THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Modern Healthcare Technology Holdings Limited, you should at once hand this circular, together with the accompanying proxy form to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or registered institution in securities, or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

MODERN HEALTHCARE TECHNOLOGY HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 919)

MAJOR AND CONTINUING CONNECTED TRANSACTIONS AND NOTICE OF EGM

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders

BALLAS CAPITAL

Capitalised terms defined in this circular shall have the same meanings when used in this cover.

A letter from the Board is set out on pages 4 to 21 of this circular.

A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on page 22 of this circular. A letter from the Independent Financial Adviser which contains its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 23 to 36 of this circular.

A notice convening the EGM to be held at Level 36, Infinitus Plaza, 199 Des Voeux Road Central, Sheung Wan, Hong Kong, on Monday, 30 March 2026 at 11:30 a.m. is set out on pages EGM-1 to EGM-3 of this circular. A proxy form for the EGM is also enclosed with this circular.

Whether or not you intend to attend and vote at the EGM or any postponed or adjourned meetings in person, you are requested to complete and return the accompanying proxy form in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by 11:30 a.m. (Hong Kong time) on Saturday, 28 March 2026 or not less than 48 hours before the time appointed for the holding of the EGM or any postponed or adjourned meeting. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any postponed or adjourned meeting if you so wish, and in such case, the proxy form previously submitted shall be deemed to be revoked.

13 March 2026

CONTENTS

In this circular, the following expressions shall have the meanings set out below unless the context requires otherwise:

"2023 Master Lease Agreement"	the agreement dated 22 February 2023 entered into between the Company and Asia Power in respect of the leasing of certain premises (including the Existing Premises)
"2026 Master Lease Agreement"	the agreement dated 13 February 2026 entered into between the Company and Asia Power in respect of the Leasing Arrangements or where the context so requires, such agreement as varied and supplemented by the Supplemental Agreement
"Additional Premises"	the additional premises that may be leased by member(s) of the Group from the Owner(s) during the term of the 2026 Master Lease Agreement, the location of such premises is not yet identified as at the Latest Practicable Date
"Annual Caps"	the maximum consideration payable by the Group to Asia Power and/or the Owners (as the case may be) under the Leasing Arrangements pursuant to the 2026 Master Lease Agreement for the year ending 31 March 2027 and the year ending 31 March 2028 in the amount of HK$64 million and HK$2 million, respectively
"Asia Power"	Asia Power Global Limited, a company with limited liability incorporated in the British Virgin Islands and is wholly owned by a family trust set up by Dr. Tsang
"associate(s)"	has the meaning as ascribed thereto in the Listing Rules
"Board"	the board of Directors
"Company"	Modern Healthcare Technology Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 919)
"Director(s)"	the director(s) of the Company
"Dr. Tsang"	Dr. Tsang Yue, Joyce, an executive Director, the chairperson of the Board and a controlling Shareholder (within the meaning of the Listing Rules)

"EGM"	an extraordinary general meeting of the Company to be held to consider and, if thought fit, approve, among other matters, the Leasing Arrangements pursuant to the 2026 Master Lease Agreement and the Annual Caps, the notice of which is set out on EGM-1 to EGM-3 of this circular
"Existing Lease Agreement(s)"	as defined in "THE 2026 MASTER LEASE AGREEMENT – Background" in the "Letter from the Board" in this circular
"Existing Premises"	the properties owned by the Owners in Hong Kong and/or other place(s) in the world currently leased to the Group under the Existing Lease Agreements and are expected to continue to be leased to the Group upon the expiry of the Existing Lease Agreements as disclosed in the paragraph headed "THE 2026 MASTER LEASE AGREEMENT – Background" in the "Letter from the Board" in this circular
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Independent Board Committee"	an independent board committee, comprising all of the independent non-executive Directors, namely, Ms. Liu Mei Ling, Rhoda, Dr. Wong Man Hin, Raymond, Mr. Hong Po Kui, Martin and Mr. Lam Tak Leung, established to advise the Independent Shareholders in respect of the Leasing Arrangements under the 2026 Master Lease Agreement and the Annual Caps
"Independent Financial Adviser"	Ballas Capital Limited (博思融資有限公司), a licenced corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Leasing Arrangements under the 2026 Master Lease Agreement and the Annual Caps

"Independent Shareholder(s)"	the Shareholder(s), other than those who are required by the Listing Rules to abstain from voting on the resolution approving the Leasing Arrangements under the 2026 Master Lease Agreement and the Annual Caps, being Dr. Tsang and her associates
"Latest Practicable Date"	10 March 2026, being the latest practicable date before the publication of this circular for ascertaining certain information herein
"Leasing Arrangements"	the leasing of the premises (comprising the Existing Premises and, if applicable, the Additional Premises) by the Group from the Owners pursuant to the 2026 Master Lease Agreement by the entering into of a tenancy or lease agreement in respect of such premises between any member of the Group and the relevant Owner
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Long Stop Date"	31 March 2026
"Owners"	subsidiaries of Asia Power from time to time which are or may become the legal and beneficial owners of the Existing Premises and the Additional Premises and "Owner" shall mean any of them
"Supplemental Agreement"	the supplemental agreement to the 2026 Master Lease Agreement dated 27 February 2026 and made between the Company and Asia Power whereby the term of each of the 2026 Master Lease Agreement and the underlying individual lease agreement is shortened to 31 March 2028
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"SGD"	Singapore dollars, the lawful currency of Singapore
"Share(s)"	the ordinary share(s) of HK$0.10 each in the share capital of the Company
"Shareholder(s)"	shareholder(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

MODERN HEALTHCARE TECHNOLOGY HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 919)

Executive Directors:
Dr. Tsang Yue, Joyce
(Chairperson and Chief Executive Officer)
Mr. Yip Kai Wing
Ms. Yeung See Man

Independent Non-Executive Directors:
Ms. Liu Mei Ling, Rhoda
Dr. Wong Man Hin, Raymond
Mr. Hong Po Kui, Martin
Mr. Lam Tak Leung

Registered Office:
PO Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

Head Office and Principal Place of Business in Hong Kong:
Work Shop Nos. 66-68, 6th Floor
Sino Industrial Plaza
9 Kai Cheung Road
Kowloon Bay
Kowloon
Hong Kong

13 March 2026

To the Shareholders

Dear Sir or Madam,

MAJOR AND CONTINUING CONNECTED TRANSACTIONS

Reference is made to the announcements of the Company dated 13 February 2026 and 27 February 2026, in which the Company had announced that it had entered into the 2026 Master Lease Agreement and Supplemental Agreement respectively with Asia Power to regulate the Leasing Arrangements between the Group and the Owners for the two years ending 31 March 2028.

The purpose of this circular is to provide you with, among other things, details regarding (i) the Leasing Arrangements under the 2026 Master Lease Agreement and the Annual Caps and the transactions contemplated thereunder; (ii) the recommendation from the Independent Board Committee in respect of the Leasing Arrangements under the 2026 Master Lease Agreement and the Annual Caps; (iii) the advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iv) a notice convening the EGM; and (v) other information as required under the Listing Rules.

THE 2026 MASTER LEASE AGREEMENT

Background

Reference is made to the circular of the Company dated 14 March 2023 in respect of the major and continuing connected transactions in relation to the 2023 Master Lease Agreement, pursuant to which members of the Group entered into various individual lease agreements (“**Existing Lease Agreements**”, each an “**Existing Lease Agreement**”) with the Owners for leasing certain premises from the Owners during the term of the 2023 Master Lease Agreement.

Given that the 2023 Master Lease Agreement and the individual lease agreements entered into pursuant thereto will expire on 31 March 2026 and the Group expects that it will continue to lease the Existing Premises after the expiry of the respective Existing Lease Agreements on 31 March 2026, on 13 February 2026, the Company entered into the 2026 Master Lease Agreement with Asia Power so as to enable the continuance of the Leasing Arrangements between the Group and the Owners for the two years ending 31 March 2028.

Currently, the Existing Premises are being used in the ordinary and usual course of the business of the Group as its operating facilities (including but not limited to offices, retail shops, service centres and warehouses). The Group intends to continue to lease the Existing Premises in Hong Kong and Singapore under the arrangement contemplated under the 2026 Master Lease Agreement. Set out below is a summary of the Existing Lease Agreements in respect of the Existing Premises which are expected to continue under the 2026 Master Lease Agreement:

Particulars of the Existing Premises	Present usage	Total rental paid/payable for the year ended 31 March 2024 HK$ (Note 1)	2025 HK$ (Note 1)	Estimated total rental for the year ending 31 March 2026 HK$ (Note 1)	Monthly rental paid/payable for the month ending 31 March 2026 HK$ (Note 1)	Fair market rent (monthly) as at 1 January 2026 HK$ (Note 1 and 2)
Hong Kong Island						
1. Shop and Toilet Area on 1st Floor, Shop and Toilet Area on 2nd Floor, Lift and Staircase (No. 3) and Grease Trap Room on 1st Floor, 1st Floor Staircase for 2nd Floor, Lift and Staircase on 2nd Floor, Lift Machine Room for 1st to 2nd Floors on 3rd Floor, Signage Units Nos. 1 to 8 on Ground Floor, Signage Units Nos. 9 to 14 on 1st Floor, Store and Open Store on Ground Floor, The Grandeur, 47 Jardine's Bazaar, Causeway Bay, Hong Kong	Service centre	3,715,200.00	3,715,200.00	3,715,200.00	309,600.00	279,000.00
2. 1/F, (including its Flat Roof and Stair-Entrance on Ground Floor), King Kwong Mansion, No. 8 King Kwong Street, Happy Valley, Hong Kong	Service centre	708,000.00	708,000.00	708,000.00	59,000.00	53,200.00
3. Portion B of Basement of Hang Ying House, Nos. 318-328 King's Road, North Point, Hong Kong	Service centre	1,260,000.00	1,260,000.00	1,260,000.00	105,000.00	94,600.00
4. Portion B of Shop C on Ground Floor and Shop E on Basement, King's View Court, 901-907 King's Road, Quarry Bay, Hong Kong	Service centre	2,352,000.00	2,352,000.00	2,352,000.00	196,000.00	176,600.00
5. 3/F., Causeway Bay Commercial Building, Nos. 1-5 Sugar Street, Causeway Bay, Hong Kong	Service centre	2,633,400.00	2,633,400.00	2,633,400.00	219,450.00	197,800.00
6. Rooms 301-305, 3/F., On Lok Yuen Building, Nos. 25, 27 & 27A Des Voeux Road Central, Hong Kong	Service centre	1,516,200.00	1,516,200.00	1,516,200.00	126,350.00	118,200.00
7. Rooms 1201-1203, 12/F., Silver Fortune Plaza, No. 1 Wellington Street, Central, Hong Kong	Service centre	1,908,000.00	1,908,000.00	1,908,000.00	159,000.00	148,800.00

Particulars of the Existing Premises	Present usage	Total rental paid/payable for the year ended 31 March 2024 HK$ (Note 1)	Total rental paid/payable for the year ended 31 March 2025 HK$ (Note 1)	Estimated total rental for the year ending 31 March 2026 HK$ (Note 1)	Monthly rental paid/payable for the month ending 31 March 2026 HK$ (Note 1)	Fair market rent (monthly) as at 1 January 2026 HK$ (Note 1 and 2)
8. 5/F., World Trust Tower, No. 50 Stanley Street, Central, Hong Kong	Service centre	1,140,000.00	1,140,000.00	1,140,000.00	95,000.00	88,900.00
9. Unit 2A, 2/F, Winner House, No. 310 King's Road, North Point, Hong Kong	Service centre	1,413,600.00	1,413,600.00	1,413,600.00	117,800.00	106,200.00
10. Unit 2B, 2/F, Winner House, No. 310 King's Road, North Point, Hong Kong	Service centre	1,142,400.00	1,142,400.00	1,142,400.00	95,200.00	85,800.00
11. Office A, Units B, C, & D, 13th Floor, Guangdong Tours Centre, No. 18 Pennington Street, Hong Kong *(Note 3)*	Service centre	–	651,700.00	1,117,200.00	93,100.00	87,100.00
Kowloon						
12. Workshop Nos. 32B, 33B, 50-62, 63A, 64A, 65A, 66A, 67A, 78 and store room No. 10 on 6th Floor and Lorry Car Parking Space No. 8, 14 and 15 on Basement, Sino Industrial Plaza, 9 Kai Cheung Road, Kowloon Bay *(Note 4)*	Office and warehouse	1,448,700.00	1,087,200.00	1,087,200.00	90,600.00	80,000.00
13. 3/F & 4/F (including Flat Roof) BCC Building, Nos 25-31 Carnarvon Road, Kowloon, Hong Kong	Service centre	3,261,600.00	3,261,600.00	3,261,600.00	271,800.00	245,000.00
14. Units C1, C2, D1, D2, E1 & E2, 16/F, TG Place, No. 10 Shing Yip Street, Kowloon, Hong Kong	Service centre	1,778,400.00	1,778,400.00	1,778,400.00	148,200.00	138,700.00
15. 16/F & Lavatories, Oriental Central Nos. 67-71 Chatham Road South, Kowloon, Hong Kong	Service centre	1,459,200.00	1,459,200.00	1,459,200.00	121,600.00	113,800.00
16. 1/F, 44-46 Carnarvon Road, Tsim Sha Tsui, Kowloon, Hong Kong	Service centre	612,000.00	612,000.00	612,000.00	51,000.00	46,000.00

Particulars of the Existing Premises	Present usage	Total rental paid/payable for the year ended 31 March 2024 HK$ (Note 1)	2025 HK$ (Note 1)	Estimated total rental for the year ending 31 March 2026 HK$ (Note 1)	Monthly rental paid/payable for the month ending 31 March 2026 HK$ (Note 1)	Fair market rent (monthly) as at 1 January 2026 HK$ (Note 1 and 2)
New Territories						
17. 18/F, Hou Feng Industrial Building, Nos.1-5 Wing Kin Road, Kwai Chung, New Territories	Warehouse	763,800.00	763,800.00	763,800.00	63,650.00	56,200.00
18. 1st Floor (with floor roof adjacent thereto), Len Fat Mansion, Nos. 56-60, 64-86 Kin Yip Street, Yuen Long, New Territories	Service centre	1,764,000.00	1,764,000.00	1,764,000.00	147,000.00	132,500.00
19. Units B74-B90, B99-B116, B132-B136, 1/F., The Commercial Accommodation of Well On Garden, No. 9 Yuk Nga Lane, Tseung Kwan O, New Territories	Service centre	1,371,600.00	1,371,600.00	1,371,600.00	114,300.00	103,000.00
20. Unit 1, 25/F., North Wing Tuen Mun Parklane Square, No. 2 Tuen Hi Road, Tuen Mun, New Territories	Service centre	624,000.00	624,000.00	624,000.00	52,000.00	48,700.00
21. Unit 4502B on Level 45 of Tower II, Metro Plaza, No. 223 Hing Fong Road, Kwai Chung, New Territories	Service centre	216,000.00	216,000.00	216,000.00	18,000.00	16,800.00
22. Unit 4503-4506 on Level 45 of Tower II, Metro Plaza, No. 223 Hing Fong Road, Kwai Chung, New Territories	Service centre	1,104,000.00	1,104,000.00	1,104,000.00	92,000.00	86,100.00
Singapore						
23. Blk 218, Bedok North Street 1, #01-19 (Upper Level) Singapore 460218	Service centre	SGD24,000.00 (equivalent to approximately HK$139,567.20)	SGD24,000.00 (equivalent to approximately HK$139,790.40)	SGD24,000.00 (equivalent to approximately HK$144,984.00)	SGD2,000.00 (equivalent to approximately HK$12,082.00)	SGD 2,060.00 (equivalent to approximately HK$12,656.02)
		32,331,667.20	32,622,090.40	33,092,784.00	2,757,732.00 per month	2,515,656.02 per month

Notes:

1. Exclusive of rates, government rent and management fees.

2. The monthly fair rent is based on the opinion of an independent property valuation report issued on 13 March 2026, being one of the documents on display as referred to in Appendix II to this circular.

3. The relevant Existing Lease Agreement was entered into in the year ended 31 March 2025.

4. Pursuant to a Partial Surrender Agreement dated 1 September 2023 entered into by the relevant parties during the year ended 31 March 2024, the monthly rent payable by the Group in respect of the premises was reduced to HK$90,600 with effect from 1 September 2023.

Under the 2026 Master Lease Agreement, Asia Power agrees to procure the Owners to lease both of the Existing Premises and, where applicable, the Additional Premises to the Group subject to the relevant Owner and the designated member of the Group entering into an individual lease agreement in an agreed form. Hence, the terms of each of the individual lease agreement are expected to be more or less the same.

The monthly rental paid/payable for the month ending 31 March 2026 exceeds the fair market rent (monthly) as at 1 January 2026 for the majority of the Existing Premises primarily due to the timing and nature of the respective assessments. The current rentals reflect contractual rates fixed under the Existing Lease Agreements, most of which were entered into in March 2023 based on the then prevailing market rents. On the other hand, in contemplation of the entering into of the individual leases under the 2026 Master Lease Agreement, the Group has obtained an opinion on the fair market rent as at 1 January 2026 which shall form the basis of determining the rental payment from the 2026 Master Lease Agreement, incorporating recent softening in Hong Kong's commercial property sector.

The renewal mechanism in the paragraph headed "**Rental and Pricing Policies**" below in this letter from the Board ensures the arrangements remain fair, reasonable, and aligned with the long-term interests of the Company and its shareholders.

Duration and the right of termination

As regards the Existing Premises, the term of each relating individual lease agreement will commence on 1 April 2026 and is expected to end on 31 March 2028 (both dates inclusive). As regards the Additional Premises, the term of the individual lease agreement will commence after the monthly rental and other terms have been agreed upon by the relevant Owner and the Group and is also expected to end on 31 March 2028.

The agreed form of the individual lease agreement contains a provision which enables the Group to terminate the individual lease agreement at any time before the expiry of the term of tenancy by (i) giving 60 days' written notice to the Owner or by (ii) paying the Owner one month rental in lieu of such notice. On the contrary, the Owner is not entitled to early terminate the individual lease agreement by notice.

Monthly rental

The monthly rent of each of the individual lease agreement will be determined with reference to the fair market rent of each of the relevant properties (comprising the Existing Premises and, where applicable, the Additional Premises). As elaborated below, it is the intention of the Group to negotiate for a discount (as compared to the fair rent to be determined by the independent property valuer) for the monthly rental in respect of each property. The fair market rent is the fair rent to be determined by the independent property valuer from time to time.

Depending on the then operation needs of the Group and market conditions, the Group may lease Additional Premises from the Owners and/or switch the leased premises from one location to another location in the future. The Leasing Arrangements contemplated under the 2026 Master Lease Agreement provide the Group with the flexibility to enter into additional individual lease agreement(s) with the relevant Owner(s), during the term of the 2026 Master Lease Agreement, for leasing properties which suit the Group's operational needs, subject always to the fact the individual lease agreement(s) must be on terms which are fair and reasonable and on normal commercial terms or better. As at the Latest Practicable Date, the locations of the Additional Premises have not yet been identified.

Since the Group intends to continue to lease the Existing Premises and may lease Additional Premises from the Owners, as explained above, the Company and Asia Power entered into the 2026 Master Lease Agreement on 13 February 2026 and the Supplemental Agreement on 27 February 2026 to set out the principal terms and conditions governing the Leasing Arrangements by the Group from the Owners in the future.

Date of the 2026 Master Lease Agreement

Date of the Master Lease Agreement: 13 February 2026

Date of the Supplemental Agreement: 27 February 2026

Parties to the 2026 Master Lease Agreement and Supplemental Agreement

Asia Power and the Company

The relationship between Asia Power and the Company is more particularly described in the paragraph headed “INFORMATION OF THE PARTIES AND LISTING RULES IMPLICATIONS” below.

Subject Matter

Pursuant to the 2026 Master Lease Agreement, the Group will enter into individual lease agreements to lease certain premises from the relevant Owner from time to time during the term of the 2026 Master Lease Agreement. As at the Latest Practicable Date, such premises were expected to include the Existing Premises.

Conditions

The 2026 Master Lease Agreement and the Leasing Arrangements are conditional upon:

1. the passing of an ordinary resolution by the Independent Shareholders at the EGM approving the Leasing Arrangements and the Annual Caps; and

2. (if required) all requisite waivers, consents and approvals from any relevant governments or regulatory authorities in Hong Kong or other jurisdictions (if applicable) or other relevant third parties in connection with the Leasing Arrangements required to be obtained on the part of the Group having been obtained.

If the conditions above shall not have been fulfilled on or before the Long Stop Date, the 2026 Master Lease Agreement shall cease and terminate, save and except for certain provisions in relation to costs and expenses and miscellaneous matters which shall remain in full force and effect.

Duration

Subject to fulfillment of the above conditions on or before the Long Stop Date, the 2026 Master Lease Agreement shall be for a term commencing on 1 April 2026 and ending on 31 March 2028. The 2026 Master Lease Agreement may be terminated by the Company by giving Asia Power at least sixty days’ written notice.

Subject to fulfillment of the above conditions on or before the Long Stop Date, each of the leases to be entered into between the Group and the relevant Owners pursuant to the 2026 Master Lease Agreement will have a term commencing on or after 1 April 2026 and expiring on (i) the expiration or earlier termination of its own terms or (ii) 31 March 2028, whichever is earlier.

Rental and Pricing Policies

Pursuant to the 2026 Master Lease Agreement, each individual lease to be entered into shall be on normal commercial terms or better (within the meaning of Chapter 14A of the Listing Rules) and the amount of rental (exclusive of rates, government rent and management fees) under each such lease shall be determined by the parties to such individual lease with reference to the then prevailing market rents on premises owned by independent third parties and comparable in location, area and permitted use ("**Comparable Premises**") provided that before each such individual lease under the 2026 Master Lease Agreement is entered into, the Group shall, at its own costs and expenses, obtain a confirmation from an independent property valuer providing its opinion of the then prevailing market rent of the premises with reference to the market rent of the Comparable Premises and the rent to be set out in the relating Leasing Arrangement shall be no more than such prevailing market rent and the effective date of the opinion shall not be more than three months.

As confirmed by the independent property valuer, monthly fair market rents of the Existing Premises as at 1 January 2026 set out in the table above are valued with Market Approach by making reference to relevant market rental transaction evidence. Recent market rental transaction evidence of properties with similar characteristics to the Existing Premises were collected and analysed on the basis of unit rate, with adjustments made to reflect the differences in the features between the comparable premises and Existing Premises.

The monthly fair market rents are determined on the basis of market rent which defined as "the estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion". The monthly, fair market rents are valued based on the assumptions that the properties were leased in the open market in vacant possession as at the valuation date in its existing state without the benefit of deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements which would serve to affect the market rents. Unless otherwise stated, the independent valuer has assumed that the Existing Premises are free from encumbrances, restrictions and outgoings of an onerous nature which could affect the market rent and the relevant owner has absolute title to the Existing Premises concerned.

The selection criteria mainly included the similarity of usage, location, size, property quality and rental agreement date. In general, about three to four comparable premises are considered for each Existing Premises which is in line with the general practice in determining fair rent.

The pricing mechanism for the renewal of the Existing Premises under the 2026 Master Lease Agreement by providing a specific, transparent, and procedural framework that ensures transactions are conducted on normal commercial terms or better, without prejudice to the Company and its minority shareholders. This approach avoids vague or boilerplate descriptions, discloses clear methods for price determination through independent assessments comparable to obtaining third-party quotations, tailors the policy exclusively to leasing without inapplicable methods, and justifies fairness by capping rents at or below market levels while allowing for negotiated discounts, thereby protecting minority interests.

The monthly rent payable under the individual lease agreements shall be paid out of the internal resources of the Group. Such monthly rent will be paid on the first day of each month in advance.

The government rent, rates and management fee under each individual lease under the 2026 Master Lease Agreement will be paid to the government or, as the case may be, the management companies by the Group directly. The government rent, rates and management fee will be borne by the Group. The Directors consider that the terms are on normal commercial terms and in ordinary and usual course of business of the Company, and the terms are fair and reasonable. Such arrangement is also in line with market practice for commercial property leasing.

In order to determine the rental payable under the individual lease agreements under the 2026 Master Lease Agreement, the Company has appointed BonVision International Appraisals Limited ("**BonVision**"), an independent property valuer, to opine on the fair rent as at 1 January 2026 in respect of leasing the Existing Premises. The director in charge of BonVision is a Member of Hong Kong Institute of Surveyors, Member of the Royal Institution of Chartered Surveyors, and Registered Professional Surveyor (General Practice) with over 10 years relevant property valuation experience in Hong Kong and Singapore.

THE ANNUAL CAPS AND BASIS OF DETERMINATION

The Hong Kong Financial Reporting Standards ("**HKFRS**") issued by the Hong Kong Institute of Certified Public Accountants applicable to the Group include HKFRS 16 "Leases" which has come into effect on 1 January 2019 and is applicable to financial years starting on or after 1 January 2019. Under HKFRS 16, the Group, as the lessee, shall recognize the total rental payments payable to the relevant Owners under the 2026 Master Lease Agreement as a right-of-use asset and a lease liability in the consolidated statement of the financial position of the Group.

The rental paid by the Group to the subsidiaries of Asia Power under the 2023 Master Lease Agreement for each of the two years ended 31 March 2025 and the rent paid/payable for the year ending 31 March 2026 amounted to approximately HK$32.3 million, HK$32.6 million and HK$33.1 million respectively. The annual caps pursuant to the 2023 Master Lease Agreement for the year ended 31 March 2024, the year ended 31 March 2025 and the year ending 31 March 2026 were HK$119 million, HK$6 million and HK$3 million, respectively, the right-of-use assets attributable to the Existing Premises recorded in the books of the Group for the year ended 31 March 2024, 31 March 2025 and for the year ending 31 March 2026 amounted to HK$90.6 million, HK$1.7 million and HK$0 million, respectively. The utilization rate of the annual caps contemplated under the 2023 Master Lease Agreement for the year ended 31 March 2024, the year ended 31 March 2025 and the year ending 31 March 2026 were 76.1%, 28.3% and 0% respectively.

Based on the opinion of the independent property valuer, the aggregate prevailing monthly rent of the Existing Premises as at 1 January 2026 is HK$2,515,656.02. On such basis, the annual rent for leasing such premises is thus HK$30,187,872.26.

Having considered the current business environment, it is the intention of the Group to negotiate for a discount of not more than 10% ("**Discount Range**"), on the monthly rental (as compared to the fair rent as stated or determined above) when the Group enters into the individual leases with the Owners. In determining the discount offered by Asia Power, the Group will, with reference to the market fair rent and the Discount Range, engage in arm's length negotiations with the Owners. The basis for determining the proposed Discount Range is derived from the historical discount ranges offered by the Owners under the individual lease agreements for the Existing Premises. These historical discounts ranged from 0% to 8%, with an overall average discount of approximately 5%. Based on the historical discount ranges offered by the Owners, the Directors consider that the proposed Discount Range of not more than 10% is fair and reasonable. Hence, the independent board committees are of the view that the final agreed rent will be fair and reasonable and on normal commercial terms or better to the Company and Independent Shareholders as a whole.

Taking into account (i) the fact that the Group intends to continue to lease the Existing Premises and may lease Additional Premises, for its own use during the term of the 2026 Master Lease Agreement; (ii) the estimated value of the Group's right-of-use assets of the Existing Premises which is initially measured on present value basis and calculated by discounting the non-cancellable lease payments for respective connected lease, using the incremental borrowing rate as the discount rate; and (iii) the said aggregate prevailing monthly rent of the Existing Premises, it is expected that the Annual Cap in respect of the Leasing Arrangements as contemplated under the 2026 Master Lease Agreement for the year ending 31 March 2027 and the year ending 31 March 2028 will not exceed HK$64 million and HK$2 million respectively. These Annual Caps were determined after taking into account (i) the prevailing market rents of the relevant Existing Premises; and (ii) a buffer of approximately 10% for rental payments in respect of Additional Premises which may be leased from the Owners during the term of the 2026 Master Lease Agreement. The Annual Cap for the year ending 31 March 2027 of HK$64 million ("**FY2027 Annual Cap**") is principally determined with reference to the value of the right-of-use assets in respect of the leasing of the Existing Premises for a term of two years of approximately HK$57.9 million, representing approximately 90.5% of the FY2027 Annual Cap. It is the intention of the Group, subject to the then business environment and operational needs of the Group, to lease Additional Premises in prime areas to capture any opportunity for business growth in each of the two years ending 31 March 2028.

Based on the 2026 Fair Rent Opinion, the aggregate prevailing monthly rent of the Existing Premises as at 1 January 2026 is approximately HK$2.5 million, translating into an aggregate annual rent of approximately HK$30.2 million for FY2027. On this basis and assuming that the lease agreements of all the Existing Premises are renewed on 1 April 2027, the estimated value of the right-of-use asset for the Existing Premises to be recognized in FY2027 will be approximately HK$58 million, which amount is calculated by discounting the aggregate annual rent for FY2027 at the Group's incremental borrowing rate in accordance with HKFRS 16. A buffer of approximately HK$6 million, has been added to cater for new leases for other additional New Premises that may be leased from the Owner(s) for the year ending 31 March 2027. As a result, the Annual Cap for FY2027 is determined at HK$64 million. For the year ending 31 March 2028, the Company assumed a moderate buffer of HK$2 million to cater for possibility of renting Additional Premises. Accordingly, the Annual Cap for the year ending 31 March 2028 represents the value of the right-of-use assets of such Additional Premises which may be leased by Group in such financial year. The Directors consider the Annual Caps are reasonable and sufficient.

Internal Control Procedures

The Group has established internal control procedures as follows:

(1) as regards the individual lease agreement of the Leasing Arrangement, the determination of the monthly rental will be made reference to the fair rent opinion issued/to be issued by the independent property valuer;

(2) the Group will monitor the performance by the parties to the individual leases to be entered into pursuant to the 2026 Master Lease Agreement from time to time to ensure that the obligations of the relevant parties are properly discharged;

(3) the Group will semi-annually review the amount of the lease liability recognised in the Group's financial statements so as to ensure that the payments made/to be made are within the relevant Annual Caps;

(4) the Group will annually provide the following information: (i) the aggregate rental amount payable by the Group to Asia Power under the Leasing Arrangements; (ii) the right-of-use assets for the corresponding year; and (iii) the status of compliance with the Annual Caps with the audit committee of the Board for consideration;

(5) the audit committee of the Board will in its meetings discuss and assess the implementation of the continuing connected transactions of the Group at least twice a year; and

(6) the auditors of the Group will, in addition to its interim review and year-end audit, conduct annual review of the Leasing Arrangements and confirm to the Board as to whether such Leasing Arrangements are indeed conducted in accordance with the terms of the 2026 Master Lease Agreement and the individual leases in all material aspects, on normal commercial terms and in accordance with the pricing policy of the Group and whether the Annual Caps have been complied with. In addition, the independent non-executive Directors will also provide their annual confirmations with respect to the continuing connected transactions of the Group in the annual reports of the Group.

The Company is satisfied that it has an adequate system of controls to safeguard the Leasing Arrangements, and to provide information for the independent non-executive Directors and auditors to properly review the Leasing Arrangements annually.

Reasons for and Benefits of entering into the 2026 Master Lease Agreement

The Group is a renowned beauty salon group in Hong Kong offering comprehensive beauty and wellness services and sales of skincare and wellness products at its network of service centres in Hong Kong and Singapore.

Asia Power, which is a company wholly owned by a family trust set up by Dr. Tsang, directly or indirectly owns a number of premises in Hong Kong (including but not limited to the Existing Premises) and other countries in Asia. The Board considers that the entering into of a framework agreement (i.e. the 2026 Master Lease Agreement in the present case) to cater for the Leasing Arrangements offers the Group the flexibility to enter into separate lease agreements with the relevant Owners for leasing certain premises at prevailing market rent or lower from time to time during the period ending 31 March 2028 and allows the Group to switch the leased premises from one location to another and to lease Additional Premises from the Owner(s) so long as the terms of the new leases are fair and reasonable and on normal commercial terms or better, in each case, within the limit set under the Annual Caps.

The Group has maintained a Master Lease Agreement with Asia Power since 2011 on successive terms. Based on past experience, the Board recognises that it is necessary for the Group to adjust the number of individual leases with the Owners from time to time, having regard to prevailing market conditions and the Group's operational requirements. Accordingly, the Board considers that the 2026 Master Lease Agreement should be structured as a framework agreement rather than a fixed-term agreement, so as to provide the Group's management with greater flexibility to vary the lease arrangements with the relevant Owners in response to the evolving business environment.

In addition, given that it has been the intention of the Group to continue to lease the Existing Premises from the Owners for its own use and depending on the operational needs of the Group, the Group may lease Additional Premises from the relevant Owner(s) and/or switch the leased premises from one location to another location, the Company considers that the entering into of the 2026 Master Lease Agreement will shelter the Group from any potential disruption to the Group's business which may be resulted from relocation of its existing beauty and wellness centres in the event that the relevant Existing Lease Agreements are not renewed upon their expiry. On the other hand, the 2026 Master Lease Agreement also allows the Group to lease Additional Premises from the Owners at market prices from time to time during the term of the 2026 Master Lease Agreement, which would provide the Group with operational convenience to expand its network of service centres when business opportunities arise.

Furthermore, the Board is of the view that by entering into the 2026 Master Lease Agreement, the Group could avoid treating each Leasing Arrangement as a connected transaction under Chapter 14A of the Listing Rules (taking into account the requirements of HKFRS 16) and accordingly, avoid unnecessary and burdensome administrative costs from complying with the applicable Listing Rules every time when a new individual lease agreement is entered into with the relevant Owner so long as such lease agreement is entered into in accordance with the 2026 Master Lease Agreement, thus bringing business convenience and operational efficiency to the Group.

Given certain properties that may be leased by the Group from the Owner(s) (i.e. the Additional Premises) have not yet been identified as at the date of the 2026 Master Lease Agreement, the Board considers that the Leasing Arrangements contemplated under the 2026 Master Lease Agreement will constitute continuing connected transactions of the Company, which shall be subject to the Annual Caps, under Chapter 14A of the Listing Rules.

Having considered the above, the Directors (including the independent non-executive Directors) are of the view that the terms of the 2026 Master Lease Agreement and the Annual Caps are fair and reasonable and the entering into of the 2026 Master Lease Agreement is in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE PARTIES AND LISTING RULES IMPLICATIONS

The Company was incorporated in the Cayman Islands with limited liability and its shares of the Company are listed on the Stock Exchange. The Group is principally engaged in offering comprehensive beauty and wellness services and sales of skincare and wellness products at its network of service centres in Hong Kong and Singapore.

As at the Latest Practicable Date, Dr. Tsang, being an executive Director, the chairperson of the Board and a controlling Shareholder, was interested in 677,247,942 issued Shares (representing approximately 74.88% of the issued share capital of the Company). The spouse of Dr. Tsang is interested in 650,000 issued Shares (representing approximately 0.072% of the issued share capital of the Company) as at the Latest Practicable Date.

Asia Power is a company incorporated in the British Virgin Islands with limited liability and it is principally engaged in investment holdings. By virtue of Asia Power being wholly owned by a family trust set up by Dr. Tsang, Asia Power is a connected person of the Company and the Leasing Arrangements under the 2026 Master Lease Agreement will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of each of the Annual Caps is more than 25%, the Leasing Arrangements are subject to the reporting, annual review, announcement, circular (including independent financial advice) and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

In addition, as the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Annual Caps exceeds 25% but is lower than 100%, the Leasing Arrangements also constitute a major transaction of the Company and is therefore subject to the announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

FINANCIAL EFFECTS OF THE TRANSACTIONS CONTEMPLATED UNDER THE 2026 MASTER LEASE AGREEMENT

Earnings

The Group measures right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities. As a consequence, the Group recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. The Group's earnings are expected to experience a decrease due to depreciation on the right-of-use assets and interest expenses on lease liabilities.

Assuming (i) all individual lease agreements are entered into on or before 1 April 2026; (ii) the respective lease term of such individual lease agreements commence from 1 April 2026; and (iii) the rentals payable are the same as the fair rent as at 1 January 2026 as determined by the independent property valuer, the Group is expected to record approximately HK$30.8 million as depreciation charges and related interest for that year.

Assets and Liabilities

In accordance with the Hong Kong Financial Reporting Standard 16, the Group, as a lessee, recognizes a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months, at the lease commencement date. The lease payments associated with those leases which are not capitalised are recognized as an expense on a systematic basis over the lease term. Based on the assumptions stated above, the value (unaudited) of the right-of-use assets and the lease liabilities to be recognised by the Group under the lease of the Existing Premises will each amount to approximately HK$60 million as at 1 April 2026.

Upon the commencement of each individual lease agreement under the 2026 Master Lease Agreement, the Group will recognise a right-of-use asset and the same corresponding amount of lease liability in its statement of financial position. Accordingly, upon implementation of transactions contemplated under each such individual lease agreements, the Directors consider that there will be no significant immediate change to the Group's net asset value.

GENERAL

The Independent Board Committee comprising all of the independent non-executive Directors has been established to advise the Independent Shareholders in relation to the Leasing Arrangements under the 2026 Master Lease Agreement and the Annual Caps. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

EGM

A notice convening the EGM to be held at Level 36, Infinitus Plaza, 199 Des Voeux Road Central, Sheung Wan, Hong Kong on Monday, 30 March 2026 at 11:30 a.m. is set out on pages EGM-1 to EGM-3 of this circular. A proxy form for the EGM is enclosed. Whether or not you intend to attend the EGM, you are requested to complete the enclosed proxy form in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, situated at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by 11:30 a.m. (Hong Kong time) on Saturday, 28 March 2026 and in any event not less than 48 hours before the time appointed for holding of the EGM or any postponement adjournments thereof. Completion and return of the proxy form will not preclude you from attending and voting at the EGM or any postponement or adjournments thereof should you so wish, and in such case, the proxy form previously submitted shall be deemed to be revoked.

The EGM will be convened at which an ordinary resolution will be proposed to seek the Independent Shareholders' approval of, among other things (if any), the Leasing Arrangements and the Annual Caps.

As at the Latest Practicable Date, Dr. Tsang, being an executive Director, the chairperson of the Board and a controlling Shareholder, was interested in 677,247,942 issued Shares (representing approximately 74.88% of the issued share capital of the Company). Such Shares are held through Allied Wealth Limited, Silver Compass Holdings Corp. and Silver Hendon Enterprises Corp., each being a company under a family trust set up by Dr. Tsang. The spouse of Dr. Tsang is interested in 650,000 issued Shares (representing approximately 0.072% of the issued share capital of the Company) as at the Latest Practicable Date. Since Dr. Tsang is materially interested in the 2026 Master Lease Agreement, she and her associates will be required to abstain from voting on the resolution to be proposed at the EGM to approve the 2026 Master Lease Agreement and the Annual Caps.

To the best of the Directors' knowledge, information and belief, no other Shareholder is required to abstain from voting on the resolution(s) to approve the Leasing Arrangements and the Annual Caps. Dr. Tsang has also abstained from voting on the resolutions at the Board Meeting convened to approve the 2026 Master Lease Agreement.

To the best of Director's knowledge, information and belief, after making all reasonable enquiries, as at the Latest Practicable Date:

(a) (i) there were no voting trust or other agreements or arrangements or understandings (other than outright sale) entered into by or binding upon Dr. Tsang and her associates; and

(ii) there were no obligations or entitlement of Dr. Tsang and her associates,

whereby Dr. Tsang and her associates had or might have temporarily or permanently passed control over the exercise of the voting right in respect of their Shares to a third party, either generally or on a case-by-case basis; and

(b) there was no discrepancy between the beneficial shareholding interests of Asia Power and Dr. Tsang and their respective associates and the number of Shares in respect of which they would control or would be entitled to exercise control over the voting right at the EGM.

RECOMMENDATION

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, consider that the terms of the 2026 Master Lease Agreement are on normal commercial terms and in ordinary and usual course of business of the Company and the 2026 Master Lease Agreement and transactions contemplated thereunder are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote for the resolution to be proposed at the EGM to approve the 2026 Master Lease Agreement and the transactions contemplated thereunder and the Annual Caps. The text of the letter from the Independent Board Committee is set out on page 19 of this circular.

Having considered the above-mentioned benefits to the Group's future business development, the Directors consider that the terms of the 2026 Master Lease Agreement are on normal commercial terms and in ordinary and usual course of business of the Company, and the terms of the 2026 Master Lease Agreement and the Annual Caps are fair and reasonable. Hence, the Directors consider that the entering into of the 2026 Master Lease Agreement is in the interests of the Company and the Shareholders as a whole and recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the 2026 Master Lease Agreement and the transactions contemplated thereunder and the Annual Caps.

On behalf of the Board
Modern Healthcare Technology Holdings Limited
Tsang Yue, Joyce
Chairperson

MODERN HEALTHCARE TECHNOLOGY HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 919)

13 March 2026

To the Independent Shareholders

Dear Sir or Madam,

MAJOR AND CONTINUING CONNECTED TRANSACTIONS

This Independent Board Committee has been established to advise you on the terms of the 2026 Master Lease Agreement and transactions contemplated thereunder and the Annual Caps, details of which are set out in the letter from the Board contained in the circular to the Shareholders dated 13 March 2026 ("**Circular**") of which this letter forms part. Terms defined in the Circular shall have the same meanings when used in this letter unless the context otherwise requires.

Having considered the terms of the 2026 Master Lease Agreement and the advice of the Independent Financial Adviser in relation thereto as set out on pages 23 to 36 of the Circular, we are of the opinion that the terms of the 2026 Master Lease Agreement and the Annual Caps are fair and reasonable, on normal commercial terms, in ordinary and usual course of business of the Company and are in the interest of the Company and the Shareholders as a whole. We therefore recommend the Independent Shareholders to vote for the ordinary resolution to be proposed at the EGM to approve the 2026 Master Lease Agreement and the transactions contemplated thereunder and the Annual Caps.

Yours faithfully,
For and on behalf of the Independent Board Committee

Ms. Liu Mei Ling, Rhoda	**Dr. Wong Man Hin, Raymond**	**Mr. Hong Po Kui, Martin**	**Mr. Lam Tak Leung**
Independent Non-executive Director	*Independent Non-executive Director*	*Independent Non-executive Director*	*Independent Non-executive Director*

The following is the text of the letter of advice from Ballas Capital Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, for the purpose of inclusion into this circular.

BALLAS
CAPITAL

Room 1005,
Jubilee Centre,
46 Gloucester Road,
Wanchai, Hong Kong

13 March 2026

To the Independent Board Committee
and the Independent Shareholders of
Modern Healthcare Technology Holdings Limited

Dear Sir or Madam,

MAJOR AND CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our engagement as the independent financial adviser to Modern Healthcare Technology Holdings Limited (the "**Company**") in respect of the leasing arrangements under the master lease agreement dated 13 February 2026 as supplemented by a supplemental agreement dated 27 February 2026 (the "**2026 Master Lease Agreement**"), details of which are set out under the section headed "Letter from the Board" (the "**Letter from the Board**") in the circular of the Company dated 13 March 2026 (the "**Circular**"), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

Reference is made to the circular of the Company dated 14 March 2023 in respect of the major and continuing connected transactions in relation to the 2023 Master Lease Agreement, pursuant to which members of the Group entered into various individual lease agreements with the Owners for leasing certain premises from the Owners during the term of the 2023 Master Lease Agreement.

As stated in the Letter from the Board, given that all such individual leases and the 2023 Master Lease Agreement will expire on 31 March 2026, and the Group expects to continue to lease the relevant Existing Premises from the Owners thereafter, on 13 February 2026, the Company entered into the 2026 Master Lease Agreement with Asia Power (which was supplemented by a supplemental agreement dated 27 February 2026) to enable the continuance of the Leasing Arrangements between the Group and the Owners for the two years ending 31 March 2028.

Asia Power is the holding company of various companies (being the Owners) holding various properties in Hong Kong and other places in the world.

As at the Latest Practicable Date, Dr. Tsang, being an executive Director, chairperson of the Board and a controlling Shareholder, was interested in 677,247,942 issued Shares (representing approximately 74.88% of the issued share capital of the Company), and the spouse of Dr. Tsang was interested in 650,000 issued Shares (representing approximately 0.072% of the issued share capital of the Company). By virtue of Asia Power being wholly owned by a family trust set up by Dr. Tsang, Asia Power is a connected person of the Company and the Leasing Arrangements under the 2026 Master Lease Agreement will constitute continuing connected transactions of the Company under Chapter l4A of the Listing Rules.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of each of the Annual Caps is more than 25%, the Leasing Arrangements under the 2026 Master Lease Agreement are subject to the reporting, annual review, announcement, circular (including independent financial advice) and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Since Dr. Tsang is materially interested in the 2026 Master Lease Agreement, she and her associates will be required to abstain from voting on the resolution to be proposed at the EGM to approve the 2026 Master Lease Agreement and the Annual Caps.

In addition, as the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Annual Caps exceeds 25% but is lower than 100%, the Leasing Arrangements under the 2026 Master Lease Agreement also constitutes a major transaction of the Company and is therefore subject to the announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Independent Board Committee comprising all of the independent non-executive Directors has been established to advise the Independent Shareholders in relation to the Leasing Arrangements under the 2026 Master Lease Agreement and the Annual Caps. We, Ballas Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

OUR INDEPENDENCE

We are not associated or connected with the Company, Asia Power or their respective core connected persons or associates. In the two years immediately preceding our engagement as the Independent Financial Adviser in relation to the 2026 Master Lease Agreement and the Annual Caps, we have not acted as financial advisor or independent financial advisor to the Company and its associates and we are not aware of any relationships or interests in the Company or any other parties that could be reasonably regarded as hindrance to our independence to act as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the 2026 Master Lease Agreement and the Annual Caps. Accordingly, we consider ourselves independent in accordance with Rule 13.84 of the Listing Rules.

BASIS OF OUR OPINION

In arriving at our recommendation, we have relied on the statements, information, opinions and representations contained in the Circular and the information, representations and opinions provided to us by the Directors and the management of the Group. We have assumed that all statements, information, opinions and representations contained or referred to in the Circular and all information, representations and opinions which have been provided by the Directors and the management of the Group for which they are solely responsible, are true and accurate at the time they were made and will continue to be accurate up to the date of the EGM.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular the omission of which would make any such statements contained in the Circular misleading.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have no reason to believe that any information and representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any omission of any material facts that would render the information provided and the representations made to us untrue, inaccurate or misleading.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion to the Independent Board Committee and the Independent Shareholders, we have taken into consideration the following principal factors and reasons:

1. Background of and reasons for entering into the 2026 Master Lease Agreement

As stated in the Letter from the Board, the Group is a beauty salon group in Hong Kong offering comprehensive beauty and wellness services and sales of skincare and wellness products at its network of service centres in Hong Kong, and Singapore.

Asia Power is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holdings. It is wholly owned by a family trust set up by Dr. Tsang and thus a connected person of the Company.

The Group has entered into master lease agreement with Asia Power since 2011 on successive terms for the leasing of premises used in the ordinary and usual course of the business of the Group as its operating facilities (including but not limited to offices, retail shops, service centres and warehouses). The location of the Existing Premises, which are expected to continue to be leased by the Group under the 2026 Master Lease Agreement, are set out in the Letter from the Board.

Given that the 2023 Master Lease Agreement and the individual lease agreements entered into pursuant thereto will expire on 31 March 2026 and the Group expects that it will continue to lease the Existing Premises thereafter, on 13 February 2026, the Company entered into the 2026 Master Lease Agreement with Asia Power as supplemented by the Supplemental Agreement to enable the continuance of the Leasing Arrangements between the Group and the Owners for the two years ending 31 March 2028.

As stated in the Letter from the Board, based on the previous experience, the Board recognizes the necessity for the Group to adjust the number of the individual leases with the Owners from time to time according to the Group's operational needs. Therefore, the Board considers, and we agree, that the 2026 Master Lease Agreement should be in the form of a framework agreement rather than an agreement with fixed term to give greater flexibility to management of the Group to vary the lease arrangements (including relocation of its existing beauty and wellness centres in the event that the relevant Existing Lease Agreements are not renewed upon their expiry and/or leasing Additional Premises) with the relevant Owners in response to the evolving business environment. The Board also believes that entering into the 2026 Master Lease Agreement will allow the Group to avoid treating each lease as a separate connected transaction under Chapter 14A of the Listing Rules, thereby reducing compliance costs and enhancing operational efficiency.

According to the Company's interim report for the six months ended 30 September 2025 (the "**2026 Interim Report**"), the Group has two reportable segments, namely provision of beauty and wellness services and sales of skincare and wellness products. As at 30 September 2025, according to the 2026 Interim Report, the Group had a total of 29 beauty and wellness service centers in Hong Kong, 8 stores in Hong Kong for selling skincare and wellness products, and 8 beauty and wellness service centres in Singapore. Considering the nature of the Group's business, we believe a stable network of service centres and stores is essential for retaining customers and sustaining long-term loyalty. Therefore, we are of the view that the entering into of the 2026 Master Lease Agreement, under which the Group leases premises for its operations, is in the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole. The 2026 Master Lease Agreement also offers flexibility to the Group to lease Additional Premises from the Owner(s) from time to time at market prices during its term, while mitigating potential business disruptions that could arise from the relocation of existing beauty and wellness centres if the relevant Existing Lease Agreements are not renewed upon their expiry.

2. Principal terms of the 2026 Master Lease Agreement

The principal terms of the 2026 Master Lease Agreement are set out in the Letter from the Board and are summarized below. We have reviewed and compared the terms of the 2026 Master Lease Agreement and the 2023 Master Lease Agreement and note that, save for the annual caps and the duration, there is no material difference between the terms of the two agreements.

Date	:	13 February 2026 (as supplemented by the Supplemental Agreement dated 27 February 2026)
Parties	:	(i) the Company as the lessee (ii) Asia Power as the owner
Subject matter	:	The Group will enter into separate lease agreements to lease certain premises from the relevant Owners from time to time during the term of the 2026 Master Lease Agreement.

Conditions	:	The 2026 Master Lease Agreement and the Leasing Arrangements under the 2026 Master Lease Agreement are conditional upon: 1. the passing of an ordinary resolution by the Independent Shareholders at the EGM approving the Leasing Arrangements and the Annual Caps; and 2. (if required) all requisite waivers, consents and approvals in connection with the Leasing Arrangements required to be obtained on the part of the Group having been obtained.
Duration	:	Subject to fulfillment of the above conditions on or before the Long Stop Date, the 2026 Master Lease Agreement shall be for a term commencing from 1 April 2026 and ending on 31 March 2028. The 2026 Master Lease Agreement may be terminated by the Company by giving Asia Power at least sixty days' written notice.
Rental and pricing policies	:	Each individual lease to be entered into will be on normal commercial terms or better (as defined under Chapter 14A of the Listing Rules), with rent determined by reference to prevailing market rates for comparable premises in terms of location, size, and permitted use (the "**Comparable Premises**"). Prior to entering into any such lease, the Group will obtain a confirmation from an independent property valuer, dated within three months, providing its opinion on the prevailing market rent based on the Comparable Premises, and the rent under the relevant Leasing Arrangement will not exceed this market rent.

Our work done and view on the pricing basis under the 2026 Master Lease Agreement

As set out in the 2026 Master Lease Agreement, for the purpose of ascertaining the prevailing market rents of the Comparable Premises prior to entering into the individual lease agreements, the Group shall obtain a confirmation from an independent property valuer providing its opinion of the then prevailing market rents, and the rents to be set out in the relevant leasing agreements shall be no more than such prevailing market rents and the valuation date of the opinion shall not be more than three months from the respective lease agreements.

We note that such pricing basis is the same as that under the 2023 Master Lease Agreement. Under the 2023 Master Lease Agreement, the Group and the Owners have entered into a total of 23 individual lease agreements. To ascertain whether the pricing basis set out in the 2023 Master Lease Agreement has been adhered to, we have selected the three lease agreements with the largest area leased and randomly selected three lease agreements entered into between the Group and the Owners under the 2023 Master Lease Agreement (the "**Selected Lease Agreements**") and compared the monthly rents set out in those agreements with the opinions issued by independent property valuers dated within three months from the date of the relevant lease agreements confirming the then prevailing market rent of the relevant properties (the "**Fair Rent Opinions**"). Given that the Selected Lease Agreements, representing approximately 26% of the total population, include the three lease agreements with the largest rent values and three randomly selected leases, we consider the sample size sufficient for our due diligence purpose. We note that all the rents set out in the Selected Lease Agreements were not higher than the market rents set out in the relevant Fair Rent Opinions.

Based on our review, we are of the view that (i) the Group has complied with the pricing basis stipulated in the 2023 Master Lease Agreement; (ii) the pricing basis under the 2026 Master Lease Agreement, being consistent with that of the 2023 Master Lease Agreement, will ensure that rents under individual lease agreements entered into pursuant to it will not exceed prevailing market levels; and (iii) the terms of the 2026 Master Lease Agreement are fair, reasonable, and in the interests of the Company and its shareholders as a whole.

In addition to the monthly rent, the Group is responsible for the payment of government rent, rates, and management fees in respect of the Existing Premises. Based on our searches on commercial property rental transactions, we understand that it is a common market practice for the tenants to be responsible for the payment of government rent, rates and managements of the properties. As such, we concur with the Directors' view that such an arrangement is consistent with prevailing market practice for commercial property leasing.

3. Internal control procedures

As stated in the Letter from the Board, the Group has established internal control procedures to monitor the Leasing Arrangements. The procedures are summarized as follows:

(i) monthly rentals for individual leases will be determined with reference to fair rent opinions from an independent valuer;

(ii) the Group will monitor lease performance to ensure the obligations of the relevant parties are properly discharged;

(iii) the Group will conduct semi-annual reviews of lease liabilities to confirm payments remain within the Annual Caps;

(iv) each year, the Group will provide information on total rentals, right-of-use assets, and status of compliance with the Annual Caps to the audit committee of the Board for consideration;

(v) the audit committee of the Board will in its meetings discuss and assess the implementation of the continuing connected transactions of the Group at least twice a year; and

(vi) the Group's auditors will, in addition to its interim review and year-end audit, conduct annual review to confirm compliance with the terms of the 2026 Master Lease Agreement and the individual leases in all material aspects, on normal commercial terms, pricing policy, and the Annual Caps, alongside annual confirmations by the independent non-executive Directors in the Company's reports.

We have reviewed the Group's internal control policies which, among others, require the Group to determine the monthly rental under each individual lease agreement of the Leasing Arrangement with reference to the fair rent opinion issued or to be issued by an independent property valuer. We have further reviewed a sample of the Selected Lease Agreements to assess the Group's adherence to these internal control policies, including the procedures for obtaining the fair rent reports. In addition, we have reviewed the Company's annual reports and note that there were no qualifications regarding non-compliance with the above procedures. Having considered the results of our review, we concur with the Company's view that it maintains adequate systems of internal control to safeguard the Leasing Arrangements.

4. Annual Caps

The table below sets out the approved annual caps and historical transaction amounts under the 2023 Master Lease Agreement and the Annual Caps for the two years ending 31 March 2028 under the 2026 Master Lease Agreement.

	Approved annual caps under the 2023 Master Lease Agreement for the year ended/ending 31 March			Proposed Annual Caps under the 2026 Master Lease Agreement for the year ending 31 March	
	2024	2025	2026	2027	2028
Annual cap (HK$ million)	119	6	3	64	2
Historic transaction amount (HK$ million)	90.6	1.7	0*	N/A	N/A

* *Represents the expected amount for the year ending 31 March 2026*

The utilization rate of the annual caps contemplated under the 2023 Master Lease Agreement for the year ended 31 March 2024, the year ended 31 March 2025 and the year ending 31 March 2026 were 76.1%, 28.3% and 0% (expected) respectively.

As set out in the Letter from the Board, under HKFRS 16, the Group, as the lessee, shall recognize the total rental payments payable to the relevant Owners under the 2026 Master Lease Agreement as a right-of-use asset and a lease liability in the consolidated statement of the financial position of the Group. The estimated amount of the right-of-use asset to be recognized in each year will form the basis for determining the annual cap for that year. In determining the Annual Caps, the Group has taken into account the following:

(i) the Group intends to continue to lease the Existing Premises and may lease Additional Premises during the two years ending 31 March 2028;

(ii) the estimated value of the Group's right-of-use assets of the Existing Premises which is initially measured on present value basis and calculated by discounting the non-cancellable lease payments for respective connected lease, using the Group's incremental borrowing rate as the discount rate;

(iii) the prevailing monthly rent of the Existing Premises as set out in the fair rent opinion dated 31 January 2026 issued by an independent property valuer (the "**2026 Fair Rent Opinion**"); and

(iv) a buffer of approximately 10% for rental payments in respect of Additional Premises which may be leased from the Owners during the term of the 2026 Master Lease Agreement.

For the purpose of determining the Annual Caps, the Company has engaged BonVision International Appraisals Limited ("**BonVision**"), an independent property valuer, to opine on the fair rent of the Existing Premises as at 1 January 2026 (i.e. the 2026 Fair Rent Opinion). As stated in the Letter from the Board, the director in charge of BonVision is a member of Hong Kong Institute of Surveyors, a member of the Royal Institution of Chartered Surveyors and a Registered Professional Surveyor (General Practice) with over 10 years of relevant property valuation experience in Hong Kong and Singapore.

We have (i) interviewed BonVision as to its expertise and any current or prior relationships with the Company, Asia Power or any of their respective subsidiaries or associates; (ii) reviewed the terms of its engagement (in particular whether the scope of work is appropriate to the opinion required to be given and any limitations on the scope of work which might adversely impact on the level of assurance given by its fair rent opinion); (iii) reviewed the relevant track record and qualification of BonVision; (iv) discussed with BonVision in respect of its work done and reviewed the supporting information; (v) discussed with BonVision as to the accuracy and completeness of information relied on by BonVision, and the reasonableness of any representations made by the Group to BonVision, and (vi) confirmed with BonVision that it is not connected with the Company, Asia Power or their respective core connected persons.

Based on our discussions with BonVision and review of the aforesaid information, we (i) understand that director in-charge of issuing the 2026 Fair Rent Opinion has the required qualification and experience in performing fair rent assessment; and (ii) are of the view that the 2026 Fair Rent Opinion is fair and reasonable.

We have discussed with the management and reviewed the calculation schedule in arriving at the Annual Caps. We have also reviewed the 2026 Fair Rent Opinion, noting that the rents are derived using a market approach by making reference to relevant market rental transactions for comparable properties (considering usage, location, size, property quality and lease dates), adjusted for differences relative to the Existing Premises and in general, about three to four comparable premises are considered for each Existing Premises which is in line with the general practice in determining fair rent. These rents are valued based on the assumptions that the properties were leased in the open market in vacant possession as at the valuation date in its existing state. These rents are then applied to the relevant Existing Premises in arriving at the annual cap (before buffer) of approximately HK$58 million for the year ending 31 March 2027 ("**FY2027**"). Based on the 2026 Fair Rent Opinion, the aggregate prevailing monthly rent of the Existing Premises as at 1 January 2026 is approximately HK$2.5 million, translating into an aggregate annual rent of approximately HK$30.2 million for FY2027, which is lower than the estimated aggregate rent for the year ending 31 March 2026 of approximately HK$33.1 million. As set out in the Letter from the Board, the existing rents of the Existing Premises were based on lease agreements which were entered into in March 2023 based on the then prevailing market rents, whereas the 2026 Fair Rent Opinion indicates lower prevailing market rents as of 1 January 2026. On the basis of the 2026 Fair Rent Opinion and assuming that the lease agreements of all the Existing Premises are renewed on 1 April 2026, the estimated value of the right-of-use asset for the Existing Premises to be recognized in FY2027 will be approximately HK$58 million, which amount is calculated by discounting the aggregate annual rent for FY2027 at the Group's incremental borrowing rate in accordance with HKFRS 16. A buffer of approximately HK$6 million, has been added to cater for new leases for other additional New Premises that may be leased from the Owner(s) for the year ending 31 March 2027. As a result, the Annual Cap for FY2027 is determined at HK$64 million. For the year ending 31 March 2028, the Company assumed a moderate buffer of HK$2 million to cater for possibility of renting Additional Premises.

According to the Census and Statistics Department's report titled "Quarterly business receipts indices for service industries for third quarter of 2025," business receipts across many service industries rose year-on-year in the third quarter of 2025, with the overall sector poised for continued expansion. This outlook is supported by improving local consumer sentiment, sustained growth in visitor arrivals, buoyant financial market activity, and government initiatives to boost the economy and diversify markets, all of which bode well for service-oriented businesses. Against this favourable backdrop, the buffers in the Annual Caps for the two years ending 31 March 2028 afford the Group operational flexibility to secure extra space from the Owners should growth opportunities emerge, which we consider reasonable.

Based on our work outlined above, including: (i) the sample review of the Selected Lease Agreements which confirms the Group's adherence to its internal control policies of determining the rent of each individual lease with reference to the fair rent opinions issued by an independent property valuer prior to entering into of the relevant lease agreement; (ii) independent review of the 2026 Fair Rent Opinion which we consider to be fair and reasonable as elaborated above; and (iii) review of the detailed calculations of the Annual Caps, we consider the pricing basis for renewal of the Existing Premises under the 2026 Master Lease Agreement and the Annual Caps are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

As stated in the Letter from the Board, it is the intention of the Group to negotiate for a discount of not more than 10% on the monthly rental when the Group enters into the individual leases with the Owners. The discount represents only the Group's indicative intention to seek, where practicable, a discount from the Owners in future lease negotiations. There is no assurance that any such discount will be obtained when the individual lease agreements are entered into. Given that pursuant to the Group's established policy, the rent payable under each individual lease shall not exceed the fair rent as determined by an independent property valuer whose valuation is dated not more than three months prior to the commencement of the respective lease, we are of the view that such policy provides reasonable assurance that the rents payable by the Group will not exceed prevailing market levels even in the absence of any discount. Furthermore, based on our review of the Annual Caps calculation, we note that no discount has been factored into the determination of the Annual Caps which we consider to be reasonable.

5. Requirements by the Listing Rules regarding the Leasing Arrangements

Pursuant to Rules 14A.55, 14A.56, 14A.58 and 14A.59 of the Listing Rules, the continuing connected transactions (including but not limited to the transactions contemplated under the 2026 Master Lease Agreement) are subject to the following annual review requirements:

(1) the independent non-executive Directors must review the continuing connected transactions every year and confirm in the annual report whether the transactions have been entered into:

 (a) in the ordinary and usual course of business of the Group;

 (b) on normal commercial terms or better; and

 (c) according to the agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

(2) the auditors must provide a letter to the Board confirming whether anything has come to their attention that causes them to believe that the continuing connected transactions:

 (a) have not been approved by the Board;

 (b) were not, in all material respects, in accordance with the pricing policies of the Group if the transactions involve the provision of goods or services by the Group;

(c) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and

(d) have exceeded the cap.

(3) the Company must allow, and ensure that the relevant counterparties to the continuing connected transactions allow, the Company's auditors sufficient access to their records for the purpose of reporting on the continuing connected transaction; and

(4) the Company must promptly notify the Stock Exchange and publish an announcement in accordance with the Listing Rules if the independent non-executive Directors and/or the auditors of the Company cannot confirm the matters set out in paragraphs (1) and/or (2) above, respectively. The Stock Exchange may require the Company to re-comply with the announcement and Shareholders' approval requirements and may impose additional conditions.

In light of the review and reporting requirements attached to the transaction contemplated under the 2026 Master Lease Agreement, in particular, (i) the restriction of transaction value by way of the Annual Caps; and (ii) the ongoing review by the independent non-executive Directors and the auditors of the Company on the terms of the transaction contemplated under the 2026 Master Lease Agreement and the Annual Caps not being exceeded, we are of the view that appropriate measures will be in place to govern the conduct of the transaction contemplated under the 2026 Master Lease Agreement and safeguard the interests of the Company and the Shareholders as a whole.

RECOMMENDATION

Having considered the above principal factors and reasons, we are of the opinion that the terms of the 2026 Master Lease Agreement and the Annual Caps are fair and reasonable, on normal commercial terms, in the ordinary and usual course of business of the Company and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to recommend the Independent Shareholders to vote for the ordinary resolution to be proposed at the EGM to approve the 2026 Master Lease Agreement and the transactions contemplated thereunder and the Annual Caps.

Yours faithfully,
For and on behalf of
Ballas Capital Limited

Heidi Cheng	**Cathy Leung**
Managing Director	*Director*

Ms. Heidi Cheng of Ballas Capital Limited has been a responsible officer of Type 6 (advising on corporate finance) regulated activities since 2003, and Ms. Cathy Leung of Ballas Capital Limited has been a responsible officer of Type 6 (advising on corporate finance) regulated activities since 2019.

1. FINANCIAL INFORMATION OF THE GROUP

Details of the financial information of the Group for the three financial years ended 31 March 2023, 31 March 2024 and 31 March 2025 and the six months ended 30 September 2025 have been set out in the following documents respectively:

(a) the annual report of the Company for the year ended 31 March 2023 from pages 44 to 104 (https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0726/2023072600353.pdf);

(b) the annual report of the Company for the year ended 31 March 2024 from pages 44 to 110 (https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0726/2024072601056.pdf);

(c) the annual report of the Company for the year ended 31 March 2025 from pages 44 to 110 (https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0725/2025072501067.pdf); and

(d) the annual report of the Company for the six months ended 30 September 2025 from pages 14 to 32 (https://www1.hkexnews.hk/listedco/listconews/sehk/2025/1223/2025122300384.pdf)

2. INDEBTEDNESS OF THE GROUP

As at the close of business on 31 January 2026, being the latest practicable date for the purpose of this indebtedness statement, the Group had lease liabilities of approximately HK$47.8 million and such lease liabilities were unsecured and not guaranteed.

Save as disclosed above, the Group had not had any loan capital issued or agreed to be issued, bank overdrafts, loans, debt securities issued and outstanding, and authorised or otherwise created but unissued and term loans or other borrowings, indebtedness in the nature of borrowings, liabilities under acceptance (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance lease or hire purchase commitments, which are either guaranteed, unguaranteed, secured or unsecured, guarantees or other material contingent liabilities outstanding.

3. WORKING CAPITAL SUFFICIENCY OF THE GROUP

The Directors are of the opinion that, after taking into account the effects of the Leasing Arrangements contemplated under the 2026 Master Lease Agreement, the internally generated funds and financial resources presently available to the Group, the Group will have sufficient working capital to satisfy its requirements for at least twelve months from the date of this circular.

4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group's core operations include beauty and facial treatments, slimming services, spa and massage therapies, aesthetic medical services, and the sale of skincare and wellness products. It operates 37 beauty product and service centers across Hong Kong, along with 8 beauty and wellness service centers in Singapore.

Despite the uncertain business environment, the Group is adamant to proactively maintain a positive attitude to explore, research and develop more sophisticated and effective health and beauty products and professional treatments, in order to meet the pursuit and demand for beauty and health of our customers.

The Group is dedicated to a dual-focused strategy combining operational excellence with technological innovation. As part of this commitment, it is pursuing a strategic initiative to integrate artificial intelligence across its operations. On the backend, AI will be employed to automate routine administrative and inventory management tasks, thereby boosting accuracy and reallocating human resources to more value-added functions. In client-facing areas, AI-powered tools, such as intelligent chatbots and personalized recommendation systems will be leveraged to elevate the customer experience by offering instant support and tailored product suggestions. This digital transformation is designed to streamline workflows, reduce operational friction, and ultimately drive greater efficiency and customer satisfaction.

By leveraging its market position to lower fixed costs and simultaneously using AI to improve both backend and customer-facing operations, the Group is establishing a strong foundation for sustainable growth, increased competitiveness, and enhanced shareholder value in an ever-evolving business environment.

5. NO MATERIAL ADVERSE CHANGE

The Directors confirm that as at the Latest Practicable Date, they were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2025, being the date to which the latest published audited financial statements of the Group were made up.

6. MANAGEMENT DISCUSSION AND ANALYSIS

Set out below is the management discussion and analysis of the Group for each of the three years ended 31 March 2023, 2024, 2025 and the six months ended 30 September 2025 as principally extracted from the annual reports of the Company for each of the years ended 31 March 2023, 2024, 2025 and interim report of the Company for the six months ended 30 September 2025, respectively. These extracted materials below were prepared prior to the Latest Practicable Date and speak as of the date they were originally published, representing the opinion and beliefs made by the then Directors at such time when the related annual report was issued.

For the year ended 31 March 2023

Business Review

Overview

During the financial year ended 31 March 2023 ("FY2023" or "the year under review"), revenue of the Group amounted to approximately HK$406.3 million, representing an increase of 14.3% compared with approximately HK$355.6 million for the year ended 31 March 2022 ("FY2022" or the "same period last year"). The receipts from sales of prepaid beauty packages during the year under review was HK$412.1 million, an increase of 19.1% over the same period last year. The employee benefit expenses and occupancy costs and depreciation charge of other properties leased for own use increased by 9.6% to HK$274.9 million and decreased by 4.5% to HK$71.8 million respectively as compared with the same period last year. The Group recorded an operating loss of HK$11.9 million during the year under review (FY2022: operating loss of HK$72.3 million).

Below is the key statistics:

	For the year ended 31 March		
	2023	**2022**	**Change**
Revenue (HK$ million)	406.3	355.6	+14.3%
Operating loss margin (%)	-2.9	-20.3	+17.4 percentage points
Net loss margin (%)	-5.0	-19.3	+14.3 percentage points
Number of shops	46	48	-2
Employee benefit expenses (HK$ million)	274.9	250.8	+9.6%
Occupancy costs and depreciation charge of other properties leased for own use:			
– Occupancy costs (HK$ million)	–	–	–
– Depreciation charge of other properties leased for own use (HK$ million)	71.8	75.2	-4.5%
	71.8	75.2	-4.5%
Total dividend per ordinary share (HK cents)	Nil	Nil	–
Annual dividend pay-out ratio (%)	N/A	N/A	–
Gearing ratio	N/A	N/A	–

Hong Kong

According to the survey from the Census and Statistics Department in Hong Kong, for the first 4 months of 2023 taken together, it was provisionally estimated that the value of total retail sales increased by 21.7% compared with the same period in 2022. While this showed that the Hong Kong economy is recovering after three years of strict pandemic restrictions, slowing global growth and tighter financing conditions have negative impact on consumer confidence. Nonetheless, leveraging on the industry leadership, good reputation and customer confidence built over years, the Group is confident that these challenges will be overcome effectively.

Revenue in Hong Kong during FY2023 increased by 15.9%. Revenue from services rendered and receipts from prepaid beauty packages during FY2023 were HK$327.0 million and HK$364.5 million respectively (FY2022: HK$281.0 million and HK$298.4 million), representing increase of 16.4% and increase of 22.2% respectively. Revenue from sales of skincare and wellness products was HK$23.5 million in FY2023 (FY2022: HK$21.4 million). Our customers in Hong Kong amounted up to a total of approximately 433,000 during the year under review, representing an increase of 0.9% as compared to approximately 429,000 in the same period last year.

Our Group has managed to reshuffle the portfolio of shops in Hong Kong and retain our staff as much as we can, and strive to enhance the operational efficiency in order to achieve long term healthy development for the Group. We will continue to ensure the safety and quality of the services and products offered in our beauty and wellness centres.

In terms of the sales of skincare and wellness products, as of 31 March 2023, the Group had a total of 9 stores under the names of "be Beauty Shop", located across Hong Kong, Kowloon and New Territories. More than 100 varieties of products are available for sale under different series of skincare service, including "Y.U.E", "Advanced Natural", "be", "Care Plus", "Cellnoc", "Malu Wilz", "Dr Plus", "Castille", "Eclat du teint", "p.e.n", "FERRECARE", "Byotea", "Mu-lan Spa", "Natural Care", "Veribel" which can fulfill the needs of customers with different skin types.

Mainland China

During FY2023, our Mainland China operations are conducted through two wholly owned foreign enterprises established in Shanghai and Guangzhou. These two wholly owned foreign enterprises operate a total of 3 service centres in these two cities. During the year under review, our service income and receipts from prepaid beauty packages in Mainland China amounted to HK$8.7 million and HK$5.8 million respectively, representing an increase of 2.6% and a decrease of 39.9% respectively, as compared to the same period last year.

Singapore

During FY2023, the Group operated a total of 6 beauty and wellness service centres in Singapore (FY2022: 7). During FY2023, the revenue from operations in Singapore was HK$45.7 million, as compared with HK$43.9 million for the same period last year. Revenue recognised for provision of beauty and wellness services and receipts from sales of prepaid beauty packages in Singapore amounted to HK$37.7 million and HK$41.7 million respectively, as compared with HK$36.0 million and HK$38.0 million for the same period last year.

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

Financial Review

Revenue

Set out below is a breakdown on the revenue of the Group by service lines and product sales during FY2023 (with comparative figures for FY2022):

	For the year ended 31 March				
	2023		2022		
Sales mix	*HK$'000*	*Percentage of revenue*	*HK$'000*	*Percentage of revenue*	**Change**
Beauty & facial	274,627	67.6%	240,865	67.7%	+14.0%
Slimming	82,450	20.3%	68,432	19.2%	+20.5%
Spa and massage	16,367	4.0%	16,186	4.6%	+1.1%
Beauty and wellness services	373,444	91.9%	325,483	91.5%	+14.7%
Sales of skincare and wellness products	32,883	8.1%	30,108	8.5%	+9.2%
Total	406,327	100%	355,591	100%	+14.3%

Revenue of the Group was mainly contributed by the beauty, facial and slimming services. The Group's revenue from beauty and wellness services increased by about 14.7% from approximately HK$325.5 million in FY2022 to approximately HK$373.4 million in FY2023.

The Group reported that gross receipts from the sales of new prepaid beauty packages of the Group amounted to HK$412.1 million during FY2023, representing an increase of 19.1% compared with HK$346.1 million for FY2022, while cash and cash equivalents at year end maintained at a healthy level.

Set out below is an analysis on the deferred revenue:

	For the year ended 31 March							
	2023				2022			
Movement of deferred revenue	**Hong Kong**	**Mainland**	**Singapore**	**Total**	**Hong Kong**	**Mainland**	**Singapore**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At beginning of the year	178,766	7,707	17,710	204,183	161,438	6,323	15,685	183,446
Exchange differences	–	(577)	523	(54)	–	143	(22)	121
Gross receipts from sales of prepaid beauty packages	364,533	5,829	41,715	412,077	298,363	9,700	38,036	346,099
Revenue recognised for provision of beauty and wellness services and expiry of prepaid beauty package	(327,034)	(8,679)	(37,731)	(373,444)	(281,035)	(8,459)	(35,989)	(325,483)
At the end of the year	216,265	4,280	22,217	242,762	178,766	7,707	17,710	204,183

Employee benefit expenses

Employee benefit expenses (including staff's salaries and bonuses as well as directors' remunerations) represented the largest component of the Group's operating costs. During the year under review, employee benefit expenses increased by about 9.6% from HK$250.8 million in FY2022 to approximately HK$274.9 million. Employee benefit expenses accounted for 67.7% of our revenue in FY2023, as compared to 70.5% for FY2022. The total headcount of the Group as at 31 March 2023 decreased by 3.1% to 876, as compared to a headcount of 904 for FY2022. The increase of the amount of employee benefits expenses is mainly due to the number of closure days of our Hong Kong salon shops decreased from 84 days in FY2022 to 20 days in FY2023. The Group's remuneration policies are in line with the prevailing market practices and are determined based on the individual performance and experience. For the purpose of motivating and rewarding our staff, discretionary bonus and share options may be granted to eligible employees based on individual performance and the Group's results. The Group introduced the elite system, whereby excellent staff with outstanding performance may receive discretionary bonus in recognition of their contribution.

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

During the year under review, the Group's occupancy costs and depreciation of other properties leases for own use were approximately HK$71.8 million (2022: HK$75.2 million), accounting for approximately 17.7% of our revenue (2022: 21.1%). As of 31 March 2023, the Group operated a total of 31 service centres in Mainland China and Hong Kong with a total weighted average gross floor area of 168,000 square feet, representing a decrease of 4.5% as compared to 176,000 square feet in FY2022. As of 31 March 2023, the Group had 6 centres in Singapore, with a total weighted average gross floor area of approximately 13,000 square feet (FY2022: approximately 19,000 square feet).

Bank charges, advertising costs and building management fees

Bank charges recorded changes in line with gross receipts from sales of new prepaid beauty packages, which increased by 23.0% to HK$21.6 million. Advertising costs amounted to HK$3.1 million which remain the same as compared for the same period last year. Advertising costs as a percentage of revenue in FY2023 was 0.8% which remained stable compared with that of the same period last year. This reflected the Group's ability to enjoy cost advantage in advertising costs as it could spread such costs across an enlarged service centre network that covers Hong Kong, Mainland China and Singapore. Advertising cost is allocated in an effective way to raise brand awareness and capture a greater market share. Building management fees increased by about 2.0% from HK$11.7 million in FY2022 to approximately HK$12.0 million during the year under review. It accounts for 2.9% of our revenue in FY2023, as compared to 3.3% for FY2022.

Other operating expenses

Set out below is a breakdown of the other operating expenses of the Group during FY2023 (with comparative figures for FY2022):

	For the year ended 31 March	
	2023	**2022**
	HK$'000	*HK$'000*
Audit Fee	4,164	4,042
Administrative expenses *(Note)*	5,971	6,421
Cleaning, sanitary and laundry	6,097	4,645
Consultancy fee	2,407	1,016
Government rent and rates	3,452	3,301
Insurance	2,848	2,196
Legal and professional fee	2,601	2,220
Repair and maintenance expenses	4,241	4,857
Utilities	6,222	6,057
Other expenses *(Note)*	4,397	11,912
	42,400	46,667

Note: The administrative expenses for each of the years ended 31 March 2022 and 2023 included motor vehicles expenses, postage and courier expenses, printing and stationary, telephone and fax and transportation expenses. The other expenses for each of the years ended 31 March 2022 and 2023 mainly included recruitment, training and internet expenses.

Net loss

The net loss attributable to equity shareholders of the Company was approximately HK$20.6 million in FY2023, as compared to the net loss attributable to equity shareholders of the Company of HK$68.8 million in FY2022. The Group will continue to expand its business when opportunities arise in order to achieve the long-term value added objective of maximising shareholders' returns.

Dividend per share

The Board did not recommend any final dividend to the shareholders of the Company for the year under review (FY2022: Nil). As no interim dividend had been approved by the Board for the six months ended 30 September 2022, the total dividend for the year ended 31 March 2023 will be nil (FY2022: Nil).

Liquidity, financial resources and capital structure

The Group generally finances its liquidity requirements through the gross receipts from sales of prepaid beauty packages and settlement of credit card prepayment transactions with banks. During the year under review, the Group maintained a healthy financial position with cash and bank balances of approximately HK$177.5 million (FY2022: HK$127.5 million) with no bank borrowings. The Group's cash is primarily used as working capital and to finance our normal operating expenses, as well as to pay for the purchase of skincare and wellness products, materials and consumable used in the provision of beauty and wellness services. During the year under review, except for cash at bank held for daily operation, the majority of the Group's cash was held under fixed and savings deposits as in line with the Group's prudent treasury policies.

Capital expenditure

The total capital expenditure of the Group (excluding additions to right-of-use assets for leases of properties for own use) during the year under review was approximately HK$14.3 million, as compared to HK$80.9 million for the same period last year. The amount was mainly used leasehold improvements and equipment and machinery in connection with the expansion and integration of its service network in Hong Kong, Mainland China and Singapore.

Contingent liabilities and capital commitment

The Board considered that there was no material contingent liabilities as at 31 March 2023. The Group had capital commitment of HK$2.1 million as at 31 March 2023 (31 March 2022: HK$0.3 million), mainly for the acquisition of plant and equipment.

Charges on assets

As of 31 March 2023, the Group had pledged bank deposits of HK$47.8 million (31 March 2022: HK$47.2 million) in favour of certain banks to secure banking facilities granted to certain subsidiaries in the Group.

Foreign exchange risk exposures

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

Human resources and training

The Group had a workforce of 876 staff as of 31 March 2023 (31 March 2022: 904 staff), including 698 front-line service centre staff in Hong Kong, 31 in Mainland China and 62 in Singapore. Back office staff totalled 60 in Hong Kong, 5 in Mainland China, 17 in Singapore and 3 in Australia. The Group reviews its remuneration policies on a regular basis with reference to the legal framework, market conditions and performance of the Group and individual staff. The Remuneration Committee also reviews the remuneration policies and packages of executive directors and senior management.

Pursuant to the remuneration policies of the Group, employees' remunerations comply with the legal requirements of all jurisdictions in which we operate and are in line with the market rates. During the year under review, total employee benefit expenses, including directors' emoluments, amounted to HK$274.9 million, representing an increase of 9.6% as compared to HK$250.8 million in FY2022. To enhance the service quality and core skills of our staff, the Group regularly organises training programs designed by the Group's senior management for its staff. In addition, the seminars also facilitate the interaction and communication between the Group's management and the general staff.

Outlook

On 9 March 2023, Security and Futures Commission has granted the license under the Securities and Futures Ordinance, Cap. 571 to Delta Fund Management Company Limited (the "Licensee"), which is the wholly owned subsidiary of the Company. The Licensee is licensed to carry on the following regulated activities (the "New Business Activities"): Type 1: Dealing in Securities Type 4: Advising on Securities Type 9: Asset Management. The license is granted on the following conditions: For Type 1 regulated activity, the licensee shall only engage in activities in relation to introducing persons to other securities dealers, in order that such persons may: (a) effect dealings in securities; or (b) make offers to deal in securities. For Type 9 regulated activity, the licensee shall only provide services to professional investors.

Having considered that the policymakers in Hong Kong have introduced a number of regulatory reforms and incentives to drive the further growth of the asset management sector and to increase Hong Kong's attractiveness as a fund domicile, together with the ongoing development of the Greater Bay Area, the ever-expanding stock and bond connect schemes, Hong Kong's strategic regional location and Hong Kong's role as a bridge between mainland China and the rest of the world, the Directors are of the view that the New Business Activities represent a good opportunity for the Group to broaden its income streams.

In December 2022, the Group has opened its first Café shop called "GIG Coffee" in Singapore. Leveraging on our strong customer network and services management that facilitate excellent quality assurance in Singapore, the Group aspires to develop and expand our business scope to food and beverage services in Singapore. The GIG Coffee is well received by the Singapore customers for our extensive food menu, excellent food qualities and comprehensive service with our refreshing and healthy image. There is plan afoot for opening our second GIG Coffee by the end of December 2023.

Looking ahead, parallel to our focus on beauty and slimming business, the Group will also actively seek new investment opportunities. The Group will persistently uphold the principles of quality products, professional services and honest operation.

Environmental Policies and Performance

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

Compliance with Laws and Regulations

The Group recognises the importance of compliance with regulatory requirements and risks of non-compliance with such requirements. The Group has conducted on-going review of the newly enacted laws and regulations affecting the operations of the Group and provides relevant trainings and guidance to the staff. The Group has complied with the relevant laws and regulations of its places of operation that have significant impact on the operations of the Group for the year ended 31 March 2023.

Key Relationships

(a) Employees

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

(b) Consumers

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

(c) Suppliers

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

(d) Shareholders and Investors

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

Principal risks and uncertainties

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

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

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

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

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

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

For the year ended 31 March 2024

Business Review

Overview

During the financial year ended 31 March 2024 ("FY2024" or "the year under review"), revenue of the Group amounted to approximately HK$454.7 million, representing an increase of 11.9% compared with approximately HK$406.3 million for the year ended 31 March 2023 ("FY2023" or the "same period last year"). The receipts from sales of prepaid beauty packages during the year under review was HK$433.5 million, an increase of 5.2% over the same period last year. The employee benefit expenses and depreciation charge of other properties leased for own use increased by 4.6% to HK$287.4 million and decreased by 7.6% to HK$66.4 million respectively as compared with the same period last year. The Group recorded an operating loss of HK$4.4 million during the year under review (FY2023: operating loss of HK$11.9 million).

Below is the key statistics:

	For the year ended 31 March		
	2024	**2023**	**Change**
Revenue (HK$ million)	454.7	406.3	+11.9%
Operating loss margin (%)	-1.0	-2.9	+1.9 percentage points
Net loss margin (%)	-1.9	-5.0	+3.1 percentage points
Number of shops	45	46	-1
Employee benefit expenses (HK$ million)	287.4	274.9	+4.6%
– Depreciation charge of other properties leased for own use (HK$ million)	66.4	71.8	-7.6%
Total dividend per ordinary share (HK cents)	Nil	Nil	–
Annual dividend pay-out ratio (%)	N/A	N/A	–
Gearing ratio (%)	0.5	N/A	–

Note: Gearing ratio represents bank loan over total equity.

Hong Kong

During weekends and holidays, there is a mass exodus of people from Hong Kong to Shenzhen for shopping. With the increasing volume of cross-border consumption, the impact on Hong Kong retail sector and total employment is profound. The changing consumption pattern is certainly a cause of concern for Hong Kong's future economic development. Nonetheless, leveraging on the industry leadership, good reputation and customer confidence built over years, the Group is confident that these challenges will be overcome effectively.

Revenue in Hong Kong during FY2024 increased by 13.9%. Revenue from services rendered and receipts from prepaid beauty packages during FY2024 were HK$372.7 million and HK$386.1 million respectively (FY2023: HK$327.0 million and HK$364.5 million), representing increase of 14.0% and increase of 5.9% respectively. Revenue from sales of skincare and wellness products was HK$26.7 million in FY2024 (FY2023: HK$23.5 million). Our customers in Hong Kong amounted up to a total of approximately 437,000 during the year under review, representing an increase of 0.9% as compared to approximately 433,000 in the same period last year.

Our Group has managed to reshuffle the portfolio of shops in Hong Kong and retain our staff as much as we can, and strive to enhance the operational efficiency in order to achieve long term healthy development for the Group. We will continue to ensure the safety and quality of the services and products offered in our beauty and wellness centres.

In terms of the sales of skincare and wellness products, as of 31 March 2024, the Group had a total of 8 stores under the names of "be Beauty Shop", located across Hong Kong, Kowloon and New Territories. More than 100 varieties of products are available for sale under different series of skincare service, including "Y.U.E", "Advanced Natural", "be", "Care Plus", "Cellnoc", "Malu Wilz", "Dr Plus", "Castille", "Eclat du teint", "p.e.n", "FERRECARE", "Byotea", "Mu-lan Spa", "Natural Care", "Veribel" which can fulfil the needs of customers with different skin types.

Mainland China

Before the end of FY2024, our two wholly owned foreign enterprises operating a total of 3 service centres in Shanghai and Guangzhou were disposed to a third party. The past performance of our China salon business has long been unsatisfactory in particular during and after the COVID-19 pandemic. The Group will focus our resources on the Hong Kong and Singapore market.

During the year under review, our service income and receipts from prepaid beauty packages in Mainland China amounted to HK$4.5 million and HK$5.2 million respectively, representing a decrease of 48.4% and a decrease of 11.4% respectively, as compared to the same period last year.

Singapore

During FY2024, the Group operated a total of 7 beauty and wellness service centres in Singapore (FY2023: 6). During FY2024, the revenue from operations in Singapore was HK$50.0 million, as compared with HK$45.7 million for the same period last year. Revenue recognised for provision of beauty and wellness services and receipts from sales of prepaid beauty packages in Singapore amounted to HK$42.5 million and HK$42.3 million respectively, as compared with HK$37.7 million and HK$41.7 million for the same period last year.

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

Financial Review

Revenue

Set out below is a breakdown on the revenue of the Group by service lines and product sales during FY2024 (with comparative figures for FY2023):

	For the year ended 31 March				
	2024		2023		
Sales mix	*HK$'000*	*Percentage of revenue*	*HK$'000*	*Percentage of revenue*	**Change**
Beauty & facial	315,827	69.5%	274,627	67.6%	+15.0%
Slimming	88,641	19.5%	82,450	20.3%	+7.5%
Spa and massage	15,220	3.3%	16,367	4.0%	-7.0%
Beauty and wellness services	419,688	92.3%	373,444	91.9%	+12.4%
Sales of skincare and wellness products	35,018	7.7%	32,883	8.1%	+6.5%
Total	454,706	100%	406,327	100%	+11.9%

Revenue of the Group was mainly contributed by the beauty, facial and slimming services. The Group's revenue from beauty and wellness services increased by about 12.4% from approximately HK$373.4 million in FY2023 to approximately HK$419.7 million in FY2024.

The Group reported that gross receipts from the sales of new prepaid beauty packages of the Group amounted to HK$433.5 million during FY2024, representing an increase of 5.2% compared with HK$412.1 million for FY2023, while cash and cash equivalents at year end maintained at a healthy level.

Set out below is an analysis on the deferred revenue:

	For the year ended 31 March							
	2024				2023			
Movement of deferred revenue	Hong Kong	Mainland	Singapore	Total	Hong Kong	Mainland	Singapore	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At beginning of the year	216,265	4,280	22,217	242,762	178,766	7,707	17,710	204,183
Exchange differences	–	(175)	(257)	(432)	–	(577)	523	(54)
Gross receipts from sales of prepaid beauty packages	386,062	5,165	42,304	433,531	364,533	5,829	41,715	412,077
Revenue recognised for provision of beauty and wellness services and expiry of prepaid beauty package	(372,724)	(4,480)	(42,484)	(419,688)	(327,034)	(8,679)	(37,731)	(373,444)
Disposal of subsidiaries	–	(4,790)	–	(4,790)	–	–	–	–
At the end of the year	229,603	–	21,780	251,383	216,265	4,280	22,217	242,762

Employee benefit expenses

Employee benefit expenses (including staff's salaries and bonuses as well as directors' remunerations) represented the largest component of the Group's operating costs. During the year under review, employee benefit expenses increased by about 4.6% from HK$274.9 million in FY2023 to approximately HK$287.4 million. Employee benefit expenses accounted for 63.2% of our revenue in FY2024, as compared to 67.7% for FY2023. The total headcount of the Group as at 31 March 2024 decreased by 3.7% to 844, as compared to a headcount of 876 for FY2023. The Group's remuneration policies are in line with the prevailing market practices and are determined based on the individual performance and experience. For the purpose of motivating and rewarding our staff, discretionary bonus and share options may be granted to eligible employees based on individual performance and the Group's results. The Group introduced the elite system, whereby excellent staff with outstanding performance may receive discretionary bonus in recognition of their contribution.

Depreciation charge of other properties leased for own use

During the year under review, the Group's depreciation of other properties leases for own use were approximately HK$66.4 million (2023: HK$71.8 million), accounting for approximately 14.6% of our revenue (2023: 17.7%). As of 31 March 2024, the Group operated a total of 36 service centres in Hong Kong and Singapore with a total weighted average gross floor area of 169,000 square feet, representing a decrease of 1.2% as compared to 171,000 square feet in FY2023.

Bank charges, advertising costs and building management fees

Bank charges recorded changes in line with gross receipts from sales of new prepaid beauty packages, which increased by 5.2% to HK$22.7 million. Advertising costs amounted to HK$4.2 million which remain the same as compared for the same period last year. Advertising costs as a percentage of revenue in FY2024 was 0.9% which remained stable compared with that of the same period last year. This reflected the Group's ability to enjoy cost advantage in advertising costs as it could spread such costs across an enlarged service centre network that covers Hong Kong and Singapore. Advertising cost is allocated in an effective way to raise brand awareness and capture a greater market share. Building management fees increased by about 1.5% from HK$12.0 million in FY2023 to approximately HK$12.1 million during the year under review. It accounts for 2.7% of our revenue in FY2024, as compared to 2.9% for FY2023.

Other operating expenses

Set out below is a breakdown of the other operating expenses of the Group during FY2024 (with comparative figures for FY2023):

	For the year ended 31 March	
	2024	**2023**
	HK$'000	*HK$'000*
Audit Fee	4,394	4,164
Administrative expenses *(Note)*	6,868	5,971
Cleaning, sanitary and laundry	6,434	6,097
Consultancy fee	2,227	2,407
Government rent and rates	3,675	3,452
Insurance	3,085	2,848
Legal and professional fee	2,124	2,601
Repair and maintenance expenses	6,871	4,241
Utilities	7,550	6,222
Other expenses *(Note)*	7,133	4,397
	50,361	42,400

Note: The administrative expenses for each of the years ended 31 March 2023 and 2024 included motor vehicles expenses, postage and courier expenses, printing and stationary, telephone and fax and transportation expenses. The other expenses for each of the years ended 31 March 2023 and 2024 mainly included recruitment, training and internet expenses.

Net loss

The net loss attributable to equity shareholders of the Company was approximately HK$9.6 million in FY2024, as compared to the net loss attributable to equity shareholders of the Company of HK$20.6 million in FY2023. The Group will continue to expand its business when opportunities arise in order to achieve the long-term value added objective of maximising shareholders' returns.

Dividend per share

The Board did not recommend any final dividend to the shareholders of the Company for the year under review (FY2023: Nil). As no interim dividend had been approved by the Board for the six months ended 30 September 2023, the total dividend for the year ended 31 March 2024 will be nil (FY2023: Nil).

Liquidity, financial resources and capital structure

The Group generally finances its liquidity requirements through the gross receipts from sales of prepaid beauty packages and settlement of credit card prepayment transactions with banks. During the year under review, the Group maintained a healthy financial position with cash and bank balances of approximately HK$193.6 million (FY2023: HK$177.5 million) with bank borrowings of HK$1.0 million (FY2023: Nil). The Group's cash is primarily used as working capital and to finance our normal operating expenses, as well as to pay for the purchase of skincare and wellness products, materials and consumable used in the provision of beauty and wellness services. During the year under review, except for cash at bank held for daily operation, the majority of the Group's cash was held under fixed and savings deposits as in line with the Group's prudent treasury policies.

Capital expenditure

The total capital expenditure of the Group (excluding additions to right-of-use assets for leases of properties for own use) during the year under review was approximately HK$14.6 million, as compared to HK$14.3 million for the same period last year. The amount was mainly used leasehold improvements and equipment and machinery and motor vehicles in connection with the expansion and integration of its service network in Hong Kong and Singapore.

Contingent liabilities and capital commitment

The Board considered that there was no material contingent liabilities as at 31 March 2024. The Group had capital commitment of HK$1.0 million as at 31 March 2024 (31 March 2023: HK$2.1 million), mainly for the acquisition of plant and equipment.

Charges on assets

As of 31 March 2024, the Group had pledged bank deposits of HK$27.1 million (31 March 2023: HK$47.8 million) in favour of certain banks to secure banking facilities granted to certain subsidiaries in the Group.

At 31 March 2024, ownership interests in leasehold land and buildings held for own use with carrying values of HK$50.5 million (2023: HK$Nil) were pledged as securities for banking facilities.

Foreign exchange risk exposures

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

Human resources and training

The Group had a workforce of 844 staff as of 31 March 2024 (31 March 2023: 876 staff), including 685 front-line service centre staff in Hong Kong and 70 in Singapore. Back office staff totalled 67 in Hong Kong, 19 in Singapore and 3 in Australia. The Group reviews its remuneration policies on a regular basis with reference to the legal framework, market conditions and performance of the Group and individual staff. The Remuneration Committee also reviews the remuneration policies and packages of executive directors and senior management.

Pursuant to the remuneration policies of the Group, employees' remunerations comply with the legal requirements of all jurisdictions in which we operate and are in line with the market rates. During the year under review, total employee benefit expenses, including directors' emoluments, amounted to HK$287.4 million, representing an increase of 4.6% as compared to HK$274.9 million in FY2023. To enhance the service quality and core skills of our staff, the Group regularly organises training programs designed by the Group's senior management for its staff. In addition, the seminars also facilitate the interaction and communication between the Group's management and the general staff.

Outlook

On 30 May 2024, Companies Registry has granted the trust or company service provider license to Top Care Corporate Services (Hong Kong) Limited (the "Licensee"), which is the wholly owned subsidiary of the Company. The Licensee is licensed to carry on a trust or company service business in Hong Kong. Our highly-experienced professional team guides through every aspect of setting up and running companies and trusts with extensive knowledge of local rules and regulations in the region. Leveraging our global network and local expertise, we deliver exceptional client services with a view to building long-term relationships.

In November 2023, our Group has acquired 100% shares of Singapore Spa Institute Pte. Ltd. which has been engaged in Singapore for many years in the provision of consultancy, training and assessment in the spa industry, with a particular focus on spa therapists' knowledge and skills.

Singapore Spa Institute Pte. Ltd. offers full qualifications, certifiable courses, short courses and even company-specific contextualized training systems. Together with our long-established Beauty Expert International Academy in Hong Kong, our goal is to raise the professionalism and standards of the spa, beauty and wellness industry through our quality training and education in both Hong Kong and Singapore to the benefit of our Group and the society as a whole.

In November 2023, the Group has opened its second GIG Café shop in Singapore. Leveraging on our strong customer network and services management that facilitate excellent quality assurance in Singapore, the Group aspires to continue developing and expanding our business scope to food and beverage services in Singapore.

Looking ahead, parallel to our focus on beauty and slimming business, the Group will also actively seek new investment opportunities. The Group will persistently uphold the principles of quality products, professional services and honest operation.

Environmental Policies and Performance

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

Compliance with Laws and Regulations

The Group recognises the importance of compliance with regulatory requirements and risks of non-compliance with such requirements. The Group has conducted on-going review of the newly enacted laws and regulations affecting the operations of the Group and provides relevant trainings and guidance to the staff. The Group has complied with the relevant laws and regulations of its places of operation that have significant impact on the operations of the Group for the year ended 31 March 2024.

Key Relationships

(a) Employees

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

(b) Consumers

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

(c) Suppliers

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

(d) Shareholders and Investors

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

Principal risks and uncertainties

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

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

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

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

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

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

For the year ended 31 March 2025

Business Review

Overview

During the financial year ended 31 March 2025 ("FY2025" or "the year under review"), revenue of the Group amounted to approximately HK$453.3 million, representing a decrease of 0.3% compared with approximately HK$454.7 million for the year ended 31 March 2024 ("FY2024" or the "same period last year"). The receipts from sales of prepaid beauty packages during the year under review was HK$417.4 million, a decrease of 3.7% over the same period last year. The employee benefit expenses and depreciation charge of other properties leased for own use decreased by 1.3% to HK$283.8 million and decreased by 6.7% to HK$61.9 million respectively as compared with the same period last year. The Group recorded an operating profit of HK$2.1 million during the year under review (FY2024: operating loss of HK$4.4 million).

Below is the key statistics:

	For the year ended 31 March		
	2025	**2024**	**Change**
Revenue (HK$ million)	453.3	454.7	-0.3%
Operating profit/(loss) margin (%)	+0.5	-1.0	+1.5 percentage points
Net loss margin (%)	-1.1	-1.9	+0.8 percentage points
Number of shops	47	45	+2
Employee benefit expenses (HK$ million)	283.8	287.4	-1.3%
Depreciation charge of other properties leased for own use (HK$ million)	61.9	66.4	-6.7%
Total dividend per ordinary share (HK cents)	Nil	Nil	–
Annual dividend pay-out ratio (%)	N/A	N/A	–
Gearing ratio (%)	0.2	0.5	–

Note: Gearing ratio represents bank loan over total equity.

Hong Kong

Hong Kong's retail sector experienced a substantial decline during the year under review, reflecting unstable internal and external business conditions. According to the Census and Statistics Department, for the entirety of 2024, the total value of retail sales in Hong Kong was estimated at $376.8 billion, which represents a decrease of 7.3% compared to 2023. The value of online retail sales was also down by 2.6% to $31.7 billion. Our Hong Kong beauty, slimming, and wellness service operations were not immune to these pressures. Nevertheless, management is confident in the long-term outlook, underpinned by our robust service management practices that ensure high quality.

Revenue in Hong Kong during FY2025 increased by 1.4%. Revenue from services rendered and receipts from prepaid beauty packages during FY2025 were HK$375.6 million and HK$378.2 million respectively (FY2024: HK$372.7 million and HK$386.1 million), representing an edged increase of 0.8% and decrease of 2.0% respectively. Revenue from sales of skincare and wellness products was HK$29.4 million in FY2025 (FY2024: HK$26.7 million). Our customers in Hong Kong amounted up to a total of approximately 440,400 during the year under review, representing an edged increase of 0.8% as compared to approximately 437,000 in the same period last year.

Our Group has managed to reshuffle the portfolio of shops in Hong Kong and retain our staff as much as we can, and strive to enhance the operational efficiency in order to achieve long term healthy development for the Group. We will continue to ensure the safety and quality of the services and products offered in our beauty and wellness centres.

In terms of the sales of skincare and wellness products, as of 31 March 2025, the Group had a total of 8 stores under the names of "be Beauty Shop", located across Hong Kong, Kowloon and New Territories. More than 100 varieties of products are available for sale under different series of skincare service, including "Y.U.E", "Advanced Natural", "be", "Care Plus", "Cellnoc", "Malu Wilz", "Dr Plus", "Castille", "Eclat du teint", "p.e.n", "FERRECARE", "Byotea", "Mu-lan Spa", "Natural Care", "Veribel" which can fulfil the needs of customers with different skin types.

Mainland China

Before the end of FY2024, our two wholly owned foreign enterprises operating a total of 3 service centres in Shanghai and Guangzhou were disposed to a third party. The past performance of our China salon business has long been unsatisfactory in particular during and after the COVID-19 pandemic. The Group will focus our resources on the Hong Kong and Singapore market.

Singapore

During FY2025, the Group operated a total of 8 beauty and wellness service centres in Singapore (FY2024: 7). During FY2025, the revenue from operations in Singapore was HK$47.5 million, as compared with HK$50.0 million for the same period last year. Revenue recognised for provision of beauty and wellness services and receipts from sales of prepaid beauty packages in Singapore amounted to HK$40.5 million and HK$39.3 million respectively, as compared with HK$42.5 million and HK$42.3 million for the same period last year.

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

Financial Review

Revenue

Set out below is a breakdown on the revenue of the Group by service lines and product sales during FY2025 (with comparative figures for FY2024):

	For the year ended 31 March				
	2025		**2024**		
Sales mix	*HK$'000*	*Percentage of revenue*	*HK$'000*	*Percentage of revenue*	**Change**
Beauty & facial	310,727	68.6%	315,827	69.5%	-1.6%
Slimming	89,341	19.7%	88,641	19.5%	+0.8%
Spa and massage	16,068	3.5%	15,220	3.3%	+5.6%
Beauty and wellness services	416,136	91.8%	419,688	92.3%	-0.8%
Sales of skincare and wellness products	37,138	8.2%	35,018	7.7%	+6.1%
Total	453,274	100%	454,706	100%	-0.3%

Revenue of the Group was mainly contributed by the beauty, facial and slimming services. The Group's revenue from beauty and wellness services decreased by about 0.8% from approximately HK$419.7 million in FY2024 to approximately HK$416.1 million in FY2025.

The Group reported that gross receipts from the sales of new prepaid beauty packages of the Group amounted to HK$417.4 million during FY2025, representing a decrease of 3.7% compared with HK$433.5 million for FY2024, while cash and cash equivalents at year end maintained at a healthy level.

Set out below is an analysis on the deferred revenue:

	For the year ended 31 March							
	2025				2024			
Movement of deferred revenue	**Hong Kong**	**Mainland**	**Singapore**	**Total**	**Hong Kong**	**Mainland**	**Singapore**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At beginning of the year	229,603	–	21,780	251,383	216,265	4,280	22,217	242,762
Exchange differences	–	–	237	237	–	(175)	(257)	(432)
Gross receipts from sales of prepaid beauty packages	378,152	–	39,273	417,425	386,062	5,165	42,304	433,531
Revenue recognised for provision of beauty and wellness services and expiry of prepaid beauty package	(375,647)	–	(40,489)	(416,136)	(372,724)	(4,480)	(42,484)	(419,688)
Disposal of subsidiaries	–	–	–	–	–	(4,790)	–	(4,790)
At the end of the year	232,108	–	20,801	252,909	229,603	–	21,780	251,383

Employee benefit expenses

Employee benefit expenses (including staff's salaries and bonuses as well as directors' remunerations) represented the largest component of the Group's operating costs. During the year under review, employee benefit expenses decreased by about 1.3% from HK$287.4 million in FY2024 to approximately HK$283.8 million. Employee benefit expenses accounted for 62.6% of our revenue in FY2025, as compared to 63.2% for FY2024. The total headcount of the Group as at 31 March 2025 decreased by 6.0% to 793, as compared to a headcount of 844 for FY2024. The Group's remuneration policies are in line with the prevailing market practices and are determined based on the individual performance and experience. For the purpose of motivating and rewarding our staff, discretionary bonus and share options may be granted to eligible employees based on individual performance and the Group's results. The Group introduced the elite system, whereby excellent staff with outstanding performance may receive discretionary bonus in recognition of their contribution.

Depreciation charge of other properties leased for own use

During the year under review, the Group's depreciation of other properties leases for own use were approximately HK$61.9 million (2024: HK$66.4 million), accounting for approximately 13.7% of our revenue (2024: 14.6%). As of 31 March 2025, the Group operated a total of 47 shops in Hong Kong and Singapore with a total weighted average gross floor area of 191,400 square feet, representing an increase of 2.1% as compared to 187,800 square feet in FY2024.

Bank charges, advertising costs and building management fees

Bank charges recorded changes in line with gross receipts from sales of new prepaid beauty packages, which increased by 9.4% to HK$24.9 million. Advertising costs decreased by about 38.7% from HK$4.2 million in FY2024 to approximately HK$2.6 million during the year under review. It accounts for 0.6% of our revenue in FY2025, as compared to 0.9% for FY2024. This reflected the Group's ability to enjoy cost advantage in advertising costs as it could spread such costs across an enlarged service centre network that covers Hong Kong and Singapore. Advertising cost is allocated in an effective way to raise brand awareness and capture a greater market share. Building management fees decreased by about 4.6% from HK$12.1 million in FY2024 to approximately HK$11.6 million during the year under review. It accounts for 2.6% of our revenue in FY2025, as compared to 2.7% for FY2024.

Other operating expenses

Set out below is a breakdown of the other operating expenses of the Group during FY2025 (with comparative figures for FY2024):

	For the year ended 31 March	
	2025	**2024**
	HK$'000	*HK$'000*
Audit Fee	4,209	4,394
Administrative expenses *(Note)*	7,441	6,868
Cleaning, sanitary and laundry	6,374	6,434
Consultancy fee	2,199	2,227
Government rent and rates	3,915	3,675
Insurance	2,860	3,085
Legal and professional fee	1,450	2,124
Repair and maintenance expenses	5,427	6,871
Utilities	7,231	7,550
Other expenses *(Note)*	8,298	7,133
	49,404	50,361

Note: The administrative expenses for each of the years ended 31 March 2024 and 2025 included motor vehicles expenses, postage and courier expenses, printing and stationary, telephone and fax and transportation expenses. The other expenses for each of the years ended 31 March 2024 and 2025 mainly included recruitment, training and internet expenses.

Net loss

The net loss attributable to equity shareholders of the Company was approximately HK$5.1 million in FY2025, as compared to the net loss attributable to equity shareholders of the Company of HK$9.6 million in FY2024. The Group will continue to expand its business when opportunities arise in order to achieve the long-term value-added objective of maximising shareholders' returns.

Dividend per share

The Board did not recommend any final dividend to the shareholders of the Company for the year under review (FY2024: Nil). As no interim dividend had been approved by the Board for the six months ended 30 September 2024, the total dividend for the year ended 31 March 2025 will be nil (FY2024: Nil).

Liquidity, financial resources and capital structure

The Group generally finances its liquidity requirements through the gross receipts from sales of prepaid beauty packages and settlement of credit card prepayment transactions with banks. During the year under review, the Group maintained a healthy financial position with cash and bank balances of approximately HK$236.7 million (FY2024: HK$193.7 million) with bank borrowings of HK$0.4 million (FY2024: HK$1.0 million). The Group's cash is primarily used as working capital and to finance our normal operating expenses, as well as to pay for the purchase of skincare and wellness products, materials and consumable used in the provision of beauty and wellness services. During the year under review, except for cash at bank held for daily operation, the majority of the Group's cash was held under fixed and savings deposits as in line with the Group's prudent treasury policies.

Capital expenditure

The total capital expenditure of the Group (excluding additions to right-of-use assets for leases of properties for own use) during the year under review was approximately HK$16.1 million, as compared to HK$14.6 million for the same period last year. The amount was mainly used leasehold improvements and equipment and machinery and motor vehicles in connection with the expansion and integration of its service network in Hong Kong and Singapore.

Contingent liabilities and capital commitment

The Board considered that there was no material contingent liabilities as at 31 March 2025. The Group had capital commitment of HK$1.5 million as at 31 March 2025 (31 March 2024: HK$1.0 million), mainly for the acquisition of plant and equipment.

Charges on assets

As of 31 March 2025, the Group had pledged bank deposits of HK$52.9 million (31 March 2024: HK$27.1 million) in favour of certain banks to secure banking facilities granted to certain subsidiaries in the Group.

At 31 March 2025, ownership interests in leasehold land and buildings held for own use with carrying values of HK$48.4 million (2024: HK$50.5 million) were pledged as securities for banking facilities.

Foreign exchange risk exposures

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

Human resources and training

The Group had a workforce of 793 staff as of 31 March 2025 (31 March 2024: 844 staff), including 644 front-line service centre staff in Hong Kong and 60 in Singapore. Back office staff totalled 68 in Hong Kong, 18 in Singapore and 3 in Australia. The Group reviews its remuneration policies on a regular basis with reference to the legal framework, market conditions and performance of the Group and individual staff. The Remuneration Committee also reviews the remuneration policies and packages of executive directors and senior management.

Pursuant to the remuneration policies of the Group, employees' remunerations comply with the legal requirements of all jurisdictions in which we operate and are in line with the market rates. During the year under review, total employee benefit expenses, including directors' emoluments, amounted to HK$283.8 million, representing a decrease of 1.3% as compared to HK$287.4 million in FY2024. To enhance the service quality and core skills of our staff, the Group regularly organises training programs designed by the Group's senior management for its staff. In addition, the seminars also facilitate the interaction and communication between the Group's management and the general staff.

Outlook

Facing a widely expected Hong Kong's ongoing economic weakness, retail and consumer sentiment deteriorated, adversely affecting the beauty and wellness services industry and related product sales. Nonetheless, we have prioritized operating cost control and sustaining a robust cash position. We maintain prudent optimism regarding the Group's future prospects despite the weakened business climate.

Top Care Corporate Services (Hong Kong) Limited ("Top Care"), our wholly owned subsidiary, received its Hong Kong trust or company service provider license from the Companies Registry on 30 May 2024. This license enables Top Care to partner with our family offices management team in offering integrated wealth management and protection services to family office clients.

SFC data highlights the growth potential: Hong Kong's asset and wealth management Assets Under Management ("AUM") surpassed HK$31 trillion in 2023 (up 2.1%). Crucially, family office and private trust AUM under private banking/wealth management soared 76% since 2017 to HK$1.45 trillion in 2023 – vastly outperforming the global sector's 29% growth. The increasing number of high-net-worth individuals positions trust and family office services as increasingly critical within Hong Kong's private wealth management industry.

Looking ahead, the Group is restructuring its retail portfolio, closing certain shops and establishing new ones. The reconfigured service center network is anticipated to improve customer accessibility, thereby aiding the expansion of customer reach, brand promotion, and business development. While Hong Kong premises rentals depressed due to economic factors, the network is expected to enhance the Group's occupancy cost management. Additionally, the Group will continue proactive, stringent cost control in all areas, provided service and product standards are upheld.

Concurrently with our business development efforts, we are dedicated to continuously enhancing the Group's risk management framework, capabilities, and culture, thereby securing our long-term business sustainability and growth.

Environmental Policies and Performance

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

Compliance with Laws and Regulations

The Group recognises the importance of compliance with regulatory requirements and risks of non-compliance with such requirements. The Group has conducted on-going review of the newly enacted laws and regulations affecting the operations of the Group and provides relevant trainings and guidance to the staff. The Group has complied with the relevant laws and regulations of its places of operation that have significant impact on the operations of the Group for the year ended 31 March 2025.

Key Relationships

(a) Employees

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

(b) Consumers

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

(c) Suppliers

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

(d) Shareholders and Investors

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

Principal risks and uncertainties

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

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

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

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

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

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

For the six months ended 30 September 2025

Business Review

Hong Kong

According to the advance estimates from the Census and Statistics Department in Hong Kong, bolstered by strong exports and steady domestic consumption, Hong Kong's economic growth gained momentum in the third quarter of 2025. The real GDP expanded by 3.8% from a year earlier, up significantly from the 3.1% growth recorded in the preceding quarter. Continued increases in inbound tourism and vibrant financial market activities should provide further impetus to exports of services.

Domestically, the renewed US interest rate cuts since September this year are conducive to asset market sentiment. Together with the gradual recovery in consumption confidence and steadfast improvement in business sentiment, these developments should help bolster consumption and investment activities. Leveraging on our excellent brand recognition and solid client base, our management is confident of the further prospects of our business.

The Group is currently operating 29 beauty and wellness service centers in Hong Kong with a total gross floor area of approximately 153,970 square feet, decreased by 1.4% when compared with the figure of 156,090 square feet as at 30 September 2024. Various comprehensive high quality beauty, slimming and facial services are offered to the general public including, inter alia, skincare, slimming, hairstyling, cosmetics, manicures, pedicures, electrology and aesthetics services.

With regard to the sales of skincare and wellness products, as of 30 September 2025, the Group had a total of 8 stores under the names of “be Beauty Shop”, locating across Hong Kong, Kowloon and the New Territories. More than 80 varieties of products are available for sale under different series of skincare service, such as “be”, “FERRECARE”, “p.e.n”, “Y.U.E”, “Advanced Natural”, “Malu Wilz”, “Byotea”, “Care Plus”, “Castille”, “Dr Plus”, “Eclat du teint”, “Natural Care”. The Group launched distributor brands “Malu Wilz”, “Byotea”, “Castille”, “Eclat du teint”, as well as further promoted our self – owned brands “p.e.n”, “be”, “FERRECARE”, “Y.U.E.”, “Advanced Natural”, “Dr Plus”, “Natural Care”, “Care Plus” with the aim of expanding our product sales business and potential clienteles through providing diversified high quality skincare products.

During the period under review, our service income and receipts from prepaid beauty packages in Hong Kong amounted to HK$183,006,000 and HK$179,612,000 respectively, representing a decrease of 2.6% and a decrease of 6.6% respectively, as compared to the same period last year.

Singapore

The Group operates a total of 8 beauty and wellness service centres in Singapore, number of shops remain unchanged as compared with the same period last year. Our Singapore operations reported a revenue of HK$23,524,000. Revenue from services rendered amounted to HK$19,662,000, while receipts from sales of prepaid beauty packages amounted to HK$18,350,000, decreased by 5.9% and 15.8% respectively when compared with the same period last year.

Financial Review

Revenue

Revenue of the Group was mainly contributed by the beauty, facial and slimming services. For the six months ended 30 September 2025, revenue of the Group decreased by 0.7% to HK$222,674,000 as compared to the same period last year.

Set out below is a breakdown of the revenue of the Group by service lines and product sales during the period under review:

	For the six months ended 30 September				
	2025		2024		
Sales mix	*HK$'000*	*Percentage of revenue*	*HK$'000*	*Percentage of revenue*	**Change**
Beauty & facial	149,697	67.2%	157,891	70.4%	-5.2%
Slimming	43,469	19.5%	43,580	19.4%	-0.3%
Spa and massage	9,502	4.3%	7,391	3.3%	+28.6%
Beauty and wellness services	202,668	91.0%	208,862	93.1%	-3.0%
Sales of skincare and wellness products	20,006	9.0%	15,386	6.9%	+30.0%
Total	222,674	100%	224,248	100%	-0.7%

Compared to the same period last year, the Group's revenue from beauty and facial services decreased by 5.2% to HK$149,697,000 (2024: HK$157,891,000). Revenue from the slimming service decreased to HK$43,469,000 in the period under review, decreased by approximately 0.3% from approximately HK$43,580,000 in the same period of 2024.

Meanwhile, spa and massage revenue for the Group in the period under review increased by 28.6% to HK$9,502,000. As for the product revenue, it increased by 30.0% to HK$20,006,000 as compared to the same period last year.

Employee benefit expenses

Employee benefit expenses represent the largest component of the Group's operating expenses, decreased by approximately 11.3% to HK$131,325,000, comparing to HK$148,071,000 for the same period last year. The total headcount of the Group as at 30 September 2025 decreased by 6.9% to 791, as compared to a headcount of 850 for the same period last year. The decrease of the amount of employee benefits expenses is mainly due to the reduction of manpower. In order to attract and retain the talents to enhance the competitive advantages of the Group, elite system has been launched since 2010 to provide comprehensive training to improve the staff's customer services skills. Eminent employees with excellent performance will be entitled to discretionary bonuses offered by the management in recognition of their contribution.

Depreciation charge of other properties leased for own use

During the period under review, the Group's depreciation charge of other properties leases for own use were approximately HK$29,317,000 (2024: HK$31,234,000), accounting for approximately 13.2% of our revenue (2024: 13.9%). As of 30 September 2025, the Group operated a total of 29 service centres in Hong Kong with a total weighted average gross floor area of 153,970 square feet, representing a decrease of 1.4% as compared to 156,090 square feet for the same period last year. As of 30 September 2025, the Group had 8 centres (2024: 8 centres) in Singapore, with a total weighted average gross floor area of approximately 14,800 square feet (2024: approximately 15,300 square feet).

Bank charges, advertising costs and building management fees

Bank charges recorded changes in line with sales of new prepaid beauty packages, which decreased by 4.6% to HK$11,947,000. Advertising costs decreased to HK$839,000 from HK$1,031,000 for the same period last year. Advertising cost as a percentage of revenue in 2025 was 0.4% as compared to 0.5% for the same period last year. This reflected the Group's ability to enjoy cost advantage in advertising cost as it could spread such cost across an enlarged service centre network that covers Hong Kong and Singapore. Advertising cost is allocated in an effective way to raise brand awareness and capture a greater market share. Building management fees decreased by about 1.6% from HK$5,710,000 in 2024 to approximately HK$5,621,000 during the period under review. It accounts for 2.5% of our revenue in 2025, as compared to 2.5% for the same period last year.

Other operating expenses

Set out below is a breakdown on the other operating expenses of the Group during the period under review (with comparative figures for the same period last year):

	For six months ended 30 September	
	2025	**2024**
	HK$'000	*HK$'000*
Audit Fee	2,137	2,060
Administrative expenses *(Note)*	3,463	3,922
Cleaning, sanitary and laundry	3,150	3,204
Consultancy fee	1,044	1,079
Government rent and rates	1,905	1,917
Insurance	1,463	1,432
Legal and professional fee	960	835
Repair and maintenance expenses	3,456	3,132
Utilities	3,792	3,993
Other expenses	4,242	4,901
	25,612	26,475

Note: The administrative expenses for each of the periods ended 30 September 2025 and 2024 included motor vehicles expenses, postage and courier expenses, printing and stationary, telephone and fax and transportation expenses.

Net profit/(loss)

For the six months ended 30 September 2025, the net profit was approximately HK$6,946,000, as compared to the net loss of HK$16,125,000 for the same period last year. The Group will continue to expand its business when opportunities arise in order to achieve the long-term value-added objective of maximising shareholders' returns. Earnings per share for the period under review was HK0.72 cents as compared to the loss per share of HK1.80 cents for the same period last year.

Interim dividend

No dividends have been paid or declared by the Company during the six months ended 30 September 2025 and 2024.

Liquidity, capital structure and treasury policies

The Group generally finances its liquidity requirements through the gross receipts from sales of prepaid beauty packages and settlement of credit card prepayment transactions with banks. During the year under review, the Group maintained a healthy financial position. The total equity of the Group as at 30 September 2025 was HK$199,746,000. Cash and bank balances and bank deposits as at 30 September 2025 amounted to HK$248,509,000 (31 March 2025: HK$236,673,000) with bank borrowings of HK$53,000 (31 March 2025: HK$355,000).

The Group's cash is primarily used as working capital and to finance our normal operating expenses, as well as to pay for the purchase of skincare and wellness products, materials and consumable used in the provision of beauty and wellness services. During the year under review, except for cash at bank held for daily operation, the majority of the Group's cash was held under fixed and savings deposits in banks at an annualized yield of approximately 1.2% as in line with the Group's prudent treasury policies.

During the period under review, the Group did not have any other security or capital investments, derivative investments, or hedging on foreign currencies.

Capital expenditure

The total capital expenditure of the Group (excluding additions to right of use assets) during the six months ended 30 September 2025 was approximately HK$2,106,000, which was mainly used for the additions of leasehold improvements and equipment and machinery in connection with the expansion and integration of its service and retail networks in various regions. The capital expenditure for the same period last year was approximately HK$9,938,000.

Contingent liabilities and capital commitment

The Group had capital commitment mainly for the acquisition of leasehold improvements. The Board considered that there were no material contingent liabilities as at 30 September 2025. The Group had capital commitment of HK$459,000 as at 30 September 2025 (31 March 2025: HK$1,503,000) in respect of the acquisition of leasehold improvements.

Charges on assets

As of 30 September 2025, the Group had pledged bank deposits of HK$53,223,000 (31 March 2025: HK$52,906,000) in favour of certain banks to secure banking facilities granted to certain subsidiaries in the Group.

At 30 September 2025, ownership interests in leasehold land and buildings held for own use with carrying values of HK$47,270,000 (31 March 2025: HK$48,357,000) were pledged as securities for banking facilities.

Foreign exchange risk exposures

The Group's transactions were mainly denominated in Hong Kong Dollars. However, the exchange rates of Hong Kong Dollars against foreign currencies also affected the operating costs as the Group expanded its business to Southeast Asian regions and Australia. Therefore, the management will closely assess the foreign currency risk exposures faced by the Group, and will take the necessary actions to properly hedge such exposures.

Human resources and training

Total employee benefit expenses including directors' emoluments for the period under review amounted to HK$131,325,000, representing a decrease of 11.3% as compared to HK$148,071,000 for the same period last year. The Group had a workforce of 791 staff as of 30 September 2025 (30 September 2024: 850 staff), including 646 frontline service centre staff in Hong Kong and 61 in Singapore. Back office staff totaled 64 in Hong Kong and 20 in Singapore and Australia. To ensure our service quality, the Group regularly offers appropriate trainings to its staff, including the safe application of the latest beauty technology, exchanging of tips on service techniques, and in-depth introduction of our services and products. The trainings are designed by the Group's senior management, who are also responsible for certain teaching and sharing of experiences. During the training, the Group also encourages its staff to raise questions and express their opinions, which facilitates the interaction between the senior management and the general staff. Meanwhile, the sound communication between the management and the staff enables the management to understand the daily operations of the Group in a more efficient manner.

The Group reviews its remuneration policies on a regular basis with reference to the legal framework, market conditions and performance of the Group and individual employees. The Remuneration Committee also reviews the remuneration policies and packages of executive directors and the senior management. Pursuant to the remuneration policies of the Group, employees' remunerations comply with the legal requirements of all jurisdictions in which we operate, and are in line with the market rates.

Corporate Social Responsibility

The Group has been providing beauty and facial and slimming services over the years and such extensive experience has guided us to attach great importance to the safety of our services and products. The Group exercises stringent quality control on its products, of which the ingredients and hygienic packaging have all been recognized internationally. The advanced machines used in our services have also passed various safety tests and have attained international safety standards.

In addition, the professionalism of our staff is also a key to service safety. The Group established the Beauty Expert International Academy in 2002 and our professional teachers have nurtured numerous highly skilled and well-rounded students. The teachers of the college possess years of experience in cosmetology training with different international professional accreditations, while the students can also take a number of internationally recognized examinations in order to acquire experience. The college enables the Group to recruit elites and talents as well as to arrange appropriate trainings or further studies for suitable staff, thus achieve a win-win situation. Upon completing their program, the students not only have the opportunity to join the Group's professional team, but also are able to explore their career path in other beauty businesses and contribute to the industry.

Concerning environmental protection, as part of our effort to provide a comfortable service environment while strongly support environmental protection, the Group has specific policies stipulating how to minimise the use of air conditioning and reduce our water consumption at service centres.

Outlook

As a well-established group operating 37 beauty product and service centers across Hong Kong, we are strategically positioned to capitalize on the current macroeconomic shift of declining retail rents. Our extensive physical footprint and long-standing presence in the market grant us significant leverage in lease negotiations. In the prevailing environment, where commercial landlords are increasingly seeking reliable, long-term tenants, our scale and stability provide a distinct advantage. We are actively leveraging this enhanced bargaining power to renegotiate existing leases and secure more favorable terms for new locations. This proactive approach is expected to substantially reduce our occupancy costs, one of the most significant operational expenditures, thereby directly improving our bottom-line profitability and financial resilience for the future.

Looking ahead, we are committed to a dual-pronged strategy of operational excellence and technological innovation. Beyond optimizing rental expenses, we are embarking on a strategic initiative to integrate artificial intelligence across our operations. In our backend functions, AI will be deployed to automate routine administrative and inventory management tasks, increasing accuracy and freeing up human resources for more value-added activities. For our client services, AI-powered tools, such as intelligent chatbots and personalized recommendation systems, will be used to enhance our customer experience by providing instant support and tailored, product advice. This digital transformation will streamline our workflows, reduce operational friction, and ultimately lead to higher efficiency and improved customer satisfaction.

In conclusion, by capitalizing on our market strength to lower fixed costs and simultaneously harnessing AI to drive backend and customer-facing efficiencies, we are creating a robust framework for sustainable growth, enhanced competitiveness, and increased shareholder value in the dynamic beauty services market.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

Directors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares or Debentures

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any associated corporations (within the meaning of the SFO) which (i) 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 and short positions which they were taken or were deemed to have under such provisions of the SFO); (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

(i) Long positions in Shares, underlying Shares and debentures in the Company

Name of Director	Capacity in which interests are held	Interests in Shares	Approximate Percentage of Issued Share Capital of the Company *(Note 1)*
Dr. Tsang Yue, Joyce	Founder of a discretionary trust *(Notes 2 & 4)*	677,247,942 *(Note 3)*	74.88%
	Interest of spouse	650,000	0.07%
Mr. Yip Kai Wing	Beneficial Owner	185,000	0.02%
Ms. Yeung See Man	Beneficial Owner	172,000	0.02%

Notes:

1. The percentage has been compiled based on the total number of Shares in issue as at the Latest Practicable Date (i.e. 904,483,942 Shares).

2. These 677,247,942 Shares were held by a trust of which Dr. Tsang Yue, Joyce was the founder of a trust and TMF (Cayman) Ltd. was the trustee of the trust.

3. These Shares comprised (i) 209,247,942 Shares directly owned by Allied Wealth Limited; (ii) 367,200,000 Shares directly owned by Silver Compass Holdings Corp.; and (iii) 100,800,000 Shares directly owned by Silver Hendon Enterprises Corp. All such companies are controlled corporations of Dr. Tsang. Dr. Tsang is a director of each of Allied Wealth Limited, Silver Compass Holdings Corp. and Silver Hendon Enterprises Corp.

4. Allied Wealth Limited, Silver Compass Holdings Corp. and Silver Hendon Enterprises Corp. are wholly owned by Asia Gift Company Limited ("**Asia Gift**"), which is in turn wholly owned by Goldlite Development Limited ("**Goldlite**"). Goldlite is wholly owned by Allied Chance Management Limited ("**Allied Chance**"), which is in turn wholly-owned by Kelday International Limited. TMF (Cayman) Ltd. is the ultimate holding company of Kelday International Limited. Dr. Tsang is a director of each of Asia Gift and Goldlite.

(ii) Long positions in shares and underlying shares in the associated corporations

Name of Director	Name of associated corporation	Capacity in which interests are held	Number of share held	Percentage of holding
Dr. Tsang Yue, Joyce	Allied Chance Management Limited *(Note)*	Founder of a discretionary trust	1	100%
Dr. Tsang Yue, Joyce	Goldlite Development Limited *(Note)*	Founder of a discretionary trust	1	100%
Dr. Tsang Yue, Joyce	Asia Gift Company Limited *(Note)*	Founder of a discretionary trust	1	100%

Note: Each of Allied Chance Management Limited, Goldlite Development Limited and Asia Gift Company Limited is a holding company of the Company and is thus an associated corporation of the Company.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and the chief executive of the Company had any interest or short position in the shares, underlying shares and 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 pursuant to section 352 of the SFO, to be entered in the register referred to therein, or notified to the Company and the Stock Exchange pursuant to the Model Code.

3. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

4. DIRECTORS' COMPETING INTERESTS

To the best knowledge of the Directors, as at the Latest Practicable Date, none of the Directors or their respective associates had any interests in a business, which competes or is likely to compete either directly or indirectly with the business of the Group which would be required to be disclosed under Rule 8.10 of the Listing Rules, if the Directors were controlling Shareholders.

5. DIRECTORS' INTEREST IN ASSETS, CONTRACTS OR ARRANGEMENTS

Save for the lease agreements relating to the Existing Premises and the 2026 Master Lease Agreement (and the Leasing Arrangements contemplated thereunder) as disclosed in the section headed "Letter from the Board" of this circular, none of the Directors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which is significant in relation to the business of the Group, nor had any Director had any direct or indirect interests in any assets which have been acquired or disposed of by or leased to, or are proposed to be acquired or disposed of by or leased to, any member of the Group since 31 March 2025, being the date to which the latest published audited consolidated financial statements of the Group were made up.

6. QUALIFICATION AND CONSENT OF EXPERTS

The following are the qualifications of the expert who has given opinions or advice which is contained or mentioned in this circular:

Name	Qualification
Ballas Capital Limited	a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
BonVision International Appraisals Limited (“**BonVision**”)	Independent property valuer

Each of the Independent Financial Adviser and BonVision has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and/or reference to its name or opinion in the form and context in which it appears.

Each of the Independent Financial Adviser and BonVision has confirmed that as at the Latest Practicable Date,

(a) it was not beneficially interested in the share capital of any member of the Group nor did it have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and

(b) it did not directly or indirectly, have any interest in any assets which had since 31 March 2025 (being the date to which the latest published audited financial statements of the Company were made up) been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group

7. GENERAL

(a) The registered office of the Company is situated at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

(b) The Company’s head office and principal place of business in Hong Kong is situated at Work Shop Nos. 66-68, 6th Floor, Sino Industrial Plaza, 9 Kai Cheung Road, Kowloon Bay, Kowloon, Hong Kong.

(c) The company secretary of the Company is Mr. Cheng Chi Ming.

(d) The Company's share registrar and transfer office in Hong Kong is Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

(e) The English text of this circular shall prevail over the Chinese text in the event of conflict or inconsistency between the two.

8. DOCUMENTS ON DISPLAY

Copies of the following documents will be displayed on the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (https://www.modernhealthcaretech.com) for a period of 14 days:

(a) the 2026 Master Lease Agreement;

(b) the Supplemental Agreement;

(c) the valuation report provided by BonVision;

(d) the letter form the Independent Board Committee, the text of which is set out in this circular;

(e) the letter from the Independent Financial Adviser, the text of which is set out in this circular; and

(f) the written consents referred to in paragraph headed "Qualification and Consent of Experts" of this appendix.

9. LITIGATION

As at the Latest Practicable Date, to the best of the knowledge, information and belief of the Directors, neither the Company nor any member of the Group was engaged in any litigation or claims of material importance and there was no litigation or claims of material importance known to the Directors to be pending or threatened against any member of the Group.

10. MATERIAL CONTRACTS

Members of the Group have not entered into any material contracts (being contracts not entered into in the ordinary course of business of the Group and are material to the Group) within the two years immediately preceding the Latest Practicable Date.

MODERN HEALTHCARE TECHNOLOGY HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 919)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting ("**EGM**") of Modern Healthcare Technology Holdings Limited ("**Company**") will be held at Level 36, Infinitus Plaza, 199 Des Voeux Road Central, Sheung Wan, Hong Kong on Monday, 30 March 2026 at 11:30 a.m., to consider and, if thought fit, pass the following resolution as an ordinary resolution:

ORDINARY RESOLUTION

"**THAT**:

(A) the (i) transactions as contemplated under the 2026 Master Lease Agreement (as defined in the circular of the Company dated 13 March 2026 ("**Circular**"), a copy of which is marked "A" and initialled by the chairman of the meeting for identification purpose and has been tabled at the meeting) (as varied and supplemented by the Supplemental Agreement (as defined in the Circular), a copy of which is marked "B" and initialled by the chairman of the meeting for identification purpose and has been tabled at the meeting); and (ii) the relevant annual caps for such transactions for the year ending 31 March 2027 and the year ending 31 March 2028 as set out in the Circular be and are hereby approved; and

(B) the directors of the Company be and are hereby authorised to do all such acts and things, to sign and execute such documents or agreements or deeds on behalf of the Company and to do such other things and to take all such actions as they consider necessary, appropriate, desirable or expedient for the purposes of giving effect to or in connection with the 2026 Master Lease Agreement (as varied and supplemented by the Supplemental Agreement) and to agree to such variation, amendments or waivers or matters relating thereto (including any variation, amendments or waiver of such documents or any terms thereof, which are not fundamentally different from those as provided in the 2026 Master Lease Agreement (as varied and supplemented by the Supplemental Agreement)) as are, in the opinion of the directors of the Company, in the interest of the Company and its shareholders as a whole."

On behalf of the Board
Modern Healthcare Technology Holdings Limited
Tsang Yue, Joyce
Chairperson

Hong Kong, 13 March 2026

Registered office:
PO Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

Head office and principal place of business in Hong Kong:
Work Shop Nos. 66-68
6th Floor, Sino Industrial Plaza
9 Kai Cheung Road
Kowloon Bay
Kowloon
Hong Kong

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

Notes:

1. Any member of the Company entitled to attend and vote at the EGM is entitled to appoint another person as his proxy to attend and vote instead of him. Any member of the Company who is the holder of two or more Shares may appoint more than one proxy to represent him and vote on his behalf. A proxy need not be a member of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares of the Company in respect of which each such proxy is so appointed.

2. A form of proxy is published in connection with this circular. To be valid, the form of proxy, together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof, must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by 11:30 a.m. (Hong Kong time) on Saturday, 28 March 2026 or not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude a member from attending and voting in person at the EGM.

3. Where there are joint holders of any share, any one of such joint holder may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at the EGM the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

4. Pursuant to Rule 13.39(4) of the Listing Rules, any votes of shareholders at a general meeting must be taken by poll (except for those relating purely to a procedural or administrative matter which may be voted on by a show of hands). Therefore, the ordinary resolution to be proposed at the EGM shall be voted by poll.

5. If a gale warning or a black rainstorm warning signal is in force at or at any time after 7:00 a.m. on the date of the meeting, the meeting will be postponed or adjourned. The Company will post an announcement on the website of the Stock Exchange (http://www.hkexnews.hk) and the website of the Company (http://www.modernhealthcaretech.com) to notify shareholders of the Company of the date, time and place of the rescheduled meeting.

6. The record date for the purpose of determining the eligibility of the shareholders of the Company to attend and vote at the EGM is Monday, 30 March 2026. In order to determine shareholders who are entitled to attend and vote at the EGM, the register of members of the Company will be closed from Wednesday, 25 March 2026 to Monday, 30 March 2026 (both days inclusive), during which period no transfer of shares will be registered. To be eligible to attend and vote at the EGM, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited of 17th Floor, Far East Finance Centre, No. 16 Harcourt Road, Hong Kong for registration by not later than 4:30 p.m. on Tuesday, 24 March 2026.