixtures.

Compliance with Laws and Regulations

The Group recognises the importance of compliance with regulatory requirements and risks of non-compliance with such requirements. The Group has conducted on-going review of the newly enacted laws and regulations affecting the operations of the Group and provides relevant trainings and guidance to the staff. The Group has complied with the relevant laws and regulations of its places of operation that have significant impact on the operations of the Group for the year ended 31 March 2020.

Key Relationships

(a) Employees

The Group believes that employees are a key element to the success of its business, so it strives to maintain a high staff retention rate by providing competitive remuneration package and developing harmonious workplace. To enhance capabilities and effectiveness of its employees in operation, the Group provides them with a comprehensive training program which includes quality service skills, product knowledge and language and interpersonal skills. In addition, the Group would organize regular retail staff gatherings to promote team spirits and award retail staff who had outstanding sales performance.

(b) Consumers

The Group provides direct service to consumers in its retail and salon shops. To ensure continuous improvement of the quality of products and services, the Group regularly conducts internal and external market surveys to interact with consumers and to gain market insights and feedback.

(c) Suppliers

The Group has established long standing cooperation relationship with certain suppliers. It selects its suppliers prudently. The relevant suppliers need to fulfill certain assessment criteria of the Group, including, among others, experience of financial capability, reputation and history of meeting our standards for raw materials or finished products.

(d) Shareholders and Investors

The Board believes effective communication and accurate and timely information disclosure builds the Shareholders' and investors' confidence, and also facilitates the flow of constructive feedback and ideas that are beneficial for investor relations and future corporate development.

Principal risks and uncertainties

1. Macroeconomic changes — The Group's business is sensitive to the general economic conditions and other factors like consumer credit.

2. Regulatory & political risk of business — This includes legal regulation update in Hong Kong, especially the Trade Description Ordinance Chapter 362, Law of Hong Kong, since the Group's business mainly operates in Hong Kong. In addition, the Group would develop markets in Mainland China further, which also bring more risk in relation to regulatory and political changes.

3. Market competition — The Group is under intense pressure to compete on both price and service as large and small, regional or niche competitors attempt to increase market share.

4. Foreign currency risk associated with the Group's investment — The Group may be exposed to transaction and translation (exchange rate) risks, particularly Renminbi, Singapore Dollars and Australian Dollars, and associated financial cost risks.

5. Rising costs of Hong Kong business — This mainly refers to increasing operational cost resulting from uncertain economic environment.

6. Reputation and performance risk of skincare and wellness products business of the Group — The Group's business is dependent on its reputation and quality of service and the Group may lose potential business if the quality of its products and service are called into question.

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

During the year under review, the Company did not redeem, and neither the Company nor any of its subsidiaries purchased or sold, any of the Company's listed securities.

CLOSURE OF REGISTER OF MEMBERS

The Annual General Meeting ("AGM") is scheduled to be held on Friday, 28 August 2020. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 25 August 2020 to Friday, 28 August 2020, both days inclusive, during which period no transfer of Share will be effected. In order to be eligible to attend and vote at the AGM, all transfers of Shares, accompanied by the relevant share certificates, must be lodged with the Company's share registrar in Hong Kong, Tricor Investor Services Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Monday, 24 August 2020.

CORPORATE GOVERNANCE PRACTICE

The Company is committed to principles of good corporate governance consistent with prudent management and enhancement of shareholder value, which emphasise transparency, accountability and independence.

The Company has adopted the code provisions ("Code Provisions") set out in the Corporate Governance Code (taking effect from 1 April 2012) (the "Code") as set out in Appendix 14 to the Rules Governing The Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

During the year under review, the Company met the Code Provisions in the Code, except for the deviation from Code provision A.2.1, Code provision A.6.7 and Code provision E.1.2 as set out below.

CHAIRPERSON AND CHIEF EXECUTIVE OFFICER ("CEO")

During the year under review, Dr. Tsang Yue, Joyce ("Dr. Tsang") was both the Chairperson and CEO of the Company. Code provision A.2.1 of the Code stipulates that the role of chairperson and chief executive should be separate and should not be performed by the same individual. After reviewing the management structure, the Board is of the opinion that Board decisions are collective decisions of all Directors made by way of voting and not decisions of the Chairperson of the Board alone. Further, there is a clear division of responsibilities between the management of the Board and the day-to-day management of the business of the Company, which relies on the support of the senior management. As such, the power of management of the Company is not concentrated in any one individual. The Board considers that the present structure will not impair the balance of power and authority between the Board and the senior management of the Group.

CODE PROVISION A.6.7

Code Provision A.6.7 provides that Independent Non-executive Directors and other Non-executive Directors of the Company should attend general meetings and develop a balanced understanding of the views of the shareholders.

Dr. Wong Man Hin, Raymond and Mr. Hong Po Kui, Martin, both Independent Non-executive Directors of the Company, were absent from the two Extraordinary General Meetings of the Company held on 27 March 2020 due to personal reason.

CODE PROVISION E.1.2

Code Provision E.1.2 provides that the chairman of the board should attend the annual general meeting.

Dr. Tsang Yue, Joyce, the Chairperson of the Board, was absent from the Annual General Meeting of the Company held on 30 August 2019 due to personal reason.

COMPANY SECRETARY

Owing to the COVID-19 pandemic, the Company Secretary of the Company was unable to take not less than 15 hours of relevant professional training during the year under review as required under Rule 3.29 of the Listing Rules. The Company Secretary will take the outstanding hours of the relevant professional training as soon as possible.

SCOPE OF WORK OF KPMG

The financial figures in respect of the Group's consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 March 2020 as set out in the preliminary announcement have been compared by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's draft consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the auditor.

AUDIT COMMITTEE

The composition of the Audit Committee is as follows:

Independent Non-executive Director
Ms. Liu Mei Ling, Rhoda *(Chairperson)*
Dr. Wong Man Hin, Raymond
Mr. Hong Po Kui, Martin

The Audit Committee has reviewed and approved the Group's annual results for the year ended 31 March 2020 prior to their approval by the Board.

PUBLICATION OF THE FINAL RESULTS AND ANNUAL REPORT

This results announcement is published on the website of the Hong Kong Exchanges and Clearing Limited at www.hkex.com.hk under "Latest Listed Company Information" and on the website of the Company at www.modernhealthcaretech.com under "Investor Relations — Statutory Announcements". The Annual Report and the Notice of Annual General Meeting will be despatched to the shareholders on or about 23 July 2020 and will be available at the Stock Exchange's and the Company's websites at the same time.

On behalf of the Board,
DR. TSANG YUE, JOYCE
Chairperson & Chief Executive Officer

Hong Kong, 29 June 2020

As at the date of this announcement, the Board consists of three executive Directors, Dr. Tsang Yue, Joyce, Mr. Yip Kai Wing and Ms. Yeung See Man and three independent non-executive Directors, Ms. Liu Mei Ling, Rhoda, Dr. Wong Man Hin, Raymond and Mr. Hong Po Kui, Martin.