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## **Miricor Enterprises Holdings Limited**

**卓珈控股集團有限公司**

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

**(Stock Code: 1827)**

### **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021**

#### **HIGHLIGHTS**

- The Group's revenue amounted to approximately HK\$199.7 million for the six months ended 30 September 2021, representing an increase of approximately HK\$145.2 million or 266.4% as compared to approximately HK\$54.5 million for the six months ended 30 September 2020.
- Profit attributable to the owners of the Company was approximately HK\$53.9 million for the six months ended 30 September 2021 (six months ended 30 September 2020: loss of approximately HK\$6.2 million).
- The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2021 (six months ended 30 September 2020: Nil).

## FINANCIAL RESULTS

The Board of Directors (the “**Board**”) of Miricor Enterprises Holdings Limited (the “**Company**”) is pleased to announce the interim unaudited consolidated results of the Company and its subsidiaries for the six months ended 30 September 2021 together with the comparative unaudited figures for the corresponding period in 2020 as follows:

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2021

		Six months ended 30 September	
	Notes	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
<b>REVENUE</b>	4	<b>199,730</b>	54,500
Other income	4	424	7,406
Cost of inventories and consumables		(13,317)	(5,593)
Staff costs		(56,351)	(32,726)
Property rentals and related expenses		(17,527)	(10,447)
Depreciation of property, plant and equipment		(7,342)	(6,398)
Other expenses		(43,873)	(13,409)
Finance costs	6	(1,177)	(980)
<b>PROFIT/(LOSS) BEFORE TAX</b>	5	<b>60,567</b>	(7,647)
Income tax (expense)/credit	7	(6,648)	1,458
<b>PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		<b>53,919</b>	(6,189)
<b>OTHER COMPREHENSIVE INCOME</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		126	30
<b>TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		<b>54,045</b>	(6,159)
<b>EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY</b>			
— Basic and diluted	9	<b>HK13.48 cents</b>	HK(1.55) cents

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2021

		<b>30 September 2021</b>	31 March 2021
	<i>Notes</i>	<i>HK\$'000</i> <b>(Unaudited)</b>	<i>HK\$'000</i> <b>(Audited)</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	<i>10</i>	<b>39,958</b>	34,498
Right-of-use assets		<b>112,251</b>	42,719
Goodwill		<b>4,305</b>	4,305
Prepayments, other receivables and other assets		<b>35,666</b>	5,820
Deferred tax assets		<b>3,387</b>	6,815
		<hr/>	<hr/>
Total non-current assets		<b>195,567</b>	94,157
		<hr/>	<hr/>
<b>CURRENT ASSETS</b>			
Inventories		<b>33,142</b>	14,154
Trade receivables	<i>11</i>	<b>37,810</b>	16,263
Prepayments, other receivables and other assets		<b>42,666</b>	24,966
Tax recoverable		<b>3,476</b>	3,476
Pledged time deposits		<b>57,420</b>	57,346
Cash and cash equivalents		<b>112,338</b>	161,773
		<hr/>	<hr/>
Total current assets		<b>286,852</b>	277,978
		<hr/>	<hr/>
<b>CURRENT LIABILITIES</b>			
Trade payables	<i>12</i>	<b>8,298</b>	2,076
Other payables and accruals		<b>11,094</b>	6,616
Contract liabilities and deferred revenue		<b>138,173</b>	168,182
Provision for reinstatement costs		<b>483</b>	483
Lease liabilities		<b>30,155</b>	16,948
Tax payable		<b>3,221</b>	–
		<hr/>	<hr/>
Total current liabilities		<b>191,424</b>	194,305
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		<b>95,428</b>	83,673
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>290,995</b>	177,830
		<hr/>	<hr/>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**(Continued)**

*As at 30 September 2021*

	<b>30 September</b>	31 March
	<b>2021</b>	2021
<i>Notes</i>	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>NON-CURRENT LIABILITIES</b>		
Deferred tax liabilities	<b>1,604</b>	1,604
Provision for reinstatement costs	<b>9,584</b>	5,114
Lease liabilities	<b>80,188</b>	25,538
	<hr/>	<hr/>
Total non-current liabilities	<b>91,376</b>	32,256
	<hr/>	<hr/>
Net assets	<b>199,619</b>	145,574
	<hr/> <hr/>	<hr/> <hr/>
<b>EQUITY</b>		
Issued capital	<i>13</i> <b>4,000</b>	4,000
Reserves	<b>195,619</b>	141,574
	<hr/>	<hr/>
Total equity	<b>199,619</b>	145,574
	<hr/> <hr/>	<hr/> <hr/>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

*For the six months ended 30 September 2021*

	Issued capital <i>HK\$'000</i>	Share premium account <i>HK\$'000</i>	Merger reserve <i>HK\$'000</i>	Exchange reserve <i>HK\$'000</i>	Retained profits <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
At 1 April 2020 (Audited)	4,000	67,788	4,995	–	81,448	158,231
Loss for the period	–	–	–	–	(6,189)	(6,189)
Other comprehensive income for the period	–	–	–	30	–	30
Total comprehensive loss for the period	–	–	–	30	(6,189)	(6,159)
At 30 September 2020 (Unaudited)	<u>4,000</u>	<u>67,788</u>	<u>4,995</u>	<u>30</u>	<u>75,259</u>	<u>152,072</u>
At 1 April 2021 (Audited)	<b>4,000</b>	<b>67,788</b>	–	(4)	<b>73,790</b>	<b>145,574</b>
Profit for the period	–	–	–	–	<b>53,919</b>	<b>53,919</b>
Other comprehensive income for the period	–	–	–	126	–	126
Total comprehensive income for the period	–	–	–	126	<b>53,919</b>	<b>54,045</b>
At 30 September 2021 (Unaudited)	<u><b>4,000</b></u>	<u><b>67,788</b></u>	<u>–</u>	<u><b>122</b></u>	<u><b>127,709</b></u>	<u><b>199,619</b></u>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION

The Company is an exempted company with limited liability incorporated in the Cayman Islands. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company is located at 18/F, Nan Fung Tower, 88 Connaught Road Central, Central, Hong Kong.

The Company is an investment holding company and the Company's subsidiaries were principally engaged in the provision of medical aesthetic services and the sale of skin care products.

### 2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the Hong Kong Accounting Standard ("HKAS") 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants and with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The condensed consolidated financial statements does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual report for the year ended 31 March 2021.

The condensed consolidated financial statements for the six months ended 30 September 2021 have not been audited, but have been reviewed by the audit committee of the Company.

### 3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2021, except for the followings.

#### **Amendments of accounting standards adopted by the Group**

The Group adopted the following revised Hong Kong Financial Reporting Standards ("HKFRSs") for the first time for the current period's financial information.

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	<i>Interest Rate Benchmark Reform — Phase 2</i>
Amendment to HKFRS 16	<i>Covid-19-Related Rent Concessions beyond 30 June 2021 (early adopted)</i>

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

- (a) Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 address issues not dealt with in the previous amendments which affect financial reporting when an existing interest rate benchmark is replaced with an alternative risk-free rate (“RFR”). The phase 2 amendments provide a practical expedient to allow the effective interest rate to be updated without adjusting the carrying amount of financial assets and liabilities when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, if the change is a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change. In addition, the amendments permit changes required by the interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of HKFRS 9 to measure and recognise hedge ineffectiveness. The amendments also provide a temporary relief to entities from having to meet the separately identifiable requirement when an RFR is designated as a risk component. The relief allows an entity, upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months. Furthermore, the amendments require an entity to disclose additional information to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity’s financial instruments and risk management strategy. The amendment did not have any impact on the financial position and performance of the Group.
- (b) Amendment to HKFRS 16 issued in April 2021 extends the availability of the practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the covid-19 pandemic by 12 months. Accordingly, the practical expedient applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met. The amendment is effective retrospectively for annual periods beginning on or after 1 April 2021 with any cumulative effect of initially applying the amendment recognised as an adjustment to the opening balance of retained profits at the beginning of the current accounting period. Earlier application is permitted.

The Group has early adopted the amendment on 1 April 2021 and applied the practical expedient during the period ended 30 September 2021 to all rent concessions granted by the lessors that affected only payments originally due on or before 30 June 2022 as a direct consequence of the covid-19 pandemic.

#### 4. REVENUE, OTHER INCOME AND OPERATING SEGMENT INFORMATION

An analysis of revenue is as follow:

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2021</b>	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<b>(Unaudited)</b>	(Unaudited)
<b>Revenue from contracts with customers</b>		
Treatment services	<b>176,594</b>	50,566
Skin care products	<b>22,775</b>	3,657
Medical consultation services	<b>13</b>	14
Prescription and dispensing of medical products	<b>348</b>	263
	<b>199,730</b>	54,500

## Revenue from contracts with customers

### (i) Disaggregated revenue information

For the six months ended 30 September 2021 and 2020

	Six months ended 30 September	
	2021	2020
	HK\$'000	HK\$'000
<b>Types of goods or services</b>		
Sale of skin care products	22,775	3,657
Provision of medical aesthetic services	<u>176,955</u>	<u>50,843</u>
Total revenue from contracts with customers	<u><u>199,730</u></u>	<u><u>54,500</u></u>
<b>Geographical markets</b>		
Hong Kong	195,358	54,500
The PRC	<u>4,372</u>	<u>–</u>
Total revenue from contracts with customers	<u><u>199,730</u></u>	<u><u>54,500</u></u>
<b>Timing of revenue recognition</b>		
Goods or services transferred at a point in time	23,135	3,934
Services transferred over time	<u>176,595</u>	<u>50,566</u>
Total revenue from contracts with customers	<u><u>199,730</u></u>	<u><u>54,500</u></u>

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	Six months ended 30 September	
	2021	2020
	HK\$'000	HK\$'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Treatment services	112,550	27,821
Skin care products	<u>32</u>	<u>34</u>
	<u><u>112,582</u></u>	<u><u>27,855</u></u>



(ii) *Performance obligations*

Information about the Group's performance obligations is summarised below:

*Provision of medical aesthetic services*

The performance obligation associated with treatment services is satisfied over time when the services are rendered. The performance obligations associated with medical consultation services and prescription and dispensing of medical products are satisfied at the point in time when the services are rendered.

*Sale of skin care products*

The performance obligation is satisfied upon delivery of the skin care products and payment is mainly on cash and/or credit card settlement, except for corporate customers, where payment is due within 2 to 30 days from delivery.

An analysis of other income is as follow:

		<b>Six months ended</b>	
		<b>30 September</b>	
		<b>2021</b>	<b>2020</b>
		<b>HK\$'000</b>	<b>HK\$'000</b>
	<i>Note</i>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Other income</b>			
Bank interest income		<b>302</b>	1,743
Government grants	(a)	–	5,596
Others		<b>122</b>	67
		<u><b>424</b></u>	<u>7,406</u>

- (a) The government subsidies for the six months ended 30 September 2020 represented subsidies received under the Employment Support Scheme and the applicable subsidy scheme under the Anti-epidemic Fund of the Government of Hong Kong Special Administrative Region. There were no unfulfilled conditions or contingencies relating to the subsidies.

## 5. PROFIT/(LOSS) BEFORE TAX

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

	Six months ended 30 September	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Lease payments not included in the measurement of lease liabilities	701	362
Employee benefit expenses (excluding Directors' remuneration):		
Salaries, bonuses and other allowances	50,141	28,276
Retirement benefit scheme contributions (defined contribution scheme)	2,004	946
	<u>52,145</u>	<u>29,222</u>
Auditor's remuneration	1,032	1,253
Depreciation of property, plant and equipment	7,342	6,398
Depreciation of right-of-use assets	13,196	9,359
Impairment of trade receivables, net	169	22
Foreign exchange differences, net	(243)	123

## 6. FINANCE COSTS

	Six months ended 30 September	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest on lease liabilities	<u>1,177</u>	<u>980</u>

## 7. INCOME TAX EXPENSE/(CREDIT)

Hong Kong profits tax has been provided at a rate of 16.5% (six months ended 30 September 2020: 16.5%) on the estimated assessable profits in Hong Kong during the period.

	Six months ended 30 September	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current		
— Charge for the period	3,220	295
Deferred tax	3,428	(1,753)
	<u>6,648</u>	<u>(1,458)</u>

## 8. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2021 (six months ended 30 September 2020: Nil).

## 9. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings/(loss) per share is based on:

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2021</b>	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Earnings/(loss):</b>		
Profit/(loss) attributable to ordinary equity holders of the Company	<u>53,919</u>	<u>(6,189)</u>
	<i>'000</i>	<i>'000</i>
<b>Number of shares:</b>		
Weighted average number of ordinary shares in issue used in the basic earnings/(loss) per share calculation	<u>400,000</u>	<u>400,000</u>

No adjustment has been made to the basic earnings/(loss) per share presented as the Group had no potentially dilutive ordinary shares in issue during those periods.

## 10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2021, the Group acquired property, plant and equipment of approximately HK\$12,717,000 (six months ended 30 September 2020: HK\$2,914,000).

## 11. TRADE RECEIVABLES

	<b>30 September</b>	31 March
	<b>2021</b>	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Credit card receivables	<b>37,748</b>	16,344
Others	<u>359</u>	<u>47</u>
	<b>38,107</b>	16,391
Impairment	<u>(297)</u>	<u>(128)</u>
	<u><b>37,810</b></u>	<u>16,263</u>

The Group's trading terms with its clients are mainly on cash and/or credit card settlement while the trading terms with its corporate customers are on credit. The credit period is generally 2 to 30 days for credit card settlement for the respective financial institutions and up to 60 days for corporate customers. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

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

	<b>30 September 2021 HK\$'000 (Unaudited)</b>	31 March 2021 HK\$'000 (Audited)
Within 1 month	<b>19,932</b>	15,559
1 to 3 months	<b>17,715</b>	669
Over 3 months	<b>163</b>	35
	<b><u>37,810</u></b>	<u>16,263</u>

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

## 12. TRADE PAYABLES

	<b>30 September 2021 HK\$'000 (Unaudited)</b>	31 March 2021 HK\$'000 (Audited)
Third party suppliers	<b><u>8,298</u></b>	<u>2,076</u>

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

	<b>30 September 2021 HK\$'000 (Unaudited)</b>	31 March 2021 HK\$'000 (Audited)
Within 1 month	<b><u>8,298</u></b>	<u>2,076</u>

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

### 13. SHARE CAPITAL

#### Shares

	<b>30 September 2021 HK\$'000 (Unaudited)</b>	31 March 2021 HK\$'000 (Audited)
Authorised: 2,000,000,000 ordinary shares of HK\$0.01 each	<u>20,000</u>	<u>20,000</u>
Issued and fully paid: 400,000,000 ordinary shares of HK\$0.01 each	<u>4,000</u>	<u>4,000</u>

#### Share options

Details of the Company's share option scheme are included in note 14 to the financial statements.

### 14. SHARE OPTION SCHEME

The Company operates a share option scheme (the “**Scheme**”) for the purpose of attracting and retaining the best available personnel, providing additional incentive to eligible participants, and promoting the success of the business of the Group.

Eligible participants of the Scheme include the Company's Directors, including independent non-executive directors, other employees of the Group, and any consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners and service providers of any member of the Group. The Scheme was approved and adopted by the shareholders of the Company on 19 December 2016 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

At the date of approval of these financial statements, the maximum number of shares available for issue was 40,000,000, representing 10% of the shares of the Company in issue.

The maximum number of shares issued and to be issued upon exercise of options granted under the Scheme and any other share option scheme of the Company to each participant in any 12-month period up to the date of grant shall not exceed 1% of the total shares of the Company in issue.

An option may be exercised in accordance with the terms of the Scheme at any time during a period commencing on such date on or after the date on which the option is granted as the Directors may determine in granting the option and expiring at the close of business on such date as the Directors may determine in granting the option but in any event shall not exceed 10 years from the date of grant (which is the date of offer of grant if the offer for the grant of the option is accepted).

An offer for the grant of options must be accepted within 7 days inclusive of the day on which such offer was made. The amount payable on acceptance of the offer for the grant of an option is HK\$1.0.

The exercise price of share options is determinable by the Directors provided always that it shall be at least the higher of (i) the closing price of the Company's shares as stated in The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”)’s daily quotations sheet on the date of offer; (ii) the average of the closing prices of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the 5 trading days immediately preceding the date of offer; and (iii) the nominal value of a share of the Company.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meeting.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

For the six months ended 30 September 2021 (the “Period Under Review”), the Group delivered record-high revenue of HK\$199.7 million, up by HK\$145.2 million, or 266.4%, when compared with the period ended 30 September 2020 (“Previous Period”). The notable climb was mainly due to improved consumer sentiments with the COVID-19 pandemic situation contained. At the continuous marketing efforts of the Group and with help from the Consumption Voucher Scheme, sales increased significantly. As a result, the Group turned profitable for the Period Under Review with profit amounting to approximately HK\$53.9 million (Previous Period: net loss of approximately HK\$6.2 million).

The Group is currently operating three “CosMax” brand medical aesthetic centres at strategic locations in Causeway Bay, Central District and Tsim Sha Tsui. The Causeway Bay centre is in a duplex unit with an overall area of 12,156 sq. ft. and 30 treatment rooms. As for the Tsim Sha Tsui centre and Central centre, they occupy 6,050 sq. ft. and 3,092 sq. ft., and have up to 17 and 9 treatment rooms, respectively. The Group has also continuously acquired latest technologies to ensure it is able to provide superb quality services. As at 30 September 2021, the Group owned over 164 treatment devices for providing diverse treatment procedures to customers. The devices and procedures have all been clinically evaluated by doctors before being adopted to ensure customers are given safe and top quality experience. The centres, at prime locations and backed by latest advanced technologies, have allowed the Group to attract a wide range of customers and effectively build up its customer base.

The Group has unveiled a new beauty brand “VITAE” with a new collective standard called “Healthy Beauty”. Mrs. Gigi Ma, founder of the brand, emphasizes the principle of “Inner health realizes external beauty”, thus established the brand with the philosophy of balancing beauty, maintaining a perfect balance between beauty and health, and emanating beauty from within. That is what inspired the concept of VITAE-Wellness Beauty medical aesthetic services. With health awareness increasing among people, the Group believes “healthy beauty” will be the new market trend. VITAE has been launched in all CosMax centres that more customers can experience the new brand. In addition, the Group has signed two new lease agreements for open new centres at prime locations, including 10th and 11th floor in New World Tower II, 16–18 Queen’s Road Central and the entire 16th floor in the Peninsula Office Tower, 18 Middle Road, Tsim Sha Tsui, allowing it to expand business and strengthen the market shares of both CosMax and VITAE.

Quality skin care products branded XOVÉ, a new skin care product line created by the responsible Swiss skin care research team, are offered to customers complementing treatments for delivering optimum results. Alive to the potential of online shopping, the Group has scaled up efforts to promote e-commerce. XOVÉ’s e-shop was launched in July 2020, and online platforms have been established on T-mall (天貓), Xiaohongshu (小紅書) and Mini program (小程序) for selling XOVÉ products to PRC customers and broaden the Group’s customer base. To reach more potential customers yet and raise public awareness, the first XOVÉ retail store opened in Mandarin Oriental Hong Kong in June 2021. The Group also collaborated with Mandarin Oriental Hong Kong and offered XOVÉ staycation packages and an exclusive “XOVÉ White Truffle Treasure Afternoon Tea” to its guests between June and August 2021.

The Group is well-prepared to capture more potential customers capitalizing on its continuous effort to seize opportunities to deepen market penetration by opening new medical aesthetic service centres and skin care products retail stores in Hong Kong in FY2022.

## **FINANCIAL REVIEW**

### **Revenue**

Revenue amounted to approximately HK\$199.7 million for the Period Under Review, representing an increase of approximately HK\$145.2 million or 266.4% as compared to approximately HK\$54.5 million for the Previous Period. The increase was primarily attributable to market recovery from the COVID-19 pandemic and the reopening of the Group's medical aesthetic centres which were subject to compulsory closure requirements implemented by the Government of Hong Kong Special Administrative Region during the Previous Period. Also, the Group has implement effective marketing promotions to increase public awareness for skin care products.

### **Cost of inventories and consumables**

Cost of inventories and consumables amounted to approximately HK\$13.3 million and HK\$5.6 million for the Period Under Review and Previous Period respectively, representing 6.7% and 10.3% of total revenue for the respective periods.

### **Staff costs**

Staff costs increased by approximately HK\$23.7 million, or 72.5%, from approximately HK\$32.7 million for the Previous Period to approximately HK\$56.4 million for the Period Under Review. The increase was primarily attributable to the increase in commission paid to doctors and front-line staff whose incentive scheme tied to various key performance indicators such as the number of package sold or number of treatment conducted. As a result of increase in sales of packages and total revenue during the Period Under Review, commission payable to doctors and front-line staff were increased.

### **Property rentals and related expenses**

Property rentals and related expenses increased by approximately HK\$7.1 million or 68.3%, from approximately HK\$10.4 million for the Previous Period to approximately HK\$17.5 million for the Period Under Review. The increase was primarily due to additional offices and new medical aesthetic centres which the tenancy period started during the Period Under Review.

### **Depreciation of property, plant and equipment**

Depreciation expenses in relation to property, plant and equipment amounted to approximately HK\$7.3 million and approximately HK\$6.4 million for the Period Under Review and Previous Period, respectively, representing 3.7% and 11.7% of total revenue for the respective periods.

## **Other expenses**

Other expenses increased by approximately HK\$30.5 million or 227.6%, from approximately HK\$13.4 million for the Previous Period to approximately HK\$43.9 million for the Period Under Review. The increase was primarily attributable to increase in promotional campaigns for different marketing channels and various social media platforms and bank charges which were in line with increase in cash sales during the Period Under Review.

## **Finance costs**

Finance costs amounted to approximately HK\$1.2 million and approximately HK\$1.0 million for the Period Under Review and Previous Period, respectively.

## **Income tax (expense)/credit**

Income tax credit amounted to approximately HK\$1.5 million for the Previous Period and income tax expense of approximately HK\$6.6 million for the Period Under Review. The tax expense was primarily attributable to profit for the Period Under Review.

## **Profit for the period**

Profit attributable to owners of the Company was approximately HK\$53.9 million for the Period Under Review.

## **INTERIM DIVIDEND**

The Board does not recommend the payment of an interim dividend for the Period Under Review (Previous Period: Nil).

## **CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES**

The total equity of the Group as at 30 September 2021 was approximately HK\$199.6 million. We continue to maintain a strong financial position with cash and cash equivalents of approximately HK\$112.3 million as at 30 September 2021. Our working capital represented by net current assets was approximately HK\$95.4 million. Based on our steady cash inflows from operations, coupled with sufficient cash and bank balances, we have adequate liquidity and financial resources to meet our working capital requirements and to fund our budgeted expansion plans in this financial year.

As at 30 September 2021, all of our cash and bank balances was denominated in Hong Kong Dollar, United States Dollar and Renminbi.

## **LEASE LIABILITIES**

As at 30 September 2021, the Group has lease liabilities of approximately HK\$110.3 million.



## **CAPITAL COMMITMENTS**

As at 30 September 2021, our Group had capital commitments in respect of the acquisition of items of property, plant and equipment of approximately HK\$13.6 million (31 March 2021: Nil).

## **INDEBTEDNESS**

### **Interest-bearing Bank Borrowings**

As at 30 September 2021, our Group had no outstanding interest-bearing bank borrowings (31 March 2021: Nil).

### **Contingent Liabilities and Guarantees**

As at 30 September 2021, our Group had no significant contingent liabilities and guarantees (31 March 2021: Nil).

### **Charge of Assets**

As at 30 September 2021, there was no charge on the assets of our Group except for the time deposits of approximately HK\$57.4 million (31 March 2021: approximately HK\$57.3 million) pledged for banking facilities as security for credit card instalments programme.

### **Gearing Ratio**

As at 30 September 2021, our Group had no interest-bearing borrowings (31 March 2021: Nil).

### **Foreign Currency Risk**

Our Group carries out its business in Hong Kong and most of its transactions are denominated in Hong Kong Dollar. Our Group did not experience any material impact or difficulties in liquidity on its operations resulting from the fluctuation in exchange rate, and no hedging transaction or forward contract arrangement was made by the Group during the six months ended 30 September 2021.

### **Interest Rate Risk**

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

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

Save as disclosed in this announcement, there were no significant investments held by the Company during the six months ended 30 September 2021, nor were there any material acquisitions and disposals of subsidiaries, associates and joint ventures during the reporting period. Save as disclosed in this announcement, there is no plan authorised by the Board for other material investments or additions of capital assets as at the date of this announcement.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 30 September 2021, our Group has a total of 322 employees (31 March 2021: 195). Staff costs, including Directors' remuneration, of our Group were approximately HK\$56.4 million for the six months ended 30 September 2021 (six months ended 30 September 2020: approximately HK\$32.7 million). Remuneration is determined with reference to factors such as comparable market salaries and work performance, time commitment and responsibilities of each individual. Employees are provided with relevant in-house and/or external training from time to time. In addition to a basic salary, year-end bonuses are offered to employees who performed outstandingly to attract and retain eligible employees to contribute to our Group.

## **EVENT AFTER THE REPORTING PERIOD**

On 6 October 2021, Vitae Wellness Beauty Limited, an indirect wholly-owned subsidiary of the Company, as lessee, and Golden Relay Company Limited, an independent third party, as lessor, entered into the lease agreement 2021 in respect of the lease of the entire 22th Floor of Soundwill Plaza, which shall commence from 18 October 2021 and expire on 17 October 2027 (both days inclusive). The Company plans to use this premises as medical aesthetic centre and for the sale of skin care products.

## **PROSPECTS**

With the COVID-19 pandemic contained and government measures to revive consumption, the local economy has started on the path of recovery. Seeing the rapid rebound during the Period Under Review, the Group expects the strong and resilient demand for medical aesthetic services to brace expansion of its business and striving for expansion will continue to be the Group's main strategy in the near future for capturing the immense growth potential of the industry.

As one of the Group's core brands which resonate with those looking for top-notch non-surgical aesthetic services, CosMax has doubled its efforts on optimizing the layout of its treatment centre network. The Group has expanded the centre in Soundwill Plaza, 38 Russell Street, Causeway Bay. Moreover, the flagship centre in Central will be relocated to the 10th floor of New World Tower II, 16–18 Queen's Road Central, and is expected to start operation in the first quarter of 2022. The expansion and relocation will increase the total service floor area of CosMax by more than 40% to over 23,000 sq. ft., as such, the Group will be able to access a wider range of customers and fortify its local market penetration.

Drawing on the expertise and extensive industry experience of its management and operation teams, the Group will strive to diversify the business blueprint of VITAE, with the aim of enabling more customers to immerse in breadth and depth of the concept of “Inner health realizes external beauty” through the exceptional customer experience. Further to the two new treatment centres at prime locations that opened in October, one more treatment centre of approximately 7,100 sq. ft. will be opened in Causeway Bay in the first quarter of 2022. The above three centres are expected to provide approximately 60 more treatment rooms in all. The Group has rolled out the FaceGym concept that encourages customers to explore energy awakening the muscles to create a full heart-shaped outline together. Along with that, it has also appointed Fala CHEN as brand spokesperson, who has an excellent industry reputation and commercial value, whom the Group believes will help enlighten its services with a tinge of strength and as a guidepost of aesthetics. The Group also promotes the vision of “balance beauty and health” in collaboration with media platforms, so as to reinforce its customer base and market share.

On top of operating medical aesthetic treatment centres, the Group has continuously introduced sophisticated products of the highest quality to customer. It understands to establish good brand reputation takes time and that building awareness and a good reputation for XOVÉ is a vital and necessary move. As such, it strategically allocates more resources to facilitate both online and offline channel expansion. In addition to the first retail store opened during the Period Under Review, the Group has joined hands with several first-tier shopping malls to launch pop-up stores, with the first in Festival Walk unveiled in October, and three more respectively in Hysan Place, Harbour City and Langham Place are expected to greet customers in the fourth quarter of 2021. Summing up its experience collaborating with Mandarin Oriental Hong Kong, the Group will identify more similar partnership with premium experience providers in the service industry, to help foster brand awareness and customer loyalty. What’s more, encouraged by the positive feedback, the Group is sparing no effort to strengthen the online sales platform that serves PRC customers, as well as to collaborate with KOLs on different new media channels, allowing it to seize chances from the consumption upgrades gaining steam in Mainland China.

Empowered by its prominent market position, Miricor has ridden out various economic cycles and challenges. Moreover, the Group has been advancing at its shrewd business acumen and efforts to seek opportunities with promising potential. Looking ahead, it will keep striving to provide premium treatment experiences and high-quality services by going all out to enhance its technologies and devices. As always, through availing to customers its innovative medical aesthetic solutions, the Group is committed to realizing the mission of helping customers “master one’s own beauty and be a masterpiece”, and in turn creates long-term returns for its shareholders.

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

As at 30 September 2021, interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required (i) pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), to be notified to the Company and the Stock Exchange; or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 of the Listing Rules to be notified to the Company and the Stock Exchange, were as follow:

**a. Long positions in shares of the Company:**

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

*Note:*

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

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

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

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

Save as disclosed above, as at 30 September 2021, none of the Directors nor chief executive of the Company had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO), to be notified to the Company and the Stock Exchange; or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 of the Listing Rules to be notified to the Company and the Stock Exchange.

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

As at 30 September 2021, the interests and short positions of the person (other than the Directors and chief executive of the Company) or company which were required to be recorded in the register required to be kept under section 336 of the SFO were as follow:

So far as the Directors are aware, as at 30 September 2021, other than the Directors and chief executive of the Company, the following persons/entities have an interest or a short position in the shares or the underlying shares of the Company which were required to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or required to be recorded in the register of the Company required to be kept under section 336 of the SFO:

### **Long positions in shares of the Company:**

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

#### *Note:*

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

Save as disclosed above, as at 30 September 2021 and so far as known to the Directors, no person, other than the Directors and chief executive of the Company whose interests are set out in the section “Directors’ and Chief Executive’s Interests and/or Short Positions in the Shares, Underlying Shares and Debentures of the Company or any Associated Corporation” above, had notified the Company of an interest or short position in the shares or underlying shares of the Company that was required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

## **SHARE OPTION SCHEME**

The Company has a share option scheme (the “Share Option Scheme”) which was approved and adopted by the sole shareholder of the Company by way of written resolutions passed on 19 December 2016 for a term of 10 years from the date of adoption of the Share Option Scheme. The principal terms of the Share Option Scheme are set out in note 14 to the consolidated financial statements.

No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since its adoption and there was no outstanding share option as at 30 September 2021.

## **DIRECTORS’ RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

Save for the Share Options Scheme, at no time during the six months ended 30 September 2021 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Directors or their respective spouses or children under 18 years of age, or were any such rights exercised by them, or was the Company, its holding company, or any of its subsidiaries and fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

## **PURCHASE, SALE OR REDEMPTION OF SECURITIES**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the six months ended 30 September 2021.

## **COMPLIANCE OF CODE OF CONDUCT FOR DIRECTORS’ SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions Directors of Listed Issuers contained in Appendix 10 of the Listing Rules of the Stock Exchange. Having made specific enquiries to all the Directors, all the Directors confirmed that they had complied with the required standard of dealings and the code of conduct regarding securities transactions by Directors adopted by the Company during the six months ended 30 September 2021.

## **COMPLIANCE OF NON-COMPETITION UNDERTAKING**

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

The independent non-executive Directors have reviewed the implementation of the deed of non-competition and are of the view that the Controlling Shareholders have complied with their undertakings given under the deed of non-competition for the six months ended 30 September 2021.

## **COMPETING INTERESTS**

As at 30 September 2021, so far as the Directors are aware, none of the Directors, the controlling shareholders and substantial shareholders, neither themselves nor their respective associates (as defined under Rule 8.10 of the Listing Rules) had held any position or had interest in any businesses or companies that were or might be directly or indirectly competing with the business of the Group, or gave rise to any concern regarding conflict of interest.

## **CORPORATE GOVERNANCE CODE**

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

The Company has adopted the principles and the code provisions set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 14 of Listing Rules. During the six months ended 30 September 2021, the Company had complied with all the applicable code provisions of the CG Code, except the deviation stipulated below.



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

## **AUDIT COMMITTEE**

The Company has established an audit committee with written terms of reference following the Rules 3.21 to 3.24 of the Listing Rules. The audit committee consists of three independent non-executive Directors, namely Mr. Cheng Yuk Wo, who has the appropriate auditing and financial related management expertise and serves as the chairman of the audit committee, Mr. Cheng Fu Kwok David and Mr. Li Wai Kwan. The audit committee has reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2021 and this announcement.

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

Hong Kong, 15 November 2021

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