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**PERFECT MEDICAL HEALTH MANAGEMENT LIMITED**

**完美醫療健康管理有限公司**

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

**(Stock Code: 1830)**

**INTERIM RESULTS ANNOUNCEMENT  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023**

**HIGHLIGHTS**

- Revenue increased by 7.5% to HK\$718.1 million.
- Net profit after tax increased by 10.4% to HK\$166.4 million. If excluding the Hong Kong government subsidies, the revised net profit after tax increased by 27.1%.
- Basic earnings per share increased by 9.1% to HK13.2 cents.
- Proposed interim dividend and special dividend of HK13.2 cents and 1.0 cent per share, with total dividend of HK14.2 cents per share and dividend payout ratio of 107.6%.

## INTERIM RESULTS

The board (the “Board”) of directors (the “Directors”) of Perfect Medical Health Management Limited (the “Company”) announces the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 September 2023. The interim results have been reviewed by the Company’s audit committee.

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*For the six months ended 30 September 2023*

|   |             | <b>Six months ended</b> |                    |
|---|-------------|-------------------------|--------------------|
|   |             | <b>30 September</b>     |                    |
|   |             | <b>2023</b>             | 2022               |
|   | <i>Note</i> | <b>HK\$’000</b>         | <i>HK\$’000</i>    |
|   |             | <b>(Unaudited)</b>      | <b>(Unaudited)</b> |
| Revenue   | 4           | <b>718,149</b>          | 668,300            |
| Other income  | 5           | <b>5,507</b>            | 26,876             |
| Other (losses)/gains — net  | 6           | <b>(587)</b>            | 530                |
| Cost of inventories and consumables   |             | <b>(13,248)</b>         | (14,891)           |
| Employee benefit expenses   |             | <b>(238,149)</b>        | (230,609)          |
| Marketing expenses  |             | <b>(85,473)</b>         | (77,717)           |
| Depreciation of property, plant and equipment   |             | <b>(40,168)</b>         | (42,661)           |
| Depreciation of right-of-use assets   |             | <b>(62,511)</b>         | (71,454)           |
| Expenses related to short term leases of stores and offices                               |             | <b>(14,984)</b>         | (8,855)            |
| Other operating expenses  |             | <b>(66,603)</b>         | (62,473)           |
| <b>Operating profit</b>   |             | <b>201,933</b>          | 187,046            |
| Finance income/(costs) — net  | 7           | <b>1,834</b>            | (6,122)            |
| <b>Profit before income tax</b>   |             | <b>203,767</b>          | 180,924            |
| Income tax expense  | 8           | <b>(37,374)</b>         | (30,266)           |
| <b>Profit for the period attributable to equity holders of the Company</b>                |             | <b>166,393</b>          | 150,658            |
| <b>Earnings per share attributable to equity holders of the Company during the period</b> |             |                         |                    |
| — Basic   | 9           | <b>HK13.2 cents</b>     | HK12.1 cents       |
| — Diluted   |             | <b>HK13.2 cents</b>     | HK12.1 cents       |

|  | <b>Six months ended</b> |                    |
|--|-------------------------|--------------------|
|  | <b>30 September</b>     |                    |
|  | <b>2023</b>             | 2022               |
|  | <i>HK\$'000</i>         | <i>HK\$'000</i>    |
|  | <b>(Unaudited)</b>      | <b>(Unaudited)</b> |
| <b>Profit for the period attributable to equity holders of the Company</b>                     | <b>166,393</b>          | 150,658            |
| <b>Other comprehensive losses:</b>   |                         |                    |
| <i>Items that have been reclassified or may be reclassified subsequently to profit or loss</i> |                         |                    |
| Currency translation differences   | <b>(14,384)</b>         | (21,966)           |
| <i>Items that will not be reclassified subsequently to profit or loss</i>                      |                         |                    |
| Fair value losses of financial asset at fair value through other comprehensive income          | <u><b>(9,507)</b></u>   | <u>(5,405)</u>     |
| <b>Total comprehensive income for the period attributable to equity holders of the Company</b> | <u><b>142,502</b></u>   | <u>123,287</u>     |

## CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 September 2023

|  |               | 30 September<br>2023           | 31 March<br>2023             |
|--|---------------|--------------------------------|------------------------------|
|  | <i>Note</i>   | <i>HK\$'000</i><br>(Unaudited) | <i>HK\$'000</i><br>(Audited) |
| <b>ASSETS</b>  |               |                                |                              |
| <b>Non-current assets</b>  |               |                                |                              |
| Property, plant and equipment  | <i>11</i>     | <b>151,275</b>                 | 177,755                      |
| Right-of-use assets  | <i>18</i>     | <b>203,327</b>                 | 231,573                      |
| Deposits and prepayments   |               | <b>50,373</b>                  | 37,185                       |
| Financial assets at fair value through other<br>comprehensive income | <i>12</i>     | <b>74,291</b>                  | 88,963                       |
| Deferred income tax assets   |               | <b>8,606</b>                   | 8,532                        |
|  |               | <u><b>487,872</b></u>          | <u>544,008</u>               |
| <b>Current assets</b>  |               |                                |                              |
| Inventories  |               | <b>8,612</b>                   | 8,908                        |
| Trade receivables  | <i>13</i>     | <b>72,590</b>                  | 49,741                       |
| Other receivables, deposits and prepayments                          |               | <b>38,330</b>                  | 36,792                       |
| Term deposits with initial terms of over<br>three months             | <i>14</i>     | —                              | 210,217                      |
| Pledged bank deposits  | <i>15, 21</i> | <b>7,781</b>                   | 7,435                        |
| Cash and cash equivalents  | <i>16</i>     | <b>624,514</b>                 | 439,193                      |
|  |               | <u><b>751,827</b></u>          | <u>752,286</u>               |
| <b>Total assets</b>  |               | <u><b>1,239,699</b></u>        | <u>1,296,294</u>             |

|  |             | <b>30 September</b> | 31 March         |
|--|-------------|---------------------|------------------|
|  |             | <b>2023</b>         | 2023             |
|  | <i>Note</i> | <b>HK\$'000</b>     | <b>HK\$'000</b>  |
|  |             | <b>(Unaudited)</b>  | <b>(Audited)</b> |
| <b>EQUITY</b>  |             |                     |                  |
| <b>Capital and reserves attributable to the Company's equity holders</b> |             |                     |                  |
| Share capital  | <i>17</i>   | <b>125,619</b>      | 125,653          |
| Reserves   | <i>17</i>   | <b>414,210</b>      | 486,620          |
| <b>Total equity</b>  |             | <b>539,829</b>      | 612,273          |
| <b>LIABILITIES</b>   |             |                     |                  |
| <b>Non-current liabilities</b>   |             |                     |                  |
| Provision for reinstatement costs  |             | <b>13,270</b>       | 16,086           |
| Deferred income tax liabilities  |             | <b>20,920</b>       | 21,273           |
| Lease liabilities  | <i>18</i>   | <b>108,873</b>      | 125,876          |
|  |             | <b>143,063</b>      | 163,235          |
| <b>Current liabilities</b>   |             |                     |                  |
| Provision for reinstatement costs  |             | <b>5,481</b>        | 1,768            |
| Trade payables   | <i>19</i>   | <b>1,049</b>        | 838              |
| Accruals and other payables  |             | <b>55,858</b>       | 66,010           |
| Lease liabilities  | <i>18</i>   | <b>103,968</b>      | 114,477          |
| Deferred revenue   |             | <b>284,907</b>      | 252,073          |
| Tax payables   |             | <b>105,544</b>      | 85,620           |
|  |             | <b>556,807</b>      | 520,786          |
| <b>Total liabilities</b>   |             | <b>699,870</b>      | 684,021          |
| <b>Total equity and liabilities</b>                                      |             | <b>1,239,699</b>    | 1,296,294        |

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2023

|   | Six months ended             |                              |
|---|------------------------------|------------------------------|
|   | 30 September                 |                              |
|   | 2023                         | 2022                         |
|   | HK\$'000                     | HK\$'000                     |
|   | (Unaudited)                  | (Unaudited)                  |
| Net cash generated from operating activities              | 288,024                      | 298,832                      |
| Net cash generated from/(used in) investing activities    | 188,291                      | (70,042)                     |
| Net cash used in financing activities                     | <u>(278,400)</u>             | <u>(94,344)</u>              |
| <b>Net increase in cash and cash equivalents</b>          | <b>197,915</b>               | <b>134,446</b>               |
| Cash and cash equivalents at the beginning of the period  | 439,193                      | 444,599                      |
| Effect on foreign exchange                                | <u>(12,594)</u>              | <u>(13,261)</u>              |
| <b>Cash and cash equivalents at the end of the period</b> | <b><u><u>624,514</u></u></b> | <b><u><u>565,784</u></u></b> |

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 1 General Information

Perfect Medical Health Management Limited (the “Company”) and its subsidiaries (together, the “Group”) are principally engaged in the provision of medical, aesthetic medical and beauty and wellness services in Hong Kong (“HK”), the People’s Republic of China (the “PRC”), Macau, Australia and Singapore.

The Company was incorporated in the Cayman Islands on 11 March 2011 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 10 February 2012.

This condensed consolidated interim financial information is presented in Hong Kong dollars (“HK\$”), unless otherwise stated. This condensed consolidated interim financial information for the six months ended 30 September 2023 is unaudited and has been reviewed by the audit committee of the Company. This condensed consolidated interim financial information was approved for issue by the Board on 24 November 2023.

## 2 Basis of Preparation and Accounting Policies

These interim financial statements are prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 ‘Interim Financial Reporting’ issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. They have been prepared under the historical cost basis except for certain financial instruments, which are measured at fair value. These unaudited condensed consolidated interim financial statements are presented in Hong Kong dollars (“HK\$”), which is same as the functional currency of the Company and its major subsidiaries.

The interim financial statements do not include all the information and disclosures required in the annual financial statements and thereby should be read in conjunction with the annual financial statements for the year ended 31 March 2023 (“2023 Financial Statements”) which have been prepared in accordance with the Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA.

The interim financial statements have been prepared in accordance with the same accounting policies and methods of computation as adopted by the Group in the 2023 Financial Statements except for the adoption of new accounting policies as a result of applying the new or revised HKFRSs as set out below.

## 2.1 Adoption of new or revised HKFRSs and HKASs

### (a) New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period and the Group had to change its accounting policies and make retrospective adjustments, if applicable, as a result of adopting the following standards:

|  |  |
|--|--|
| HKAS 1 and HKFRS Practice Statements 2 | Disclosure of Accounting Policies  |
| Amendments to HKAS 8                   | Definition of Accounting Estimates   |
| Amendments to HKAS 12                  | Deferred tax related to assets and liabilities arising from a single transaction |
| Amendments to HKAS 12                  | International Tax Reform — Pillar Two Model Rules                                |
| HKFRS 17 and Amendments to HKFRS 17    | Insurance Contracts  |
| Amendments to HKFRS 17                 | Initial Application of HKFRS 17 and HKFRS 9 — Comparative Information            |

The adoption of these new or amended standards listed above did not have any material impact on the Group's accounting policies.

### (b) Amended standards and revised interpretation issued but not yet adopted by the Group

The followings are amended standards and revised interpretation which have been issued but are not effective and have not been early adopted. The Group plans to adopt these amended standards and revised interpretation when they become effective:

|                                      |   |
|--------------------------------------|---|
| Amendments to HKAS 1                 | Classification of Liabilities as Current or Non-current <sup>(1)</sup>  |
| Amendments to HKAS 1                 | Non-current liabilities with Covenants <sup>(1)</sup>   |
| Amendments to HKFRS 16               | Lease liabilities in Sale and Leaseback <sup>(1)</sup>  |
| Hong Kong Interpretation 5 (Revised) | Hong Kong Interpretation 5 (Revised) Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause <sup>(1)</sup> |
| Amendments to HKAS 7                 | Supplier Finance Arrangements <sup>(1)</sup>  |
| HKFRS 10 and HKAS 28 (Amendments)    | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>(2)</sup>  |

(1) Effective for the Group for annual period beginning on or after 1 January 2024

(2) Effective for the Group for annual period on or after a date to be determined

The Group is in the process of assessing the impact of those amended standards and revised interpretation on the Group's accounting policies and financial statements.



### 3 Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value and cash flow interest rate risks and price risk), credit risk and liquidity risk.

The interim financial information do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2023.

There has been no changes in the risk management policies since the year ended 31 March 2023.

### 4 Segment Information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. As the Group is principally engaged in the provision of medical, aesthetic medical and beauty and wellness services, which are subject to similar business risk, and resources are allocated based on what is beneficial to the Group in enhancing the value as a whole rather than any specific unit, the Group's chief operating decision-maker considers that the performance assessment of the Group should be based on the profit before income tax of the Group as a whole. Therefore, management considers there to be only one operating segment under the requirements of HKFRS 8.

During the six months ended 30 September 2023 and 2022, all of the Group's revenues was from contracts with customers and was recognised at a point in time.

The Group primarily operates in Hong Kong as well as PRC, Macau, Australia and Singapore (the "Regions outside Hong Kong"), and its revenue was derived from the following regions:

|                           | Six months ended |                 |
|---------------------------|------------------|-----------------|
|                           | 30 September     |                 |
|                           | 2023             | 2022            |
|                           | <i>HK\$'000</i>  | <i>HK\$'000</i> |
|                           | (Unaudited)      | (Unaudited)     |
| Hong Kong                 | 549,616          | 492,426         |
| Regions outside Hong Kong | 168,533          | 175,874         |
|                           | <u>718,149</u>   | <u>668,300</u>  |

The Group's total non-current assets other than deferred income tax assets and financial assets at fair value through other comprehensive income are located in the following regions:

|                           | As at           |                 |
|---------------------------|-----------------|-----------------|
|                           | 30 September    | 31 March        |
|                           | 2023            | 2023            |
|                           | <i>HK\$'000</i> | <i>HK\$'000</i> |
|                           | (Unaudited)     | (Audited)       |
| Hong Kong                 | 302,111         | 331,831         |
| Regions outside Hong Kong | 102,864         | 114,682         |
|                           | <u>404,975</u>  | <u>446,513</u>  |

## 5 Other Income

|  | Six months ended<br>30 September |                                 |
|--|----------------------------------|---------------------------------|
|  | 2023<br>HK\$'000<br>(Unaudited)  | 2022<br>HK\$'000<br>(Unaudited) |
| Government subsidies ( <i>Note a</i> )   | 3,549                            | 24,589                          |
| Dividend income from financial assets at fair value through other comprehensive income | 1,247                            | 1,050                           |
| Others   | 711                              | 1,237                           |
|  | <u>5,507</u>                     | <u>26,876</u>                   |

*Note (a):* No government subsidies related to employment support scheme were received during the six month ended 30 September 2023 (FY2022/23 interim: HK\$19,744,000).

## 6 Other (Losses)/Gains — Net

|   | Six months ended<br>30 September |                                 |
|---|----------------------------------|---------------------------------|
|   | 2023<br>HK\$'000<br>(Unaudited)  | 2022<br>HK\$'000<br>(Unaudited) |
| Losses on disposal of property, plant and equipment | (298)                            | (7)                             |
| Net exchange (losses)/gains                         | (289)                            | 537                             |
| Other (losses)/gains — net                          | <u>(587)</u>                     | <u>530</u>                      |

## 7 Finance Income/(Costs) — Net

|                                       | Six months ended<br>30 September |                                 |
|---------------------------------------|----------------------------------|---------------------------------|
|                                       | 2023<br>HK\$'000<br>(Unaudited)  | 2022<br>HK\$'000<br>(Unaudited) |
| Interest income on bank deposits      | 7,539                            | 632                             |
| Interest expense on lease liabilities | (5,705)                          | (6,754)                         |
| Finance income/(costs) — net          | <u>1,834</u>                     | <u>(6,122)</u>                  |

## 8 Income Tax Expense

The Group is not subject to taxation in the Cayman Islands and the British Virgin Islands. Hong Kong profits tax has been provided for at the rate of 16.5% (FY2022/23 interim: 16.5%) for the period on the estimated assessable profits arising in or derived from Hong Kong. Companies established and operating in the PRC are subject to PRC corporate income tax at the rate of 25% (FY2022/23 interim: 25%). Companies established and operating in Macau are subject to Macau complementary tax, under which taxable income of up to MOP600,000 is exempted from taxation with amounts beyond this amount to be taxed at a fixed rate of 12% for the six months ended 30 September 2022 and 2023. Companies established and operating in Australia are subject to Australia corporate income tax at the rate of 30% (FY2022/23 interim: 25%). Companies established and operating in Singapore are subject to Singapore corporate income tax at the rate of 17%.

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

|                               | Six months ended<br>30 September |               |
|-------------------------------|----------------------------------|---------------|
|                               | 2023                             | 2022          |
|                               | HK\$'000                         | HK\$'000      |
|                               | (Unaudited)                      | (Unaudited)   |
| Current income taxation       |                                  |               |
| — Hong Kong profits tax       | 21,494                           | 16,999        |
| — PRC and overseas income tax | 14,260                           | 11,385        |
|                               | <u>35,754</u>                    | <u>28,384</u> |
| Total current income taxation |                                  |               |
| Deferred taxation             | 1,620                            | 1,882         |
|                               | <u>37,374</u>                    | <u>30,266</u> |

## 9 Earnings per Share

### *Basic*

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

|  | Six months ended<br>30 September |                  |
|--|----------------------------------|------------------|
|  | 2023                             | 2022             |
|  | (Unaudited)                      | (Unaudited)      |
| Profit attributable to equity holders of the Company (HK\$'000)  | <u>166,393</u>                   | <u>150,658</u>   |
| Weighted average number of ordinary shares for the purposes of<br>basic earnings per share (thousand of share) | <u>1,256,414</u>                 | <u>1,240,925</u> |
| Basic earnings per share<br>(HK cents per share)   | <u>13.2</u>                      | <u>12.1</u>      |

## ***Diluted***

The calculation of the diluted earnings per share is based on the profit for the period attributable to ordinary equity holders of the Company of HK\$166,393,000. The weighted average number of ordinary shares of 1,256,414,000 used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all share options into ordinary shares.

## **10 Dividends**

At a board meeting held on 30 June 2022, the Directors recommended the payment of a final dividend of HK7.1 cents per ordinary share, totalling HK\$88,038,000. The Directors proposed a scrip dividend alternative to all Shareholders of the Company in respect of these dividend. The Company allotted and issued 15,350,871 new ordinary shares of the Company at HK\$3.896 per share, amounting to a total of approximately HK\$59,807,000 in lieu of dividends pursuant to the scrip dividend scheme set out in the circular of the Company dated 30 August 2022. The dividend, with scrip dividend alternative was reflected as an appropriation of retained earnings and share premium for the six months ended 30 September 2022.

At a board meeting held on 23 November 2022, the Directors declared an interim dividend of HK13.0 cents (FY2021/22 interim: HK17.7 cents) per ordinary share, totaling HK\$163,545,000. The dividend is not reflected as dividend payable in the interim financial information, but will be reflected as an appropriation of retained earnings for the year ended 31 March 2023.

At a board meeting held on 28 June 2023, the Directors recommended the payment of a final and special dividend of HK12.3 cents and HK4.7 cents per ordinary share, totalling HK\$154,513,000 and HK\$59,041,000 respectively. The dividend was reflected as an appropriation of retained earnings and share premium for the six months ended 30 September 2023.

At a board meeting held on 24 November 2023, the Directors declared an interim dividend and special dividend of HK13.2 cents and HK1.0 cents per ordinary share, totaling HK\$165,818,000 and HK\$12,562,000 respectively. The dividend is not reflected as dividend payable in the interim financial information, but will be reflected as an appropriation of retained earnings and share premium for the year ending 31 March 2024.

## 11 Property, Plant and Equipment

|  | <b>Total</b><br><i>HK\$'000</i><br>(Unaudited) |
|--|--|
| <b>Net book amount as at 1 April 2023</b>      | <b>177,755</b>                                 |
| Additions                                      | <b>15,801</b>                                  |
| Disposal                                       | <b>(298)</b>                                   |
| Depreciation                                   | <b>(40,168)</b>                                |
| Exchange differences                           | <b>(1,815)</b>                                 |
|  | <hr/>  |
| <b>Net book amount as at 30 September 2023</b> | <b>151,275</b>                                 |
|  | <hr/> <hr/>                                    |
| <b>Net book amount as at 1 April 2022</b>      | 250,189  |
| Additions                                      | 11,744   |
| Disposal                                       | (6)  |
| Depreciation                                   | (42,661)                                       |
| Exchange differences                           | (5,731)  |
|  | <hr/>  |
| <b>Net book amount as at 30 September 2022</b> | <b>213,535</b>                                 |
|  | <hr/> <hr/>                                    |

## 12 Financial Assets at Fair Value through Other Comprehensive Income

|   | As at  |  |
|---|--|--|
|   | 30 September<br>2023<br><i>HK\$'000</i><br>(Unaudited) | 31 March<br>2023<br><i>HK\$'000</i><br>(Audited) |
| Non-current<br>Listed equity securities |  |  |
| — Hong Kong                             | <b>74,291</b>  | 88,963   |
|   | <hr/> <hr/>  | <hr/> <hr/>                                      |

### 13 Trade Receivables

The credit term of the Group's trade receivables generally range from 3 days to 180 days. The aging analysis of trade receivables by the dates on which the relevant invoices are issued is as follows:

|                      | As at  |  |
|----------------------|--|--|
|                      | 30 September<br>2023<br><i>HK\$'000</i><br>(Unaudited) | 31 March<br>2023<br><i>HK\$'000</i><br>(Audited) |
| Less than 60 days    | 61,939   | 42,966   |
| 60 days to 90 days   | 5,504  | 3,055  |
| 91 days to 120 days  | 4,993  | 3,570  |
| 121 days to 180 days | 154  | 150  |
|                      | <u>72,590</u>  | <u>49,741</u>                                    |

The carrying amounts of trade receivables approximate their fair values.

### 14 Term Deposits with Initial Terms of over Three Months

As at 31 March 2023, the weighted average effective interest rate of the Group's term deposits with initial terms of over three months was 3.75%.

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

|               | As at  |  |
|---------------|--|--|
|               | 30 September<br>2023<br><i>HK\$'000</i><br>(Unaudited) | 31 March<br>2023<br><i>HK\$'000</i><br>(Audited) |
| Hong Kong     | —  | 210,000  |
| Macau Patacas | —  | 217  |
|               | <u>—</u>   | <u>210,217</u>                                   |

### 15 Pledged Bank Deposits

As at 30 September 2023 and 31 March 2023, some of the Group's banking facilities in respect of credit card and instalment sales arrangement was secured by pledged bank deposits as set out in Note 21. As at 30 September 2023, the weighted average effective interest rate of these pledged bank deposits is 3.00% (as at 31 March 2023: 2.03%).

## 16 Cash and Cash Equivalents

|  | As at  |  |
|--|--|--|
|  | 30 September<br>2023<br><i>HK\$'000</i><br>(Unaudited) | 31 March<br>2023<br><i>HK\$'000</i><br>(Audited) |
| Cash at banks  | 232,178  | 310,012  |
| Cash on hand   | 1,089  | 1,381  |
| Term deposits with initial terms of less than three months | 391,247  | 127,800  |
|  | <u>624,514</u>   | <u>439,193</u>                                   |
| Denominated in:  |  |  |
| Hong Kong dollars  | 343,151  | 189,936  |
| Chinese Renminbi   | 206,503  | 167,557  |
| United States dollars                                      | 32,973   | 32,919   |
| Macau Patacas  | 5,971  | 10,448   |
| Australian dollars   | 19,648   | 21,123   |
| Singapore dollars  | 16,268   | 17,210   |
|  | <u>624,514</u>   | <u>439,193</u>                                   |

Cash at banks earns interest at floating rates based on daily bank deposit rates. The Group's cash and bank balances denominated in RMB are deposited with banks in Hong Kong and the PRC. The conversion of RMB-denominated balances into foreign currencies and the remittance of funds out of the PRC is subject to the rules and regulations of foreign exchange control promulgated by the Government of the People's Republic of China.

## 17 Share Capital and Share Premium

|  | Number of<br>shares<br><i>(in thousand)</i> | Ordinary<br>Shares<br><i>HK\$'000</i> | Share<br>premium<br><i>HK\$'000</i> | Total<br><i>HK\$'000</i> |
|--|---|---------------------------------------|-------------------------------------|--------------------------|
| <b>At 1 April 2023</b>                                 | <u>1,256,536</u>                            | <u>125,653</u>                        | <u>336,459</u>                      | <u>462,112</u>           |
| The distribution of special dividends <i>(Note 10)</i> | —   | —                                     | (59,041)                            | (59,041)                 |
| Repurchase and cancellation of shares <i>(Note a)</i>  | (339)                                       | (34)                                  | (1,392)                             | (1,426)                  |
| <b>At 30 September 2023</b>                            | <u>1,256,197</u>                            | <u>125,619</u>                        | <u>276,026</u>                      | <u>401,645</u>           |

Note:

- (a) During the six months ended 30 September 2023, the Company repurchased 339,000 of its own shares. The total amount paid to repurchase was approximately HK\$1,392,000 and was charged to share premium within Shareholders' equity. All of the repurchased 339,000 (year ended 31 March 2023: 2,500,000) shares were cancelled during the six months ended 30 September 2023.

## 18 Right-of-use Assets and Lease Liabilities

### (a) Amounts recognised in the condensed consolidated balance sheet

The condensed consolidated balance sheet shows the following amounts relating to leases:

|                            | As at  |  |
|----------------------------|--|--|
|                            | 30 September<br>2023<br><i>HK\$'000</i><br>(Unaudited) | 31 March<br>2023<br><i>HK\$'000</i><br>(Audited) |
| <b>Right-of-use assets</b> |  |  |
| Properties                 | <u>203,327</u>   | <u>231,573</u>                                   |
|                            |  |  |
|                            | As at  |  |
|                            | 30 September<br>2023<br><i>HK\$'000</i><br>(Unaudited) | 31 March<br>2023<br><i>HK\$'000</i><br>(Audited) |
| <b>Lease liabilities</b>   |  |  |
| Non-current portion        | 108,873  | 125,876  |
| Current portion            | <u>103,968</u>   | <u>114,477</u>                                   |
|                            | <u>212,841</u>   | <u>240,353</u>                                   |

### (b) Amounts recognised in the condensed consolidated statement of comprehensive income

The condensed consolidated statement of comprehensive income shows the following amounts relating to leases:

|   | Six months ended                                       |  |
|---|--|--|
|   | 30 September<br>2023<br><i>HK\$'000</i><br>(Unaudited) | 2022<br><i>HK\$'000</i><br>(Unaudited) |
| <b>Depreciation charge of right-of-use assets</b>           |  |  |
| Properties  | <u>62,511</u>  | <u>71,454</u>                          |
|   |  |  |
| Interest expenses on leases liabilities                     | 5,705  | 6,754                                  |
| Expenses related to short-term leases of stores and offices | <u>14,984</u>  | <u>8,855</u>                           |



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

During the six months ended 30 September 2023 and 2022, the total cash outflows for leases were analysed as below:

|   | <b>Six months ended</b> |                      |
|---|-------------------------|----------------------|
|   | <b>30 September</b>     |                      |
|   | <b>2023</b>             | <b>2022</b>          |
|   | <b>HK\$'000</b>         | <b>HK\$'000</b>      |
|   | <b>(Unaudited)</b>      | <b>(Unaudited)</b>   |
| <b>Cash flows from operating activities*</b>                    |                         |                      |
| Payments for short-term leases in respect of stores and offices | <u>14,984</u>           | <u>8,855</u>         |
| <b>Cash flows from financing activities</b>                     |                         |                      |
| Payment of interest element of lease liabilities                | <u>5,705</u>            | 6,754                |
| Payment of principal element of lease liabilities               | <u>57,752</u>           | <u>70,261</u>        |
| The total cash outflow of leases                                | <u><u>63,457</u></u>    | <u><u>77,015</u></u> |

\* Payments for short-term leases were not shown separately, but included in the line of “profit before income tax” in respect of the net cash generated from operations using the indirect method.

**19 Trade Payables**

Payment terms with majority of suppliers are on open account. Certain suppliers grant credit period ranging from 30 days to 180 days.

As at 30 September 2023, the aging analysis of trade payables based on invoice date is as follows:

|                     | <b>As at</b>        |                   |
|---------------------|---------------------|-------------------|
|                     | <b>30 September</b> | <b>31 March</b>   |
|                     | <b>2023</b>         | <b>2023</b>       |
|                     | <b>HK\$'000</b>     | <b>HK\$'000</b>   |
|                     | <b>(Unaudited)</b>  | <b>(Audited)</b>  |
| Less than 60 days   | <u>647</u>          | 421               |
| 60 days to 120 days | <u>128</u>          | —                 |
| Over 120 days       | <u>274</u>          | <u>417</u>        |
|                     | <u><u>1,049</u></u> | <u><u>838</u></u> |

The carrying amounts of trade payables approximate their fair values.

## 20 Capital Commitments

The Group had the following capital commitments not provided for:

|  | As at  |  |
|--|--|--|
|  | 30 September<br>2023<br><i>HK\$'000</i><br>(Unaudited) | 31 March<br>2023<br><i>HK\$'000</i><br>(Audited) |
| Capital expenditure contracted for but not yet incurred in respect of acquisition of property, plant and equipment | <u>6,425</u>   | <u>1,474</u>                                     |

## 21 Pledge of Assets

As at 30 September 2023 and 31 March 2023, certain of the Group's assets were pledged to secure banking facilities granted to the Group. The aggregate carrying amount of the assets of the Group pledged at the end of each reporting period is as follows:

|                                  | As at  |  |
|----------------------------------|--|--|
|                                  | 30 September<br>2023<br><i>HK\$'000</i><br>(Unaudited) | 31 March<br>2023<br><i>HK\$'000</i><br>(Audited) |
| Bank deposits ( <i>Note 15</i> ) | <u>7,781</u>   | <u>7,435</u>                                     |

## 22 Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control.

- (a) As at 30 September 2023 and 31 March 2023, some of the Group's banking facilities in respect of credit card and instalment sales arrangement was secured by pledged bank deposits as set out in Note 15 and 21.
- (b) Details of key management compensations are disclosed as below:

|                             | Six months ended                                       |  |
|-----------------------------|--|--|
|                             | 30 September<br>2023<br><i>HK\$'000</i><br>(Unaudited) | 2022<br><i>HK\$'000</i><br>(Unaudited) |
| Salaries and other benefits | 19,638   | 18,870                                 |
| Share-based payment         | <u>—</u>   | <u>4,237</u>                           |
|                             | <u>19,638</u>  | <u>23,107</u>                          |

## MANAGEMENT DISCUSSION AND ANALYSIS

### OVERVIEW

Perfect Medical Health Management Limited (the “Company”), together with its subsidiaries (collectively, the “Group”), is pleased to announce its interim results for the six months ended 30 September 2023.

The pandemic in past three years has significantly altered the global economic landscape. With the reopening of borders in most parts of the world and the removal of the restrictive anti-pandemic measures, both people’s mobility and business sentiment have noticeably improved in year 2023. Business environment were generally stabilised across most industries and the retail market continued to adjust positively. However, the persistent interest rate hikes, the slump in the financial market, delaying corporate investment decisions, shop closures and the scaling down of businesses continued to impede a full economic recovery to the pre-pandemic levels. The uncertain economic outlook has led to a more cautious purchasing decisions from the consumers, resulting in a reshaping consumer behavior and spending pattern. All in all, the global economy is recovering gradually, albeit at a slower pace.

With its roots in Hong Kong for more than 20 years, the Group’s operation in Hong Kong serves as the springboard for its business expansion into the Greater Bay Area. Our focus on the aesthetic medical and healthcare management services in both Hong Kong and mainland China has proven to be a sustainable business model that is not susceptible to economic fluctuations, providing an attractive return to our shareholders. During the period, consumption activities improved markedly following the improved labour market conditions and the Government’s various stimulus initiatives in Hong Kong. A noticeable increase in visitor arrivals in Hong Kong has further boosted the ongoing recovery in the retail market. Nevertheless, the locals’ and tourists’ spending has yet to return to the pre-pandemic levels. As a sustainable company, one would require to redevelop and recalibrate our business operation to better match with the changing consumer needs.

In mainland China, the Government has adopted policies to gradually restore the growing momentum. However, the ongoing concern in the real estate sector and the depreciation of the Renminbi have clouded the economic outlook. Sustained inflationary environment was also affecting the economic development in foreign countries. Overall, the visibility for the Group’s operations in regions outside Hong Kong remained low.

For the period under review, the Group has proactively reshaped its operations in Hong Kong, taking advantage of the changing consumer behaviour and the relatively affordable rental situation. During the period, the Group further increased its market penetration in Hong Kong through a combination of mega shops and the newly established residential shops business model to tap the demand in the local neighbourhood and to further increase its market share. Business performance was particularly appealing for the residential shops in which we were able to obtain a high proportion of new customers into our ecosystem. Through actively promoting its excellent branding and quality services, the Group is able to attract quality cross-border customers to enjoy our services in Hong Kong. As of 30 September 2023, the Group operated a total service area of 297,000 square feet in Hong Kong, mainland China, Macau, Australia and Singapore. During the period, the Group expanded its footprint in Hong Kong with two shops in strategic locations.

#### **Service Area:**

|                           | <b>As at<br/>30 September<br/>2023<br/><i>ft</i><sup>2</sup></b> |
|---------------------------|--|
| Hong Kong                 | <b>192,000</b>   |
| Regions outside Hong Kong | <b>105,000</b>   |
|                           | <b><u>297,000</u></b>  |

With a timely adjustment to the business operations and the time-tested business model, the Group is glad to report that it has delivered an increase in profitability in consecutive years.

## **FINANCIALS**

### **Financial Performance**

For the period under review, the Group has achieved satisfactory results thanks to the meaningful return of new customers and the solid relationship with the loyal customers in both Hong Kong and mainland China. The Group's revenue increased by 7.5% year-on-year to HK\$718.1 million (FY2022/23 interim: HK\$668.3 million), supported by the momentum growth in revenue in Hong Kong and mainland China amid the abatement of the pandemic in early 2023. Aesthetic medical business continued to be the Group's core business for the period, contributing to around 80.7% as measured by the value of sale contract. The overall average spending per individual client increased by 16.1% year-on-year to HK\$27,540.

**Revenue breakdown by region:**

|                           | Six months ended 30 September |                     |                       |                     |
|---------------------------|-------------------------------|---------------------|-----------------------|---------------------|
|                           | 2023                          |                     | 2022                  |                     |
|                           | <i>HK\$'000</i>               | %                   | <i>HK\$'000</i>       | %                   |
| Hong Kong                 | <b>549,616</b>                | <b>76.5</b>         | 492,426               | 73.7                |
| Regions outside Hong Kong | <b>168,533</b>                | <b>23.5</b>         | 175,874               | 26.3                |
|                           | <b><u>718,149</u></b>         | <b><u>100.0</u></b> | <b><u>668,300</u></b> | <b><u>100.0</u></b> |

**Value of sale contract by service type:**

|                       | Six months ended    |                     |
|-----------------------|---------------------|---------------------|
|                       | 30 September        | 2022                |
|                       | 2023                | %                   |
|                       | %                   | %                   |
| Aesthetic Medical     | <b>80.7</b>         | 76.7                |
| Non-Aesthetic Medical | <b>19.3</b>         | 23.3                |
|                       | <b><u>100.0</u></b> | <b><u>100.0</u></b> |

**Customers Spending Pattern:**

|  | Six months ended 30 September |                      |                      |
|--|-------------------------------|----------------------|----------------------|
|  | 2023                          | 2022                 | Change               |
| Average Spending per Client (HK\$)             |                               |                      |                      |
| — Aesthetic Medical                            | <b>27,188</b>                 | 24,586               | +10.6%               |
| — Non-Aesthetic Medical                        | <b>15,554</b>                 | 13,647               | +14.0%               |
| Overall average spending per individual client | <b><u>27,540</u></b>          | <b><u>23,729</u></b> | <b><u>+16.1%</u></b> |

During the period, the Group closely monitored the operating costs in order to keep up with the revenue growth. The employee benefit expenses increased by 3.3% year-on-year to HK\$238.1 million (FY2022/23 interim: HK\$230.6 million), in line with the revenue growth. The marketing expenses increased by 10.0% year-on-year to HK\$85.5 million (FY2022/23 interim: HK\$77.7 million), as a result of the resumption of marketing campaign to boost the Group's brand awareness. The rental lease related expenses (note 1) decreased by 4.4% year-on-year to HK\$83.2 million (FY2022/23 interim: HK\$87.1 million), due to the consolidation of service area in regions outside Hong Kong year-on-year.

## Key Cost Components:

|   | Six months ended 30 September |                |              |
|---|-------------------------------|----------------|--------------|
|   | 2023                          | 2022           | Change       |
|   | HK\$'000                      | HK\$'000       | %            |
| Cost of inventories and consumables               | 13,248                        | 14,891         | -11.0%       |
| Employee benefit expenses                         | 238,149                       | 230,609        | +3.3%        |
| Marketing expenses                                | 85,473                        | 77,717         | +10.0%       |
| Depreciation of property, plant and equipment     | 40,168                        | 42,661         | -5.8%        |
| Rental lease related expenses <sup>(Note 1)</sup> | 83,200                        | 87,063         | -4.4%        |
| Other operating expenses                          | 66,603                        | 62,473         | +6.6%        |
|   | <u>526,841</u>                | <u>515,414</u> | <u>+2.2%</u> |

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

At earnings before interest, tax and depreciation of property, plant and equipment (“EBITDA”) level, the EBITDA increased by 5.4% year-on-year to HK\$242.1 million (FY2022/23 interim: HK\$229.7 million), representing the EBITDA margin of 33.7% for the period (FY2022/23 interim: 34.4%). The operating profit increased by 8.0% year-on-year to HK\$201.9 million (FY2022/23 interim: HK\$187.0 million), representing an operating profit margin of 28.1% (FY2022/23 interim: 28.0%). Profit attributable to equity holders of the Company was HK\$166.4 million, increased by 10.4% year-on-year (FY2022/23 interim: HK\$150.7 million), representing an increase of 0.7% in net profit margin to 23.2% for the period (FY2022/23 interim: 22.5%). Basic earnings per share was HK13.2 cents (FY2022/23 interim: HK12.1 cents).

On an adjusted basis excluding the one-off government subsidies related to employment support scheme in the last financial period, adjusted profit attributable to equity holders of the Company would increase by 27.1% year-on-year to HK\$166.4 million (FY2022/23 interim: HK\$130.9 million), representing an increase of 3.6% in adjusted net profit margin to 23.2% for the period (FY2022/23 interim: 19.6%).

## Dividend and Share Buyback

For the period under review, the Board recommends the payment of an interim dividend of HK13.2 cents and a special dividend of HK1.0 cent per share to shareholders whose names appear on the register of members of the Company as at 11 December 2023.

## **BUSINESS OVERVIEW**

### **Hong Kong Operation**

Economic activity in Hong Kong gradually resumed its normalcy following the reopening of borders and the lifting of all anti-pandemic measures in early 2023. The Government has introduced a series of marketing initiatives such as the “Happy Hong Kong” campaign and the “Night Vibes Hong Kong” campaign to revitalize the city’s economy and to encourage private consumption in the retail sector. Thus, we have witnessed a welcoming start in January to March 2023. Businesses’ optimism generally subsided in the second quarter of the year amid the tightening financial conditions and uncertain global outlook and gradually improved thereafter. As for the beauty market, the trend has not been very favourable especially to the smaller beauty clinics. Over the past three years, we have seen a series of closures of the smaller operators who were hard-hit by the prolonged pandemic outbreak. Against this backdrop, the pandemic has also presented a golden opportunity for well-established industry players to further increase their market penetration into the neighbourhoods and their surrounding areas where there was pent-up demand. The Group is confident that it will be able to capitalise on the industry’s consolidation by adhering to its financial disciplines and prudent store network expansion strategy.

Revenue from Hong Kong operation increased by 11.6% year-on-year to HK\$549.6 million (FY2022/23 interim: HK\$492.4 million), overtaking the revenue of Hong Kong operation before pandemic in FY2019/20 interim by 7.2%, thanks to the improvement in shop utilisation and the contribution from the newly established residential shops in Hong Kong. The recovery of revenue to beyond the FY2019/20 interim level demonstrates our success in recalibrating its business operation in the past three years. As of 30 September 2023, the Group has a well-established network of service centres in Hong Kong covering a total of 192,000 square feet, with an increase of two shops in Tsuen Wan and Taikoo. Currently, revenue from Hong Kong operation accounted for 76.5% of the Group’s revenue (FY2022/23 interim: 73.7%). In terms of operating profit, the Group has recorded an increase in operating profit year-on-year.

## **Aesthetic Medical Business**

Customers' acquisition and retention is crucial towards the success of the Company. During the period, we have witnessed a strong demand for its core aesthetic medical services thanks to the unwavering support by our loyal customers. Through the membership's big data in our 20-year-history in Hong Kong, the Group is able to identify key strategic locations that has potential untapped demand for its aesthetic medical services. As a result, the Group has recalibrated our business model to further expand its geographical reach in Hong Kong through the introduction of residential shops in medium-to-high end shopping malls and residential locations where consumers can enjoy its excellent and selected services within walking distance. As for the core mega shops, the Group has taken an all-round effort to improve the shop utilisation. We are especially pleased to see a welcoming response to the medical tourism flagship centres in Causeway Bay and Tsim Sha Tsui where there was intense demand for our premium medical beauty services by the cross-border customers, fortifying our objective to become the most favourable aesthetic medical service centres in the Greater Bay Area in the long run.

During the period, the Group stepped up its effort to promote its high-quality services through a series of online and offline marketing campaigns. Local marketing effort was also introduced to the residential shops to promote its branding and quality services to the potential customers.

## **Non-Aesthetic Medical Business**

At its non-aesthetic medical business, it includes a range of supplementary healthcare management services, including hair growth treatment, pain treatment, health screening service as well as other beauty and wellness services, to fully collaborate with our aesthetic medical services. During the period, the Group enhanced the cross-selling to the medical business following the improvement in our aesthetic medical business.

## **Regions outside Hong Kong**

Revenue from regions outside Hong Kong decreased by 4.2% year-on-year to HK\$168.5 million (FY2022/23 interim: HK\$175.9 million), impacted by the lower demand in Singapore and Australia but compensated by the recovery in mainland China. Currently, revenue from the regions outside Hong Kong accounted for 23.5% of the Group's revenue (FY2022/23 interim: 26.3%).



## **Mainland China and Macau**

In mainland China, consumer sentiment continued to improve as the impact of the pandemic gradually subsided. The Government has rolled out various policies with a view to stimulating domestic demand and unleashing economic growth. The resurgence in consumer spending has reflected growing demand for products and services. However, the reopening of borders has encouraged outbound tourism which undermined domestic consumption. The gloom in the real estate sector has also significantly dampened the consumer confidence in recent months. As for the aesthetic industry, the Government has introduced various regulations to better regulate the aesthetic practices. While such move has created short term impact on the industry operators, the regulations will surely benefit the whole industry by and large. Visibility about the industry's near term development remains low in the mean time.

During the period, operating profit in mainland China and Macau improved year-on-year thanks to the gradual recovery in customers' demand and the absence of business suspension in this financial period. The Group has continued to strengthen its business presence in first-tier cities in Shenzhen, Guangzhou, Shanghai, Beijing and Macau to improve the shop utilisation and to better serve our loyal customers. Overall, the Group has a network of 22 shops in strategic locations in mainland China and Macau as of 30 September 2023.

## **Australia and Singapore**

In the first half of FY2023/24, the performance of the Australia and Singapore operation has been impacted by the sustained inflationary environment and the high living expenses in both countries. It may take some time for the international market to recover.

As of 30 September 2023, the Group has an extensive network in mainland China, Macau, Sydney, Melbourne and Singapore, covering a gross service area of approximately 105,000 square feet, no change when compared to 31 March 2023.

## **FINANCIAL REVIEW**

### **Liquidity, Financial Resources and Capital Structure**

The Group continues to maintain a strong financial position with bank and cash balance of HK\$632.3 million as at 30 September 2023 (as at 31 March 2023: HK\$656.8 million), without external bank borrowing. The total equity of the Group as at 30 September 2023 was HK\$539.8 million (as at 31 March 2023: HK\$612.3 million). The Group generally finances its operation with internally generated cash flows. The Group's gearing ratio as at 30 September 2023 was nil (as at 31 March 2023: nil), based on the short-term and long-term interest bearing bank borrowings and the equity attributable to equity holders of the Company. As at 30 September 2023, the Group had net current assets of approximately HK\$195.0 million (as at 31 March 2023: HK\$231.5 million).

Net cash generated from operating activities during the period was HK\$288.0 million (FY2022/23 interim: HK\$298.8 million). With the abundant bank and cash balances on hand, the Group's liquidity position remains strong and it has sufficient financial resources to fund its future expansion and acquisition plans but at the same time to meet its working capital requirement.

### **Capital Expenditure**

The total capital expenditure incurred by the Group during the period ended 30 September 2023 amounted to HK\$15.8 million, which were mainly used in leasehold improvement and equipment in connection with the expansion of service network.

### **Capital Commitments**

Please refer to Note 20 to the financial statements for details of capital commitments.

### **Contingent Liabilities**

As at 30 September 2023, the Group did not have any significant contingent liabilities.

### **Foreign Exchange Exposure**

The Group principally engages its business operation in Hong Kong, Macau, Mainland China, Australia and Singapore. The Group has subsidiaries operating in Mainland China, Macau, Australia and Singapore, in which most of their transactions are denominated and settled in Chinese Renminbi ("RMB"), Macau Patacas ("MOP"), Australian dollars ("AUD") and Singapore dollar ("SGD"). In respect of transactions settled in RMB, MOP, AUD and SGD, the Group did not have significant exposure to foreign exchange rate risk during the period due to the transactions being generally denominated in the functional currency of the respective group companies. The Group has not entered into any foreign exchange contract as hedging measures.

### **Treasury Policies**

The Group adopts a prudent approach in the treasury and investment activities. The Group's surplus funds are mainly invested in fixed and saving deposits in renowned banks as well as listed equity securities in Hong Kong as long-term investments. The Board will continue to review the Group's investment portfolio, implement strict risk control to minimise the impact of market volatility and closely monitor the performance of its investments from time to time in order to reduce the possible financial risk related to its investments and maximise value for the Shareholders.

As at 30 September 2023, the Group pursued a green development to place HK\$162.3 million in bank green deposits with the aim of supporting green and sustainable projects.

## **Charges on the Group's Assets**

As at 30 September 2023, some of the Group's banking facilities in respect of credit card and instalment sales arrangement was secured by pledged bank deposits as set out in Note 21.

## **Employees and Remuneration Policies**

The Group adheres to a strong belief that one of the most valuable assets of a corporation is its employees. The Group values its human resources and recognises the importance of attracting and retaining qualified staff for its continuing success. Maintaining the quality of service from our well-skilled professionals is crucial in strengthening our competitiveness. The Group employed a total work force of 1,248 employees as at 30 September 2023 (as at 31 March 2023: 1,317 employees). The Group's remuneration policies are in line with the prevailing market practices and are determined on the basis of performance and experience of the individual. The Group has been constantly reviewing staff remuneration package to ensure it is competitive with relevant industries.

## **Material Acquisition and Disposal**

Save as disclosed in this announcement, there was no material acquisition and disposal processed by the Group during the period.

## **Future Plans for Material Investments or Capital Assets**

Save as disclosed in this announcement, the Group had no other future plans for material investments or capital assets.

## **PROSPECTS**

In the future, the world will enter a new phase of development full of opportunities and difficulties. The Group is cautiously optimistic towards the future outlook in its operations in our key operating regions. The promising business performance in the first half of the financial year has demonstrated our superior business model can withstand poor market conditions. We remained steadfast in our core strategy of "Healthcare + Medical Beauty" to satisfy the individual needs of the consumers.

In Hong Kong, the demand has generally bounced back after the three years of the pandemic. To enhance our resilience of the premium services and to continuously reinforce our market leadership position in Hong Kong, the Group will gear up our expansion through the mega shops and residential shops dual model. New openings were on the roadmap and will be opened in the near future. The rebound in tourist arrivals in Hong Kong this year will bring along additional cross-border customers to the Group. This will reinforce the Group's determination to become the most favourable aesthetic medical service centres in the Greater Bay Area in the long run. The Group is confident that our prudent yet laser-focused business expansion strategy will bear fruit in the years to come.

In mainland China, it is our vision to replicate our success in the Greater Bay Area and the Eastern China and transfer our technical knowhow in the industry. In the near future, the Company will closely monitor the market dynamics and economic landscape to better prepare for the economic fluctuation. To capitalise on the rebound in foot traffic at shopping malls, the Group will spare no effort in optimising our business operation to improve shop productivity.

For the international expansion, the experience learnt in Australia and Singapore has prepared us with execution capability in future overseas' expansion in the medium to long term. The Group will proceed with its international business development in prudent and steady manner with relentless dedication to customer satisfaction. Careful evaluation will be taken in assessing the inflationary situation and the rebounding consumption sentiment.

## **INTERIM DIVIDEND**

The Board recommended a payment of an interim dividend and special dividend of HK13.2 cents and HK1.0 cents per share of the Company (the "Share") respectively for the six months ended 30 September 2023 to the Shareholders whose name appear on the register of members of the Company on 11 December 2023. The proposed interim dividend will be paid on or around 29 December 2023.

## **OTHER INFORMATION**

### **Model Code for Securities Transactions by Directors**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules"). Specific inquiry has been made to each of the Directors and all Directors have confirmed that they have complied with the Model Code during the six months period ended 30 September 2023.

## Closure of Register of Members

The register of members of the Company will be closed on 11 December 2023, during which period no transfer of Shares will be registered. In order to qualify for the interim dividend, all transfers of Shares, accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on 8 December 2023.

## Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or Any Associated Corporation

As at 30 September 2023, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required to be recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

### (i) Long position in Shares

| Name of Directors | Nature of interest                          | Number of ordinary shares | Number of underlying shares held pursuant to options | Percentage of the number of shares of the Company (Note 2) |
|-------------------|---|---------------------------|--|--|
| Dr. Au-Yeung Kong | Beneficial owner                            | 114,834,747 (L)           | —  | 74.98%   |
|                   | Interest of controlled corporation (Note 1) | 827,169,021 (L)           |  |  |
| Ms. Au-Yeung Wai  | Interest of controlled corporation (Note 1) | 827,169,021 (L)           | —  | 65.84%   |
| Ms. Au-Yeung Hung | Interest of controlled corporation (Note 1) | 827,169,021 (L)           | —  | 65.84%   |
| Mr. So Hin Lung   | Beneficial owner                            | 140,000 (L)               | —  | 0.01%  |

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

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

(L): Long position

*Notes:*

1. The 827,169,021 Shares are held by Sure Sino Investments Limited, among which 159,123,029 Shares are held through its wholly-owned subsidiary Perfect Medical Charity Foundation Limited and 208,306,511 Shares are held through its wholly-owned subsidiary Earlsion Holdings Limited, respectively. Dr. Au-Yeung Kong, Ms. Au-Yeung Wai and Ms. Au-Yeung Hung beneficially own the entire issued share capital of Sure Sino Investments Limited. By virtue of the SFO, Dr. Au-Yeung Kong, Ms. Au-Yeung Wai and Ms. Au-Yeung Hung are deemed to be interested in the 827,169,021 Shares held by Sure Sino Investments Limited.
2. The calculation of percentage is based on the total number of shares of the Company as at 30 September 2023, which was 1,256,197,771.

Save as disclosed above, as at 30 September 2023, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## **Directors' Right to Acquire Shares or Debentures**

Apart from as disclosed under the sections headings "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or Any Associated Corporation" above and "Share Option Scheme" below, at no time during the six months ended 30 September 2023 was the Company, or any of its holding companies, its subsidiaries or its fellow subsidiaries a party to any arrangement to enable the Directors and chief executives of the Company (including their spouses and children under 18 years of age) to hold any interest or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO).

## **Competing Interest**

During the period under review and last financial year, none of the Directors, management shareholders and substantial shareholders of the Company, or their respective associate (as defined in the Listing Rules) had any interest in any business which compete or may co-operate with the business of the Group.

During the period under review and last financial year, confirmations were provided by or obtained from the Directors and the controlling shareholders to ensure that none of them was engaged in the competing business. The Directors and the controlling shareholders had participated in training or reading materials to understand their obligation with respect to the competing business. The independent non-executive Directors also reviewed the controlling shareholders' compliance with the non-competition undertakings.



## Substantial Shareholders' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company

As at 30 September 2023, other than the interests of certain Directors and chief executives of the Company as disclosed under the section headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or Any Associated Corporation" above, persons who had interests or short positions in the shares, underlying shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who are, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, or any other substantial Shareholders whose interests or short positions were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

| Name of Shareholders                                   | Capacity                                    | Number of issued ordinary shares held | Percentage of the total number of shares of the Company<br>(Note 2) |
|--|---|---------------------------------------|---|
| Sure Sino Investments Limited                          | Beneficial owner                            | 459,739,481 (L)                       | 36.59%  |
|  | Interest of controlled corporation (Note 1) | 367,429,540 (L)                       | 29.24%  |
| Earlson Holdings Limited<br>(Note 1)                   | Beneficial owner                            | 208,306,511 (L)                       | 16.58%  |
| Perfect Medical Charity<br>Foundation Limited (Note 1) | Beneficial owner                            | 159,123,029 (L)                       | 12.66%  |

(L): Long position

Notes:

1. Sure Sino Investments Limited beneficially owns the entire issued share capital of Earlson Holdings Limited and Perfect Medical Charity Foundation Limited. By virtue of the SFO, Sure Sino Investments Limited is deemed to be interested in the 208,306,511 Shares held by Earlson Holdings Limited and 159,123,029 Shares held by Perfect Medical Charity Foundation Limited, respectively.
2. The calculation of percentage is based on the total number of shares of the Company as at 30 September 2023, which was 1,256,197,771.



Save as disclosed above, as at 30 September 2023, the Directors were not aware of any other person (other than the Directors and chief executives of the Company) who had an interest or short position in the shares, underlying shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, or any other substantial Shareholders whose interests or short positions were recorded in the register required to be kept by the Company under Section 336 of the SFO.

### **Share Option Scheme**

The share option scheme of the Company (the “Share Option Scheme”) was adopted by the Shareholders on 13 August 2021 for the purpose of providing the people and the parties working for the interests of the Group with an opportunity to obtain an equity interest in the Company, thus linking their interest with the interests of the Group and thereby providing them with an incentive to work better for the interests of the Group. The terms of the Share Option Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules.

As at 1 April 2023 and 30 September 2023, the total number of options available for grant under the Scheme Mandate Limit and available for issue under the Share Option Scheme were 117,858,339. There was no service provider sublimit set under the Share Option Scheme.

No share option was granted, outstanding, lapsed, cancelled or exercised at any time during the six months ended 30 September 2023. As at 30 September 2023, there was no outstanding share option under the Share Option Scheme.

## Purchase, Sale or Redemption of Listed Securities of the Company

During the six months ended 30 September 2023, the Company repurchased 339,000 of its own Shares. The total amount paid for this repurchase was HK\$1,392,000 and was charged to Share premium within shareholders' equity. All of the repurchased 339,000 Shares were cancelled during the period.

| Month of repurchase | Number of<br>ordinary Shares<br>repurchased | Purchase price paid per Share |                | Aggregate<br>consideration<br>paid<br>(including<br>transaction<br>costs)<br>HK\$ |
|---------------------|---|-------------------------------|----------------|---|
|                     |   | Highest<br>HK\$               | Lowest<br>HK\$ |   |
| July 2023           | 339,000                                     | 4.10                          | 4.06           | 1,392,000   |
|                     | <u>339,000</u>                              |                               |                | <u>1,392,000</u>  |

Save as disclosed above, during the six months ended 30 September 2023, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

## Pre-Emptive Rights

There is no provision for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated.

## Corporate Governance

The Company is committed to the establishment of good corporate governance practices and procedures. The Company has complied with all the code provisions as set out in Corporate Governance Code to the Appendix 14 of the Listing Rules (the "CG Code") throughout the six months ended 30 September 2023 except the issues mentioned in the following paragraphs:

According to the code provision C.2.1 of the CG Code, the roles of the chairman and the chief executive should be separate and should not be performed by the same individual. During the six months ended 30 September 2023, Dr. Au-Yeung Kong has been performed as both the chairman of the Board (the "Chairman") and the chief executive officer of the Company (the "Chief Executive Officer"). Therefore, the Group does not at present separate the roles of the Chairman and the Chief Executive Officer.

The Board considered that Dr. Au-Yeung Kong has in-depth knowledge and experience in the medical and aesthetic medical industry and is the appropriate person to manage the Group. Therefore, the roles of the Chairman and the Chief Executive Officer performed by the same individual, Dr. Au-Yeung Kong, is beneficial to the business prospects and management of the Group. The Board believes that vesting the roles of both Chairman and Chief Executive Officer in the same individual can provide the Company with strong and consistent leadership and allows for effective and efficient planning and implementation of business decisions and strategies. Notwithstanding the above, the Board will review the current structure from time to time. If a candidate with suitable leadership, knowledge, skills and experience can be identified within or outside the Group, the Company may make necessary arrangements.

### **Audit Committee**

The audit committee of the Company (the “Audit Committee”) was established on 5 December 2011 with the latest written terms of reference which were in compliance with the CG Code and are available on the websites of the Stock Exchange and the Company. The primary duties of the Audit Committee are to review the financial information of the Group, oversee the financial reporting process and risk management and internal control procedures of the Group, and oversee the relationship with the Company’s external auditor.

The Audit Committee comprises three independent non-executive Directors, namely, Ms. Hsu Wai Man, Helen, Ms. Cho Yi Ping and Mr. Chi Chi Hung, Kenneth. Ms. Hsu Wai Man, Helen is the chairman of the Audit Committee.

The Audit Committee has reviewed the accounting standards and practices adopted by the Group and discussed with the management about the financial reporting matters, including the review of the unaudited interim results for the six months ended 30 September 2023.

### **Remuneration Committee**

The remuneration committee of the Company (the “Remuneration Committee”) was established on 5 December 2011 with written terms of reference which were in compliance with the CG Code and are available on the websites of the Stock Exchange and the Company. The primary duties of the Remuneration Committee are to make recommendations to the Board on the Company’s policy and structure for all Directors’ and senior management remuneration, make recommendations to the Board on the remuneration of non-executive Directors and the remuneration packages of individual executive Directors and senior management, including benefits in kind, pension rights and compensation payments, which include any compensation payable for loss or termination of their office or appointment.

The Remuneration Committee comprises three independent non-executive Directors, namely, Mr. Chi Chi Hung, Kenneth, Ms. Hsu Wai Man, Helen and Ms. Cho Yi Ping and three executive Directors, namely, Dr. Au-Yeung Kong, Ms. Au-Yeung Wai and Mr. So Hin Lung. Mr. Chi Chi Hung, Kenneth is the chairman of the Remuneration Committee.

### **Nomination Committee**

The nomination committee of the Company (the “Nomination Committee”) was established on 5 December 2011 with the latest written terms of reference which were in compliance with the CG Code and are available on the websites of the Stock Exchange and the Company. The primary duties of the Nomination Committee are to make recommendations to the Board on the appointment of Directors and management of the Board succession, assess the independence of independent non-executive Directors and review the board diversity policy and the policy for the nomination of Directors.

The Nomination Committee comprises three independent non-executive Directors, namely, Ms. Cho Yi Ping, Mr. Chi Chi Hung, Kenneth and Ms. Hsu Wai Man, Helen and three executive Directors, namely, Dr. Au-Yeung Kong, Ms. Au-Yeung Wai and Mr. So Hin Lung. Ms. Cho Yi Ping is the chairman of the Nomination Committee.

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

Hong Kong, 24 November 2023

*As at the date of this announcement, the Board comprises Dr. Au-Yeung Kong, Ms. Au-Yeung Wai, Ms. Au-Yeung Hung and Mr. So Hin Lung as executive Directors and Ms. Hsu Wai Man, Helen, Ms. Cho Yi Ping and Mr. Chi Chi Hung, Kenneth as independent non-executive Directors.*