

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



**EC Healthcare**

**醫思健康**

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

**(Stock Code: 2138)**

**ANNUAL RESULTS ANNOUNCEMENT  
FOR THE YEAR ENDED 31 MARCH 2024**

**FINANCIAL HIGHLIGHTS**

*For the year ended 31 March 2024  
in HK\$ millions*

	<b>FY24</b>	<b>FY23</b>	<b>YoY %</b>
Total Revenue	4,211.0	3,875.4	8.7%
Medical	2,631.9	2,542.2	3.5%
Aesthetic medical and beauty and wellness	1,309.4	1,101.9	18.8%
Veterinary and other	269.7	231.3	16.6%
EBITDA	388.1	430.3	(9.8)%
Net Profit	15.7	107.0	(85.3)%

**(Loss)/earnings per share (HK cents)  
attributable to equity shareholders of the  
Company**

Basic and Diluted	(1.6)	5.9	(127.1)%
-------------------	-------	-----	----------

**Dividend per share (HK cents)**

Interim	0.5	5.8
Final	0.0	4.2

*As at 31 March 2024*

Cash and cash equivalents and time deposits	593.1	710.9
Total debt	920.7	719.1
Total equity	2,402.8	2,370.9
Total debt/equity	38.3%	30.3%
Total debt/EBITDA	2.4x	1.7x

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2024

		2024	2023
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>REVENUE</b>	5	<b>4,211,034</b>	3,875,377
Other net income and gains	6	7,662	77,098
Cost of inventories and consumables		(666,132)	(552,953)
Registered practitioner expenses		(1,171,274)	(974,511)
Employee benefit expenses		(1,043,342)	(1,086,512)
Marketing and advertising expenses		(207,222)	(172,715)
Rental and related expenses		(92,338)	(77,743)
Depreciation-right-of-use assets		(339,551)	(351,764)
Depreciation-owned property, plant and equipment		(177,073)	(137,204)
Amortisation of intangible assets		(108,921)	(97,767)
Charitable donations		(159)	(3,660)
Finance costs	7	(100,837)	(63,636)
Credit card expenses		(81,248)	(77,502)
Administrative and other expenses		(219,151)	(232,647)
Share of profits less losses of joint ventures		2,686	10,705
Share of profits less losses of associates		2,740	1,623
		<u>          </u>	<u>          </u>
<b>PROFIT BEFORE TAX</b>	8	<b>16,874</b>	136,189
Income tax	9	(1,179)	(29,162)
		<u>          </u>	<u>          </u>
<b>PROFIT FOR THE YEAR</b>		<b>15,695</b>	107,027
		<u>          </u>	<u>          </u>
Attributable to:			
Equity shareholders of the Company		(18,947)	69,654
Non-controlling interests		34,642	37,373
		<u>          </u>	<u>          </u>
		<b>15,695</b>	107,027
		<u>          </u>	<u>          </u>
		<i>HK cents</i>	<i>HK cents</i>
<b>(LOSS)/EARNINGS PER SHARE</b>	10		
Attributable to equity shareholders of the Company			
Basic and diluted		(1.6)	5.9
		<u>          </u>	<u>          </u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

*For the year ended 31 March 2024*

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>PROFIT FOR THE YEAR</b>	<b>15,695</b>	107,027
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of subsidiaries outside Hong Kong, net of tax	<b>(804)</b>	1,229
Item that will not be reclassified to profit or loss:		
Fair value loss on financial assets at fair value through other comprehensive income, net of tax	<b>(782)</b>	<b>(7,807)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>14,109</b>	100,449
Attributable to:		
Equity shareholders of the Company	<b>(20,533)</b>	63,076
Non-controlling interests	<b>34,642</b>	37,373
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>14,109</b>	100,449

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

(Expressed in Hong Kong dollars)

	<i>Notes</i>	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>1,388,023</b>	1,586,655
Investment properties		<b>172,922</b>	199,300
Goodwill		<b>947,176</b>	743,544
Intangible assets		<b>613,749</b>	662,424
Interest in joint ventures		<b>40,081</b>	45,986
Interest in associates		<b>382,947</b>	263,934
Rental and other deposits		<b>113,636</b>	115,130
Prepayments and other receivables		<b>195,317</b>	281,157
Financial assets at fair value through other comprehensive income	<i>13(a)</i>	<b>9,637</b>	10,419
Financial assets at fair value through profit or loss	<i>13(b)</i>	<b>104,527</b>	124,195
Deferred tax assets		<b>86,389</b>	55,974
Total non-current assets		<b>4,054,404</b>	4,088,718
<b>CURRENT ASSETS</b>			
Inventories	<i>11</i>	<b>107,087</b>	86,891
Trade receivables	<i>12</i>	<b>263,016</b>	211,886
Prepayments, deposits and other receivables		<b>225,629</b>	242,058
Deferred costs		<b>102,866</b>	124,752
Financial assets at fair value through profit or loss	<i>13(b)</i>	<b>13,179</b>	15,981
Tax recoverable		<b>13,737</b>	32,185
Time deposits with original maturity over 3 months	<i>14</i>	<b>39,511</b>	1,000
Cash and cash equivalents	<i>14</i>	<b>553,625</b>	709,859
Total current assets		<b>1,318,650</b>	1,424,612

	<i>Notes</i>	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>CURRENT LIABILITIES</b>			
Trade payables	<i>15</i>	<b>81,094</b>	70,093
Other payables and accruals		<b>370,331</b>	549,115
Bank borrowings	<i>16</i>	<b>136,912</b>	101,348
Lease liabilities		<b>255,461</b>	299,039
Deferred revenue		<b>540,148</b>	596,247
Tax payable		<b>47,170</b>	59,752
		<u><b>1,431,116</b></u>	<u>1,675,594</u>
Total current liabilities		<u><b>1,431,116</b></u>	<u>1,675,594</u>
<b>NET CURRENT LIABILITIES</b>		<u><b>(112,466)</b></u>	<u>(250,982)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><b>3,941,938</b></u>	<u>3,837,736</u>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities		<b>93,807</b>	103,233
Lease liabilities		<b>427,566</b>	514,089
Other payables		<b>213,032</b>	212,675
Bank borrowings	<i>16</i>	<b>541,990</b>	387,660
Provision for reinstatement costs		<b>21,005</b>	19,002
Convertible bonds	<i>18</i>	<b>241,767</b>	230,132
		<u><b>1,539,167</b></u>	<u>1,466,791</u>
Total non-current liabilities		<u><b>1,539,167</b></u>	<u>1,466,791</u>
<b>NET ASSETS</b>		<u><b>2,402,771</b></u>	<u>2,370,945</u>
<b>CAPITAL AND RESERVES</b>			
Share capital	<i>17(b)</i>	<b>12</b>	12
Reserves		<b>1,961,333</b>	1,854,472
		<u><b>1,961,345</b></u>	<u>1,854,484</u>
<b>Total equity attributable to equity shareholders of the Company</b>		<u><b>1,961,345</b></u>	<u>1,854,484</u>
<b>Non-controlling interests</b>		<u><b>441,426</b></u>	<u>516,461</u>
<b>TOTAL EQUITY</b>		<u><b>2,402,771</b></u>	<u>2,370,945</u>

## NOTES TO THE ANNOUNCEMENT

### 1. CORPORATE INFORMATION

The Company is an exempted company with limited liability incorporated in the Cayman Islands. The registered office of the Company is located at 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 20/F, Devon House, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries (together referred to as the "Group") are principally engaged in the provision of medical and healthcare services.

### 2. BASIS OF PREPARATION

The consolidated financial statements for the year ended 31 March 2024 comprise the Company and its subsidiaries and the Group's interest in joint ventures and associates.

The measurement basis used in the preparation of the financial statements is the historical cost basis except as otherwise stated in the accounting policies.

The preparation of financial statements in conformity with Hong Kong Financial Reporting Standards ("HKFRSs") requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### 3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

HKFRS 17	<i>Insurance Contracts</i>
Amendments to HKAS 1 and HKFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>
Amendments to HKAS 8	<i>Definition of Accounting Estimates</i>
Amendments to HKAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to HKAS 12	<i>International Tax Reform — Pillar Two Model Rules</i>

The nature and the impact of the new and revised HKFRSs that are applicable to the Group are described below:

- (a) Amendments to HKAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to HKFRS Practice Statement 2 *Making Materiality Judgements* provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments did not have any impact on the measurement, recognition or presentation of any items in the Group's financial statements.
- (b) Amendments to HKAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. Since the Group's approach and policy align with the amendments, the amendments had no impact on the Group's financial statements.
- (c) Amendments to HKAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in HKAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The amendments did not have any significant impact on the financial position or performance of the Group upon initial application.
- (d) Amendments to HKAS 12 *International Tax Reform — Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. The Group has applied the amendments retrospectively. Since the Group did not fall within the scope of the Pillar Two model rules, the amendments did not have any impact to the Group.

#### **4. OPERATING SEGMENT INFORMATION**

For management purpose, the Group is organised into business units based on their services and products. Accordingly, the Group has three reporting segments as follows:

- (a) Medical;
- (b) Aesthetic medical and beauty and wellness; and
- (c) Veterinary and other.

Medical segment represents all medical services (excluding aesthetic medical services) and dental services. Aesthetic medical and beauty and wellness segment represents aesthetic medical, traditional beauty, haircare and ancillary wellness services and sale of skincare, healthcare and beauty equipment and products. Veterinary and other mainly represents veterinary services and multi-channel networking and related services.

##### **Segment results, assets and liabilities**

For the purposes of assessing segment performance and allocating resources between segments, the Group's management monitors the results attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets with the exception of investment properties, interests in associates and joint ventures, financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. Segment liabilities include trade payables, other payables and accruals, provision for reinstatement costs, lease liabilities, deferred revenue, current tax payable and deferred tax liabilities.

The segment revenue of the Group is based on the type of services provided to the customers. Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit before tax except that bank interest income, other interest income, dividend income from unlisted investment funds, unrealised and realised gains/losses on financial assets at fair value through profit or loss, net, fair value gain/loss on investment properties, rental income from investment properties, share of profits less losses of joint ventures and associates and head office and other corporate expenses are excluded from such measurement.



	Medical		Aesthetic medical and beauty and wellness		Veterinary and other		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Reportable segment revenue</b>	<b>2,637,966</b>	2,547,354	<b>1,309,401</b>	1,101,896	<b>286,500</b>	244,725	<b>4,233,867</b>	3,893,975
Less: Inter-segment revenue	(6,019)	(5,187)	–	–	(16,814)	(13,411)	(22,833)	(18,598)
Revenue from external customers	<b>2,631,947</b>	2,542,167	<b>1,309,401</b>	1,101,896	<b>269,686</b>	231,314	<b>4,211,034</b>	3,875,377
<b>Segment result</b>	<b>6,779</b>	72,196	<b>62,359</b>	114,657	<b>6,971</b>	20,190	<b>76,109</b>	207,043
Bank interest income							14,965	3,418
Other interest income							1,908	1,108
Dividend income from unlisted investment funds							1,648	344
Unrealised and realised losses on financial assets at fair value through profit or loss, net							(24,582)	(19,093)
Fair value (loss)/gain on investment properties							(26,378)	2,200
Rental income from investment properties							3,779	4,708
Share of profits less losses of joint ventures							2,686	10,705
Share of profits less losses of associates							2,740	1,623
Others							(36,001)	(75,867)
Consolidated profit before tax							<b>16,874</b>	136,189
Depreciation and amortisation for the year	413,937	377,553	164,263	172,184	47,345	36,998	625,545	586,735
Impairment loss on goodwill	–	7,481	–	–	–	–	–	7,481
	Medical		Aesthetic medical and beauty and wellness		Veterinary and other		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Reportable segment assets</b>	<b>2,848,264</b>	3,135,484	<b>1,338,109</b>	1,154,718	<b>463,388</b>	563,313	<b>4,649,761</b>	4,853,515
Investment properties							172,922	199,300
Interest in joint ventures							40,081	45,986
Interest in associates							382,947	263,934
Financial assets at fair value through other comprehensive income							9,637	10,419
Financial assets at fair value through profit or loss							117,706	140,176
Consolidated total assets							<b>5,373,054</b>	5,513,330
Additions to non-current segment assets during the year (excluding business acquisitions)	155,244	576,969	128,064	186,980	86,464	97,347	369,772	861,296
<b>Reportable segment liabilities</b>	<b>1,230,016</b>	1,394,124	<b>711,737</b>	927,596	<b>107,861</b>	101,525	<b>2,049,614</b>	2,423,245
Bank borrowings							678,902	489,008
Convertible bonds							241,767	230,132
Consolidated total liabilities							<b>2,970,283</b>	3,142,385

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the services were provided or the goods delivered.

*Information about geographical areas*

	<b>Revenue from external customers</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Hong Kong	<b>3,961,934</b>	3,577,659
Macau	<b>125,652</b>	128,828
Chinese Mainland	<b>123,448</b>	168,890
	<b><u>4,211,034</u></b>	<b><u>3,875,377</u></b>

*Information about major customers*

Since no revenue derived from sales to a single customer of the Group has individually accounted for over 10% of the Group's total revenue during each of the reporting periods presented, no information about major customers in accordance with HKFRS 8, *Operating Segments*, is presented.

**5. REVENUE**

Revenue represents the value of services rendered and the net invoiced value of goods sold, excluding value added tax or other sales taxes and is after deduction of trade discounts. An analysis of revenue is as follows:

	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Revenue</b>		
Medical services	<b>2,631,947</b>	2,542,167
Aesthetic medical and beauty and wellness services and related revenue	<b>1,309,401</b>	1,101,896
Veterinary and other services	<b>269,686</b>	231,314
	<b><u>4,211,034</u></b>	<b><u>3,875,377</u></b>

All of the above revenue is recognised in accordance with HKFRS 15.

## 6. OTHER NET INCOME AND GAINS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Bank interest income	13,665	3,418
Other interest income	1,908	1,108
Dividend income from unlisted investment funds	1,648	344
Unrealised and realised losses on financial assets at fair value through profit or loss, net	(24,582)	(19,093)
Impairment loss on goodwill	–	(7,481)
Fair value (loss)/gain on investment properties	(26,378)	2,200
Rental income from investment properties	3,779	4,708
Loss on disposal of a subsidiary	(84)	–
Gain on early termination of leases, net	1,828	–
(Loss)/gain on disposals and write-off of property, plant and equipment	(1,751)	3,636
Government grants	538	51,877
Others	37,091	36,381
	<u>7,662</u>	<u>77,098</u>

## 7. FINANCE COSTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest on bank borrowings	58,339	14,152
Interest on convertible bonds	18,265	18,604
Interest on lease liabilities	24,233	16,569
Imputed interest expenses on consideration payables	–	14,311
	<u>100,837</u>	<u>63,636</u>

## 8. PROFIT BEFORE TAX

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Depreciation		
— owned property, plant and equipment	177,073	137,204
— right-of-use assets	339,551	351,764
Amortisation of intangible assets	108,921	97,767
Foreign exchange differences, net	2,511	3,639
Rental income from investment properties less direct outgoings of HK\$653,000 (2023: HK\$619,000)	<u>(3,126)</u>	<u>(4,089)</u>

## 9. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Taxation in the consolidated statement of profit or loss represents:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current — Hong Kong		
Provision for the year	65,517	58,371
Over-provision in respect of prior years	<u>(17,157)</u>	<u>(4,138)</u>
	48,360	54,233
Current — Outside Hong Kong		
Provision for the year	4,687	12,564
(Over)/under-provision in respect of prior years	<u>(1,240)</u>	<u>543</u>
	3,447	13,107
Total current tax	51,807	67,340
Deferred tax	<u>(50,628)</u>	<u>(38,178)</u>
Tax charge for the year	<u>1,179</u>	<u>29,162</u>

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (“BVI”), the Group is not subject to any income tax in the Cayman Islands and BVI.

Hong Kong Profits Tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits for the year. Taxes on profits assessable outside Hong Kong have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

## 10. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

### Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the loss for the year attributable to equity shareholders of the Company of HK\$18,947,000 (2023: profit of HK\$69,654,000) and the weighted average share of 1,185,211,000 ordinary shares (2023: 1,180,602,000 ordinary shares) in issue during the year, calculated as follows:

Weighted average number of ordinary shares:

	2024 '000	2023 '000
Issued ordinary shares at the beginning of the financial year	1,185,211	1,178,372
Effect of share options exercised	–	8
Effect of issuance of shares during the year other than exercise of share options	–	2,222
	<u>1,185,211</u>	<u>1,180,602</u>
Weighted average number of ordinary shares at 31 March		
	<u>1,185,211</u>	<u>1,180,602</u>
Basic (loss)/earnings per Share (in HK cents)	<u>(1.6)</u>	<u>5.9</u>

### Diluted (loss)/earnings per share

The calculation of diluted (loss)/earnings per share is based on the loss attributable to equity shareholders of the Company of HK\$18,947,000 (2023: profit of HK\$69,654,000), and the weighted average number of ordinary shares of 1,185,211,000 (2023: 1,184,284,000) shares.

No adjustment has been made to the basic loss per share amount presented for the year ended 31 March 2024 in respect of a dilution as the impact of the share options, warrants and convertible bonds outstanding had an anti-dilutive effect on the basic loss per share amount presented.

The calculations of weighted average number of ordinary shares used in the calculation of diluted earnings per share for the year ended 31 March 2023 were based on:

	2023 '000
Weighted average number of ordinary shares at 31 March	1,180,602
Effect of deemed issue of shares under the Company's share option scheme	363
Effect of exercise of warrants	3,319
	<u>1,184,284</u>
Weighted average number of ordinary shares (diluted) at 31 March	
	<u>1,184,284</u>
Diluted earnings per Share (in HK cents)	<u>5.9</u>

The diluted earnings per share amount for the year ended 31 March 2023 was increased when taking convertible bonds into account. The convertible bonds had an anti-dilutive effect on the basic earnings per share for the year ended 31 March 2023 and were not included in the calculation of diluted earnings per share for that year.

## 11. INVENTORIES

(a) Inventories in the consolidated statement of financial position comprise:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Skincare, healthcare and beauty equipment and products	16,186	7,575
Medications, consumables and other supplies	90,901	79,316
	<u>107,087</u>	<u>86,891</u>

(b) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Carrying amount of inventories sold and consumed	<u>666,132</u>	<u>552,953</u>

## 12. TRADE RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables	<u>263,016</u>	<u>211,886</u>

All of the trade receivables are receivables from contracts with customers within the scope of HKFRS 15.

The Group's trading terms with its customers are mainly on credit card settlements and other institutional customers in respect of provision of medical, aesthetic medical and beauty and wellness and veterinary and related services. The credit period is generally 0 to 120 days for the credit card settlements from the respective financial institutions and other institutional customers. The Group seeks to maintain strict control over its outstanding receivables and 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.

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 1 month	156,754	145,097
1 to 3 months	57,652	39,581
Over 3 months	48,610	27,208
	<u>263,016</u>	<u>211,886</u>

### 13. FINANCIAL ASSETS

#### (a) Financial assets at fair value through other comprehensive income

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Unlisted equity investments	<u>9,637</u>	<u>10,419</u>

The Group designated above investments at fair value through other comprehensive income, as the investments are held for strategic purpose. As at 31 March 2024, the investments held by the Group were principally engaged in market and data research and provision of medical and related services. No dividends were received on these investments during the year (2023: Nil).

#### (b) Financial assets at fair value through profit or loss

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<i>Non-Current</i>		
— Unlisted equity investments	25,510	33,696
— Unlisted fund investments	20,827	33,902
— Investments in life insurance policies	<u>58,190</u>	<u>56,597</u>
	<u>104,527</u>	<u>124,195</u>
<i>Current</i>		
— Listed equity investments	899	1,028
— Unlisted fund investments	<u>12,280</u>	<u>14,953</u>
	<u>13,179</u>	<u>15,981</u>
	<u>117,706</u>	<u>140,176</u>

### 14. CASH AND CASH EQUIVALENTS AND TIME DEPOSITS

#### Cash and cash equivalents and time deposits comprise:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Cash at bank and on hand	553,625	709,859
Time deposits with original maturity over 3 months	<u>39,511</u>	<u>1,000</u>
	593,136	710,859
Less: Time deposits with original maturity over 3 months	<u>(39,511)</u>	<u>(1,000)</u>
Cash and cash equivalents	<u>553,625</u>	<u>709,859</u>

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for varying periods depending on the Group's immediate cash requirements, and earn interest at the respective time deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

## 15. TRADE PAYABLES

An ageing analysis of the trade payables, based on the invoice date, is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 1 month	47,442	20,240
1 to 2 months	12,379	19,849
2 to 3 months	2,611	9,942
Over 3 months	<u>18,662</u>	<u>20,062</u>
	<u><u>81,094</u></u>	<u><u>70,093</u></u>

The trade payables are non-interest bearing and generally have payment terms within 60 days.

## 16. BANK BORROWINGS

At 31 March 2024, the bank borrowings were repayable as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 1 year or on demand	<u>136,912</u>	<u>101,348</u>
After 1 year but within 2 years	253,232	74,330
After 2 years but within 5 years	<u>288,758</u>	<u>313,330</u>
	<u>541,990</u>	<u>387,660</u>
	<u><u>678,902</u></u>	<u><u>489,008</u></u>
	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Bank borrowings		
— unsecured	<u><u>678,902</u></u>	<u><u>489,008</u></u>



## 17. SHARE CAPITAL AND DIVIDENDS

### (a) Dividends

(i) Dividends payable by the Company to equity shareholders:

	2024 HK\$'000	2023 HK\$'000
Interim dividend declared and paid of 0.5 HK cents per ordinary share (2023: 5.80 HK cents per ordinary share)	5,924	68,512
Final dividend of nil HK cents (2023: 4.20 HK cents) per ordinary share proposed after the end of the reporting period	–	49,779
	<u>5,924</u>	<u>118,291</u>

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year:

	2024 HK\$'000	2023 HK\$'000
Final dividend in respect of the previous financial year, approved and paid during the year, of 4.20 HK cents per ordinary share (2023: 4.20 HK cents per ordinary share)	<u>49,765</u>	<u>49,492</u>

### (b) Share capital

	2024		2023	
	Number of shares	HK\$'000	Number of shares	HK\$'000
<b>Authorised</b>				
Ordinary shares of HK\$0.00001 each	<u>38,000,000,000</u>	<u>380</u>	<u>38,000,000,000</u>	<u>380</u>
<b>Ordinary shares, issued and fully paid</b>				
At 1 April	1,185,211,265	12	1,178,372,267	12
Issuance of shares upon exercise of share options	–	–	17,500	–*
Issuance of shares as part of the consideration to acquire additional equity interest in a subsidiary from non-controlling shareholders	–	–	852,922	–*
Conversion of convertible bonds	–	–	3,968,576	–*
Issuance of share upon exercise of warrants	–	–	2,000,000	–*
At 31 March	<u>1,185,211,265</u>	<u>12</u>	<u>1,185,211,265</u>	<u>12</u>

\* Amount less than HK\$1,000.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

## 18. CONVERTIBLE BONDS

During the year ended 31 March 2021, the Company issued 3 tranches of convertible bonds. The bondholders are entitled to exercise the conversion rights to convert the principal amount outstanding at a pre-determined conversion price at any time up to the maturity of the convertible bonds. The details of the convertible bonds that are outstanding as at the end of the reporting period are as follows:

Tranche	Issue date	Principal amount outstanding	Interest rate per annum	Maturity date	Conversion price per share (adjusted)	Conversion period
Tranche A	5 February 2021	HK\$234,000,000 (2023: HK\$234,000,000)	2.5%	4 February 2026	HK\$5.50	At any time up to maturity date
Tranche C	8 February 2021	HK\$31,200,000 (2023: HK\$31,200,000)	2.5%	7 February 2026	HK\$5.50	At any time up to maturity date

Upon the issuance of convertible bonds, the liability component was initially measured at its fair value of HK\$238,118,000. The residual amount of HK\$66,082,000 was recognised as capital reserve within the equity.

The liability component of convertible bonds was analysed as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Non-current liabilities	<u>241,767</u>	<u>230,132</u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

The operating environment has been challenging for FY24. The reopening of borders saw a slower-than-anticipated recovery in revenue from Chinese Mainland medical tourism, while there was also an initial spike in outbound travel by local Hong Kong residents. Additionally, the prevailing high interest rate environment, inflationary pressure, and economic uncertainties have presented unprecedented challenges for the Group's operations. Nonetheless, the Group has responded with swift strategic review and decisive actions to drive sustainable bottom-line growth and productivity improvements.

During the Reporting Period, the Group achieved revenue and sales volume of HK\$4,211.0 million and HK\$4,210.0 million, up 8.7% YoY and 8.5% YoY respectively. The Group delivered a YoY organic growth of 5.8% to HK\$4,100.0 million, driven by growth in the medical segment through the introduction of additional service points from the previous financial year, as well as growth in aesthetic medical and beauty and wellness services capitalizing on the gradual return of Mainland visitors to Hong Kong.

The Group's net profit after tax during the Reporting Period decreased by 85.3% YoY to HK\$15.7 million, and the loss attributable to equity shareholders of the Company to HK\$18.9 million. This was mainly attributable to (i) temporary low operating leverage of the newly established service points from the previous financial year; (ii) rising cost structure resulting from inflation; (iii) an increase in depreciation and amortization expenses incurred from the organic expansion in the previous year; (iv) an increase in interest expenses of approximately HK\$44.0 million due to the rising interest rate environment; and (v) a decrease of approximately HK\$43.4 million in subsidies from the Hong Kong Government under the Employment Support Scheme.

The Group is fully committed in delivering sustainable bottom-line growth and productivity improvements. This includes accelerating business development newly opened service points, engaging direct and loyal B2C customers, reinforcing internal ecosystem synergy, establishing commercial partnerships, and taking on government outsourcing opportunities to compress the payback period.

Additionally, the Group has delivered major cost restructuring by workforce and operation optimization. In the Reporting Period, we have reduced our overall headcount (excluding Registered Practitioners) by 209 to 2,611. We also leveraged on rental lease expiry to achieve rental rate reduction over 102,000 sq ft of service area and returned approximately 76,000 sq ft of back-office and service area by consolidation of overlapping and/or synergetic operations. This helps not only to lower our overall rent-to-sales ratio but also reduces other overhead expenditure, creates stronger commercial synergy and reinforces our one-stop customer service proposition. We also implemented tight cost control across our general and administrative expenses and back-office operation by process simplification, centralization with strategic outsourcing and digitalization. Netting off certain one-off compensation and cost, these initiatives generated approximately an aggregate HK\$100 millions of savings in the Reporting Period and we expect to see deeper recurring cost improvements in the upcoming financial periods from both the elimination of one-off cost as well as full period effect.

While the Group has focused on ramping up new service points to enhance its network proposition, it has also taken advantage of lease renewals to consolidate overlapping or synergize operations into single locations, resulting in a net decrease of approximately 49,000 sq. ft. of service floor space but a net increase of 14 service points after our strategic review and consolidation as compared to the end of FY23. The decrease in net floor space mainly came from the medical service segment. As of 31 March 2024, the Group maintains an extensive network of 182 service points, among which 168 are in Hong Kong, 4 in Macau and 10 in Chinese Mainland with an aggregated service area of approximately 657,000 sq ft.

## **BUSINESS SEGMENT REVIEW**

### **Medical service segment**

During the Reporting Period, through both organic and M&A expansion, the Group's medical service portfolio grew to encompass 39 specialist disciplines with 337 registered practitioner headcount. In addition, there were organic growth derived from the 7 medical facilities that were established from last financial year and 7 new health screening centres, laboratories and pain management centres that commenced operation during the Reporting Period. These enabled the Group's revenue from medical services segment to rise by 3.5% YoY to HK\$2,632 million, representing revenue contribution of 62.5%.

## **Aesthetic medical, beauty and wellness segment**

Our aesthetic medical, beauty and wellness service pillar comprises of aesthetic medical, traditional beauty, haircare, ancillary wellness services and the sale of skincare, healthcare and beauty products. During the Reporting Period, revenue contribution by this segment has increased by 18.8% YoY to HK\$1,309 million, accounted for 31.1% of the total revenue. Revenue from Hong Kong rose by 31.7% YoY to HK\$1,066 million mainly due to normalization of post-COVID-19 local pent-up demand and rebound in the number of Mainland tourists. On the contrary, revenue from the 10 service points in Chinese Mainland and Macau recorded a YoY decline of 26.9% to HK\$123 million and a YoY decline of 3.1% to HK\$119 million respectively mainly due to local consumption downgrade.

## **Veterinary and other service segment**

Revenue from the Group's veterinary and multi-channel networking services segment rose by 16.6% YoY to HK\$270 million, mainly driven by the growth of the Group's veterinary market share in Hong Kong, with the number of registered veterinary surgeons increased to 56 during the Reporting Period. The Group's first organic veterinary hospital, Animal Medical Academy Hospital ("AMAH") in Tsim Sha Tsui East that commenced operation in the last quarter of previous financial year has been ramping up progressively and has achieved EBITDA breakeven towards the end of the period. The Group will continue to invest in its leading veterinary consolidation platform to turn it into one major growth engine.

## **OUTLOOK**

### **Cautious optimism amid increasing local economic and global uncertainties**

Despite facing challenging local and global economic conditions, we remain cautiously optimistic as the Hong Kong healthcare market has demonstrated resilience by growing at approximately 21.5% YoY to HK\$243 billion in 2022, while the private healthcare market expanded by approximately 24.1% YoY to HK\$98 billion as a result of increasing general public awareness of health issues during the post-pandemic era. The Group is optimistic towards growing its market share with our strong foundation and leading one-stop platform.

## **Focus on higher growth prospects and scalable customer segments**

The Group had been taking good leverage of its solid foundation on direct B2C customer engagement for growth in the past. It has now achieved a comprehensive healthcare service platform of meaningful size and scale after years of M&A and organic growth to deliver a one-stop service model underpinned by IT capabilities. These allows us to better address the needs of various customer segmentations with different pricing and product proposition, including B2B corporate medical market, B2I insurance market and B2G Government's various Public-Private-Partnership. Capturing these scalable growth segments will drive sustainable and profitable growth with compressed payback period for effective market consolidation.

## **Strategic focuses to deliver bottom-line growth**

We strongly believe our market consolidation and corporatization strategy are still highly relevant to our success. Given our current scale, the Group is embarking on the next phase of corporate development with renewed strategic focus on 3 key areas: 1) business development; 2) operational excellence, and 3) digital transformation.

On business development, the Group will leverage its platform approach to develop relevant product propositions to maximize our share of wallet by delivering integrated product and service proposition with dedicated resources. Meanwhile, we shall exercise careful revenue management across different customer segments to protect our margin.

On operational excellence, we will focus on talent productivity, asset utilization, process efficiency and cost control. The Group will strive to maximize synergies and integration across different centers of excellence and business units to bring around better customer experience and convenience.

On digital transformation, we will drive service scalability, cost efficiency and create better customer experiences. With proper and secure data management protocol, it allows further automation and streamline our operation, enhance our availability to customer via 24x7 online booking, connectivity to co-create innovative services and products with our TTIPP ecosystem partners from technology, telecom, insurance, property and pharmaceutical industries ("TTIPP") and install proper and standardized governance framework across our internal operation.

### **Disciplined capital recycling with strengthened TTIPP partnerships**

We will continue to foster strategic partnerships with key players in TTIPP domain to expand our leadership in establishing an integrated one-stop healthcare service provider in Hong Kong. As part of the TTIPP strategy, we will fully leverage the one-stop healthcare service platform of EC Healthcare to unlock the value of our mature assets with our strategic partners. Although some assets are not yet fully integrated, we will continue to ensure their potential value is fully realized. Meanwhile, we will continue to optimize our asset portfolio by disposing of non-core and underperforming assets and redeploying capital to new investments with better growth prospects, laying a solid foundation for profitable growth in the medium term to ensure the long-term development and sustainable growth of the Company and maximize returns to shareholders. More importantly, taking into account the prevailing business conditions, we shall return excess cash to shareholders by way of dividends.

### **Prudent capital allocation and M&A strategy driving external growth**

As part of our strategy to build a comprehensive health and beauty ecosystem, we continue to drive external growth through strategic M&A opportunities, expanding our healthcare ecosystem and enhancing vertical integration, focusing on consolidating fragmented markets and adding value to our assets through corporatization. Through this strategy, we have stabilized the performance of our assets and are gradually unlocking their potential value. The current high interest rate environment is expected to remain for some time, and we will continue to be prudent in our capital allocation and M&A strategy. Firstly, we will seek investment opportunities with a wider positive valuation carry. Secondly, we will target investments that are EBITDA margin accretive. Lastly, we will prioritize opportunities which are relatively simple, requiring less time and resources for integration, and creating synergies with existing businesses. We will continue to focus on upstream and midstream investment opportunities to improve our overall profitability, which also fits our above investment philosophy. Our two sustainability-linked loans have put us in a strong financial position to readily execute our M&A consolidation as and when strategic and synergetic asset of reasonable valuation are available to further enhance our ecosystem proposition.

## **Strategic positioning in Hong Kong’s four key prime districts**

We have always strived to deliver sustainable, attainable and affordable preventive and precision medicine with a one-stop customer service model. As such, under the Group’s TTIPP strategy, it is our commitment to building a comprehensive healthcare ecosystem focused on delivering high-quality customer services. “Fung House” located at 19-20 Connaught Road, Central, Hong Kong was renamed as the “EC Healthcare Tower (Central)” on 1 June 2024 and the construction work of the Group’s another EC Healthcare Tower located at Cameron Road, Tsim Sha Tsui is also in progress. The EC Healthcare Tower (Central) embarks the Group’s first step in its strategic positioning as a one-stop comprehensive healthcare and medical service provider in Hong Kong’s four key prime districts: Central, Tsim Sha Tsui, Mong Kok and Causeway Bay. This Tower will become one of the centrepieces of EC Healthcare’s premium medical and healthcare services in Hong Kong, offering a truly seamless experience of medical and healthcare services within a single building. Furthermore, this Tower is expected to enhance EC Healthcare’s corporate branding, improving customer convenience, increasing operational efficiency with physical operation consolidation while achieving synergy across our various organic & acquired medical assets to deliver further asset enhancement and return for our investors.

## **Building a sustainable business**

We strongly emphasize on sustainability to create long-term value for all stakeholders and communities. As part of our strategy, we are committed to driving action on the relevant United Nations Sustainable Development Goals (“SDGs”), which provide a blueprint for achieving a sustainable future. Through the implementation of energy efficient technologies and sustainable practices, we are taking concrete steps to reduce our carbon footprint and operate in a more environmentally conscious way. We are also dedicated to improving healthcare access and promoting equality in underprivileged communities through community outreach programs. Diversity and inclusion are key values that we uphold, as we strive to foster a workplace culture that values and respects all individuals. In addition, we are passionate about giving back to the community through philanthropic initiatives and partnerships. We have also enhanced our governance practices with a focus on risk management, data protection and medical safety to ensure we operate with the highest standards of integrity and ethical conduct. By prioritizing sustainability across all aspects of our business, we are confident that we can create a positive impact and drive long-term success.

In conclusion, despite the challenges we faced in FY24, we will continue to focus on innovation, efficiency, and sustainability to ensure our business remains competitive in the ever-changing market and achieves long-term growth, creating long-lasting value for our Shareholders. Our vision is to establish a leading one-stop healthcare platform in Asia, focused on bringing health, beauty, and wellness to everyone.



## **FINANCIAL REVIEW**

### **LIQUIDITY AND CAPITAL RESOURCES**

#### **Financial Resources**

As at 31 March 2024, the Group has drawn down HK\$678.9 million of bank borrowings and the undrawn bank facilities available was HK\$600.0 million. Together with cash and deposits of HK\$593.1 million, the Group has sufficient liquid assets to satisfy its working capital and operating requirements.

#### **SUBSEQUENT EVENTS**

On 12 June 2024, the Company entered into a sale and purchase agreement to dispose of 51% of the entire issued share capital of a subsidiary operating under the business name of Zenith Medical Centre at a total consideration of HK\$80,249,000. Upon completion of the disposal, the Company will no longer have any interest in the target company and the target company will cease to be accounted as a subsidiary of the Company.

Under the prevailing conditions, the target company has faced challenges in meeting the original financial expectations, prompting the Company to display strong discipline and corporate governance in reevaluate its overall strategic development, risk management and capital recycling opportunities. For further details, please refer to the announcement of the Company dated 12 June 2024.

### **CAPITAL EXPENDITURE AND COMMITMENTS**

#### **Capital Expenditure**

Capital expenditure was mainly spent on purchases of operation equipment and expenditure in leasehold improvements to the net increase of 14 service points, opened during FY24. The capital expenditure was financed by cash flows generated from operating activities.

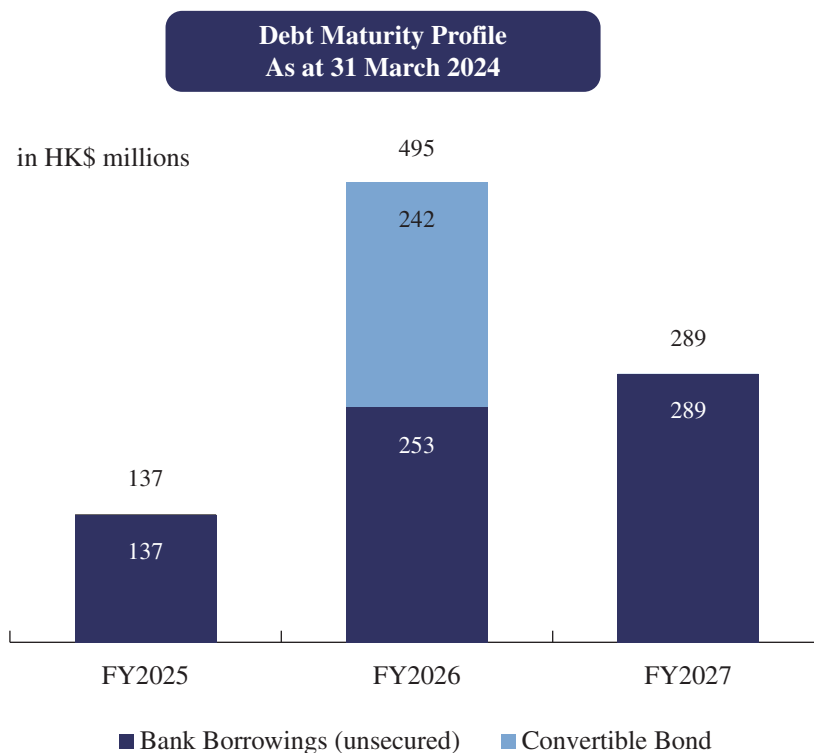
#### **Capital Commitment**

As at 31 March 2024, there was no capital commitment to acquire certain property, plant and equipment for the abovementioned new service points.

In addition, the Group has committed on 31 March 2024 to enter into certain new leases that have not yet commenced, the aggregate lease payments without taking into account the extension options amounted to approximately HK\$380 million.

## INDEBTEDNESS

### Debt Maturity Profile



*Figures may not sum due to rounding*

### Interest-bearing Liabilities

As at 31 March 2024, the Group had outstanding interest-bearing unsecured bank borrowings in the amount of HK\$678.9 million and convertible bonds of HK\$241.8 million.

### Contingent Liabilities and Guarantees

As at 31 March 2024, the Group had no significant contingent liabilities and guarantees.

### Charge of Assets

As at 31 March 2024, there was no charge over investment properties, ownership interests in land and building held for own use as all of them had been released during FY24.

## **Gearing Ratio**

Gearing ratio equals total debt (total debt refers to the aggregate sum of bank borrowings and convertible bonds excluding lease liabilities relating to properties leased for own use) divided by total equity. As at 31 March 2024, the Group had interest-bearing liabilities, except for the properties leased for own use, of HK\$920.7 million and the gearing ratio is 38.4%.

## **Foreign Currency Risk**

The Group carries out certain operating transactions in foreign currencies, which expose the Group to foreign currency risk, mainly pertaining to the risk of fluctuations in the Hong Kong dollar and U.S. dollar against Renminbi.

The Group has not used any derivative contracts to hedge against its exposure to currency risk. The management manages the currency risk by closely monitoring the fluctuation of the foreign currency rates and will consider hedging measures against significant foreign exchange exposure should such need arise.

## **Interest Rate Risk**

As at 31 March 2024, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables remaining constant, would have decreased/increased the Group's profit after taxation and retained profits by approximately HK\$5.7 million.

## **SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

During the Reporting Period, the Group has entered into the following significant investments and acquisitions.

### **NOTIFIABLE TRANSACTIONS**

#### **(a) Discloseable Transaction — Acquisition of 42.88% equity interests in Pangenia Inc through Active Compass Limited and Victor Mind International Limited**

On 30 November 2023, EC Healthcare, through its subsidiary, Jade Master International Limited (as the purchaser), entered into a sale and purchase agreement to acquire 100% equity interest in Active Compass Limited (“Active Compass”) and 100% equity interest in Victor Mind International Limited (“Victor Mind”) at a consideration of HK\$115,000,000.

Active Compass and Victor Mind are investment holding companies, which hold an aggregate of 42.88% issued share capital in Pangenja Inc (“Pangenja”). Pangenja is principally engaged in the business of provision of medical laboratory testing and distribution of medical laboratory equipment and devices.

The acquisition of Active Compass and Victor Mind will enable the Group to leverage the Pangenja’s expertise and network in life science and premium medical service industry and facilitate the Group’s expansion into the medical laboratory testing market. The Group can also optimize the Group’s overall business operations in enhancing the operational efficiencies, cost savings and improve profitability of the Group. Upon completion, each of Active Compass and Victor Mind has become a wholly-owned subsidiary of the Company, and Pangenja has become an associate of the Company. For details, please refer to the announcements of the Company dated 30 November 2023 and 4 January 2024.

**(b) Major Transaction — Further acquisition of 12.38% equity interests in Pangenja through Success Synergy Limited and Bio-Gene Limited**

On 4 January 2024, EC Healthcare, through its subsidiary Jade Master International Limited (as the purchaser), entered into a sale and purchase agreement to acquire 100% equity interest in Success Synergy Limited (“Success Synergy”) and 100% equity interest in Bio-Gene Limited (“Bio-Gene”) (collectively, “the Target Companies”) at a consideration of HK\$17,400,000 and HK\$15,800,000, respectively. The total consideration of HK\$33,200,000 was satisfied in cash.

Success Synergy and Bio-Gene are investment holding companies, which hold an aggregate of 12.38% issued share capital in Pangenja. Success Synergy and Bio-Gene hold 6.49% and 5.89% of the issued share capital of Pangenja respectively. Upon Completion, each of Success Synergy and Bio-Gene will become a wholly-owned subsidiary of the Company and Pangenja will be held as to approximately 55.26% by the Company and accounted as a subsidiary of the Company. The financial results of Pangenja will be consolidated into the financial statements of the Company.

Pangenja is principally engaged in the business of provision of medical laboratory testing and distribution of medical laboratory equipment and devices. The acquisition of the Target Companies will enable the Group to acquire a controlling stake in Pangenja of 55.26% taking into account the previous acquisition of 42.88% equity interest thereof, to direct the management and business affairs of Pangenja, which will in turn enable the Group to more comprehensively integrate Pangenja’s operations and realise the strategic objectives of expanding the Group’s revenue stream and tapping into the medical, which laboratory testing market in Hong Kong has significant room for growth.

The Company has already obtained the written approval from the controlling shareholder of the Company pursuant to Rule 14.44 of the Listing Rules. No general meeting was convened to consider the acquisition.

For details, please refer to the announcements of the Company dated 4 January 2024, 6 February 2024, 28 March 2024 and 13 May 2024 and the circular dated 11 May 2024.

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

There are other transactions entered into by the Group in prior years which profit guarantees have been given. However, those profit guarantee periods have not yet expired as at 31 March 2024 nor the date of this announcement.

## **ANNUAL GENERAL MEETING**

The annual general meeting of the Company is proposed to be held on Friday, 23 August 2024. A notice convening the AGM will be published and dispatched to the Shareholders in accordance with the requirements of the Articles of Association and the Listing Rules in due course.

## **DIVIDEND**

The Board does not recommend the payment of a final dividend for the year ended 31 March 2024 (2023: final dividend of 4.2 HK cents per ordinary share).

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Tuesday, 20 August 2024 to Friday, 23 August 2024, both days inclusive, for the purpose of ascertaining Shareholders' entitlement to attend and vote at the AGM. All transfers of Shares accompanied by the relevant Share certificates and transfer forms must be lodged with the branch share registrar of the Company in Hong Kong, Link Market Services (Hong Kong) Pty. Ltd., at Suite 1601, 16/F., Central Tower, 28 Queen's Road Central, Hong Kong for registration no later than 4:30 p.m. on Monday, 19 August 2024.

## **CORPORATE GOVERNANCE PRACTICES**

The Board acknowledges the vital importance of good governance to the Group's success and sustainability by providing a framework for the Company to formulate its business strategies and policies, and to enhance its transparency, accountability and shareholder value.

The Board is committed to maintaining statutory and regulatory standards and adhering to the principles of corporate governance emphasising on transparency, independence, accountability, responsibility and fairness.

The Company has adopted the principles as set out in the CG Code contained in Appendix C1 to the Listing Rules. The Company has complied with all code provisions set out in the CG Code during the Reporting Period, save for the deviation from code provision C.2.1 as disclosed below.

From 1 April 2023 to 31 October 2023, the roles of the Chairman of the Board (the "Chairman") and the chief executive officer of the Company (the "CEO") were performed by Mr. Tang. Although the dual roles of the Chairman and the CEO constituted a deviation from the code provision C.2.1 of the CG Code, the Board believed that having Mr. Tang acting as both the Chairman and the CEO provided a strong and consistent leadership to the Company and allowed the Company to have more effective planning and management. Further, in view of Mr. Tang's extensive experience in the industry, personal profile and roles in the Group and the historical development of the Group as mentioned in the Prospectus under the section headed "Our History, Reorganisation and Corporate Structure" and publications of the Company from time to time, the Board considered that it is appropriate and beneficial to the business prospects of the Group that Mr. Tang acted as both the Chairman and the CEO. Mr. Lu Lyn Wade Leslie, an executive Director, was a co-chief executive officer. With effect from 1 November 2023, in order to enable the Company to fully comply with code provision C.2.1 of the CG Code, Mr. Tang has resigned as CEO and Mr. Lu Lyn Wade Leslie has been re-designated as CEO.

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its code of conduct regarding securities transactions by the Directors. Specific enquiries have been made to all the Directors, and the Directors have confirmed that they have complied with the Model Code throughout the Reporting Period.

Co-owners, senior management, executives and staff who, because of their offices in the Company, are likely to possess inside information, have also been requested to comply with the Model Code. No incident of non-compliance with the Model Code by such co-owners, employees was noted by the Company during the Reporting Period.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

## **AUDIT COMMITTEE**

The audit committee of the Company has reviewed the consolidated financial statements of the Group for FY24. The audit committee of the Company has also reviewed the accounting principles and practices adopted by the Company and discussed auditing, internal control, risk management and financial reporting matters.

## **SCOPE OF WORK OF ERNST & YOUNG**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2024 as set out in the preliminary announcement have been agreed by the Company’s auditors to the amounts set out in the Group’s draft consolidated financial statements for the year. The work performed by the Company’s auditors in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by the Company’s auditors on the preliminary announcement.

## **PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT**

This annual results announcement of the Company is published on the Company’s website at [www.ehealthcare.com](http://www.ehealthcare.com) and Hong Kong Exchanges and Clearing Limited website at [www.hkexnews.hk](http://www.hkexnews.hk). The annual report of the Company for the Reporting Period will be dispatched to the Shareholders and made available on the above websites in due course.

## **DEFINITION**

“AGM”	the annual general meeting of the Company proposed to be held on 23 August 2024
“Articles of Association”	the Company’s articles of association
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors

“CG Code”	the Corporate Governance Code contained in Appendix C1 to the Listing Rules, as amended from time to time
“Chinese Medicine Practitioner(s)”	person(s) who is (are) registered as registered Chinese medicine practitioner(s) of the Chinese Medicine Council of Hong Kong under the Register of Chinese Medicine Practitioners kept in accordance with the Chinese Medicine Ordinance
“Company”	EC Healthcare 醫思健康, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“EBITDA”	earnings before interests, taxation, depreciation-owned property, plant and equipment and amortisation
“Greater China”	Chinese Mainland, Hong Kong, Macau and Taiwan
“Group”	the Company and its subsidiaries
“Healthcare Professionals”	person(s) registered with the respective boards or councils before he/she is allowed to practise in Hong Kong under the relevant laws of Hong Kong as may be amended, supplemented or otherwise modified from time to time. The 13 healthcare professionals comprise Chinese medicine practitioners, chiropractors, dental hygienists, dentists, medical laboratory technologists, medical practitioners, midwives, nurses, pharmacists, occupational therapists, optometrists, physiotherapists and radiographers
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“M&A”	merger and acquisition



“Macau”	the Macau Special Administrative Region of the People’s Republic of China
“Macau Doctor(s)”	doctor(s) licensed by and registered with the department of health in Macau (澳門特別行政區政府衛生局)
“Medical Professionals”	Healthcare Professionals, excluding full-time and exclusive Registered Practitioners
“Memorandum and Articles of Association”	the Company’s memorandum and article of association
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“Mr. Tang”	Mr. Tang Chi Fai, the chairman and an executive Director
“PRC”	the People’s Republic of China
“PRC Doctor(s)”	medical practitioner(s) with the qualification of a doctor (醫師) or assistant doctor (執業助理醫師) under the PRC Law on Medical Practitioners (中華人民共和國執業醫師法) and is practicing at a medical or healthcare institution
“Prospectus”	the prospectus dated 1 March 2016 issued by the Company
“Registered Practitioner(s)”	registered dentist within the meaning of the Dentists Registration Ordinance (Cap. 156), registered medical practitioner within the meaning of the Medical Registration Ordinance (Cap. 161), registered chiropractor within the meaning of the Chiropractors Registration Ordinance (Cap. 428), listed or registered Chinese medicine practitioner within the meaning of the Chinese Medicine Ordinance (Cap. 549), registered veterinary surgeons within the meaning of the Veterinary Surgeons Registration Ordinance (Cap. 529), Macau Doctors and PRC Doctors
“Reporting Period”	financial year ended 31 March 2024

“Sales Volume”	being the total sales volume generated from contracted sales entered into, and all products and services offered by the Group
“Share(s)”	ordinary share(s) in the share capital of the Company with par value of HK\$0.00001 each
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trained Therapists”	our employees who have completed mandatory internal training developed by our Doctors to provide quasi-medical services and/or traditional beauty services under our internal licensing programme
“YoY”	year-on-year
“%”	per cent.

By order of the Board  
**EC Healthcare**  
**Raymond Siu**  
*Company Secretary*

Hong Kong, 27 June 2024

*As at the date of this announcement, the executive Directors are Mr. Tang Chi Fai, Mr. Lu Lyn Wade Leslie and Mr. Lee Heung Wing; the non-executive Director is Mr. Luk Kun Shing Ben; and the independent non-executive Directors are Mr. Ma Ching Nam, Mr. Look Andrew and Mr. Au Tsun.*