PERFECT MEDICAL

ANNUAL REPORT

2025 / 2026

Stock Code: 1830

PERFECT MEDICAL HEALTH MANAGEMENT LIMITED

(Incorporated In The Cayman Islands With Limited Liability)

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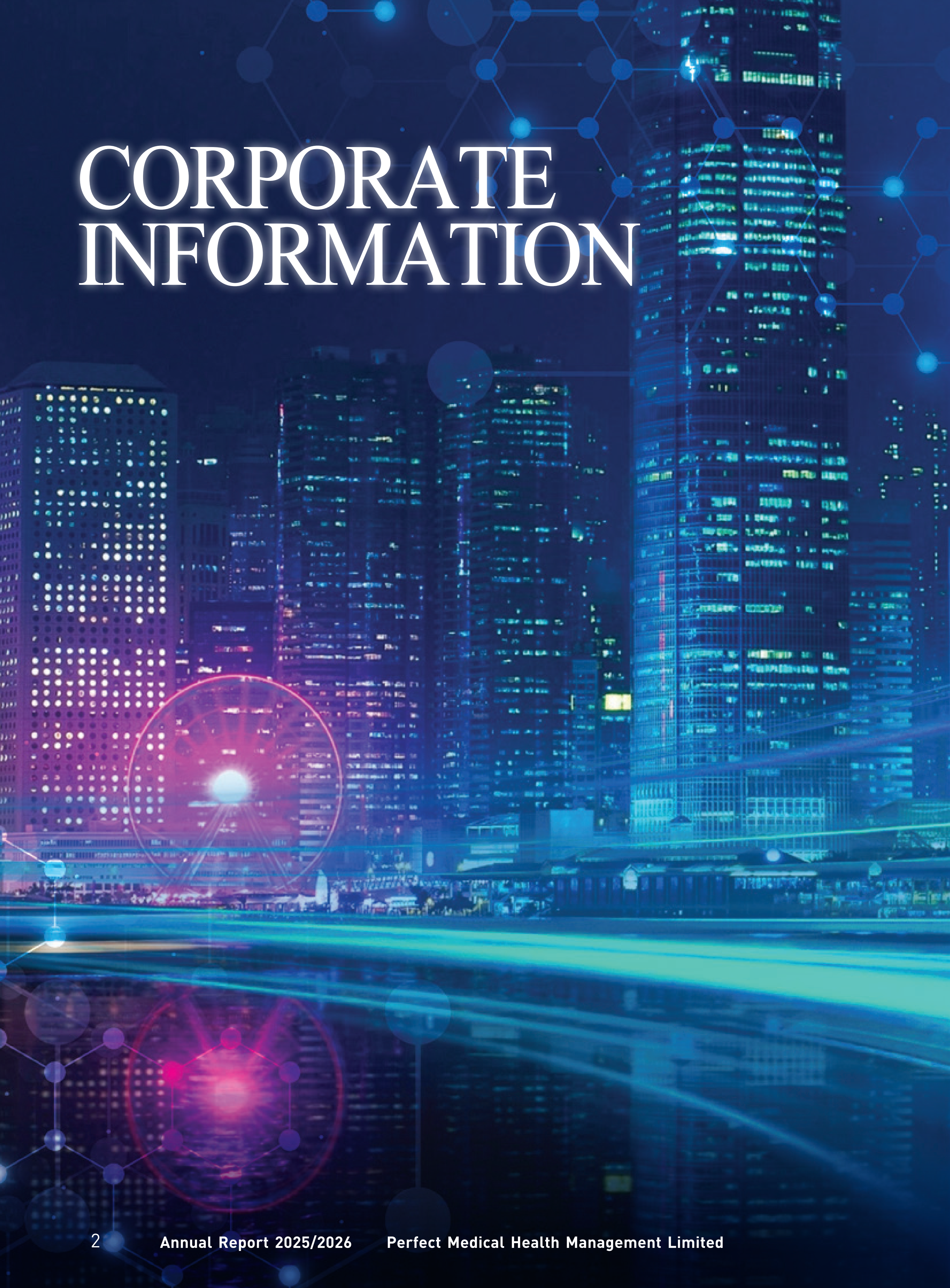
CORPORATE INFORMATION



BOARD OF DIRECTORS

Executive Directors

Dr. Au-Yeung Kong
(Chairman & Chief Executive Officer)
Ms. Au-Yeung Wai
Ms. Au-Yeung Hung
Mr. So Hin Lung

Independent Non-executive Directors

Ms. Hsu Wai Man, Helen
Ms. Cho Yi Ping
Mr. Chi Chi Hung, Kenneth
Mr. Chuk Sai Cheong Simon

AUDIT COMMITTEE

Ms. Hsu Wai Man, Helen (Chairman)
Ms. Cho Yi Ping
Mr. Chi Chi Hung, Kenneth
Mr. Chuk Sai Cheong Simon

REMUNERATION COMMITTEE

Mr. Chi Chi Hung, Kenneth (Chairman)
Ms. Hsu Wai Man, Helen
Ms. Cho Yi Ping
Mr. Chuk Sai Cheong Simon

NOMINATION COMMITTEE

Ms. Cho Yi Ping (Chairman)
Dr. Au-Yeung Kong
Ms. Au-Yeung Wai
Mr. So Hin Lung
Ms. Hsu Wai Man, Helen
Mr. Chi Chi Hung, Kenneth
Mr. Chuk Sai Cheong Simon

COMPANY SECRETARY

Mr. So Hin Lung *CPA*

AUTHORISED REPRESENTATIVES

Mr. So Hin Lung
Ms. Au-Yeung Wai

REGISTERED OFFICE

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

30th Floor
Langham Place Office Tower
8 Argyle Street
Mong Kok, Kowloon
Hong Kong

PRINCIPAL BANKERS

Hong Kong
Hang Seng Bank Limited

People's Republic of China
Industrial and Commercial Bank of China Limited

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor

PRINCIPAL SHARE REGISTER AND TRANSFER OFFICE IN CAYMAN ISLANDS

Conyers Trust Company (Cayman) Limited

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited

SHARE INFORMATION

Stock code: 1830
Board lot: 1,000 shares
Company website: www.perfectmedical.com

FINANCIAL SUMMARY

Financial Summary

Results

	For the year ended 31 March				
	2026	2025	2024	2023	2022
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Revenue	**962,349**	1,127,863	1,393,339	1,389,261	1,349,971
Operating profit	**212,986**	251,636	382,381	396,064	392,502
Profit for the year attributable to equity holders of the Company	**178,725**	206,895	315,800	315,638	305,245

Financial Position

	As at 31 March				
	2026	2025	2024	2023	2022
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Total assets	**834,199**	935,908	1,221,812	1,296,294	1,281,199
Total liabilities	**446,335**	557,180	725,004	684,021	786,933

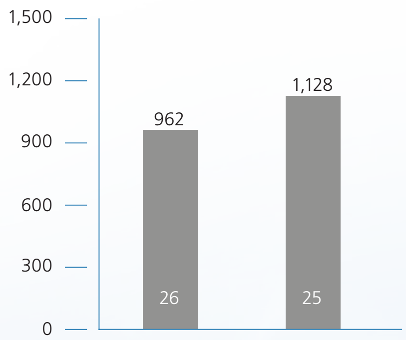
FINANCIAL HIGHLIGHTS

Selected Financial Data

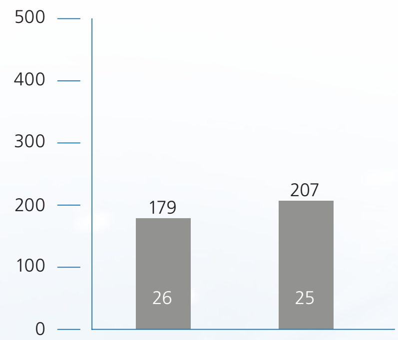
	For the year ended 31 March		
	2026	2025	Change (%)
Financial highlight (HK$'000)			
Revenue	**962,349**	1,127,863	(14.7)
Operating profit	**212,986**	251,636	(15.4)
Profit before income tax	**211,181**	252,549	(16.4)
Profit for the year attributable to equity holders of the Company	**178,725**	206,895	(13.6)
Earnings before interest, tax and depreciation of property, plant and equipment	**268,452**	319,127	(15.9)
Total equity attributable to equity holders	**389,545**	379,949	2.5
Financial information per share (HK cents)			
Earnings			
— basic	**14.2**	16.5	
— diluted	**14.2**	16.5	

	As at 31 March	
	2026	2025
Financial ratio		
Operating profit margin	**22.1%**	22.3%
Net profit margin	**18.6%**	18.3%
Return on equity	**45.9%**	54.5%
Return on total assets	**21.4%**	22.1%
Current ratio	**1.06 times**	1.18 times

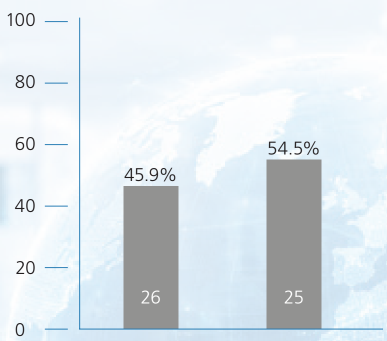
Revenue
(HK$'million)



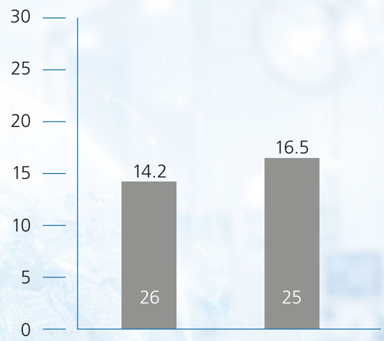
Company's profit attributable to equity holders
(HK$'million)



Return on equity
(%)



Earnings per share
(HK cents)



VISIONS AND MISSIONS

1/ Offer our customers the best services and customer experiences

2/ Create maximum returns for our shareholders

3/ Empower our employees to grow and excel

4/ Commit as a socially responsible corporate

MAINTAIN SUSTAINABLE GROWTH

01 Service Offerings
Providing Aesthetic medical and Non-aesthetic medical services including, Pain management, Hair growth and Sleep therapy treatments

02 High value-for-money services
Providing high value-for-money Korean medical beauty services

03 Cross-Selling
Building up an ecosystem to provide comprehensive services to enhance customers' stickiness

04 Optimisation through technological advancement
AI-driven marketing plan to capture new customers and increase existing customer spending

05 Enhancement in operation efficiency
Cost and operational control to avoid resource redundancy

CHAIRMAN'S STATEMENT

To our Shareholders:

On behalf of the board (the "Board") of directors (the "Director") of Perfect Medical Health Management Limited (the "Company"), together with its subsidiaries (collectively, the "Group"), I am pleased to present the annual results of the Group for the financial year ended 31 March 2026 (the "Year").

RESILIENT PERFORMANCE AND STRATEGIC FOCUS

The Group began the Year facing a complex operating environment, marked by cautious consumer sentiment and shifting spending patterns, including increased outbound travel. Despite these headwinds, the Group maintained operational discipline and executed timely adjustments to its business model. These included strategic consolidation of the store network and rigorous cost management. As market conditions improved in the second half of the Year, the Group delivered a solid operational recovery, supported by stronger customer demand and improved operating efficiency.

This recovery was underpinned by the Group's continued focus on premium service offerings, operational agility, and a disciplined approach to network optimization. The combination of these factors helped narrow the full-year decline in profitability and positioned the Group on a more stable footing as it enters the new financial year.

STRENGTHENING OUR COMPETITIVE POSITION

In an increasingly competitive landscape, the Group has prioritized sustainable differentiation over short-term volume growth. Rather than engaging in price competition, we have focused on reinforcing brand equity through premiumization, enhancing customer experience, and optimizing operational leverage. This approach has helped protect margins while strengthening our market position in both Hong Kong and Mainland China.

ADVANCING OUR MULTI-BRAND STRATEGY AND DIGITAL CAPABILITIES

A key element of our long-term growth strategy is the development of a diversified multi-brand ecosystem. During the Year, the Group entered into an exclusive cooperation agreement with "Oracle", a leading Korean medical beauty brand, for the Hong Kong market. The initial rollout has been well received and has successfully broadened our customer base to include a younger demographic.

At the same time, the Group has accelerated its digital transformation by integrating artificial intelligence across marketing, customer relationship management, and operational processes. These initiatives are expected to improve marketing efficiency, enhance customer retention, and support more scalable operations over time.

FINANCIAL DISCIPLINE AND SHAREHOLDER RETURNS

The Group has consistently maintained a prudent financial policy. We ended the Year with a healthy, debt-free balance sheet and strong operating cash flows. In line with our long-standing commitment to shareholders, the Board has proposed a final dividend of HK7.0 cents per share. Together with the interim dividend of HK7.6 cents per share, the total dividend for the Year represents a payout ratio of 100% or above for the eleventh consecutive year. This reflects both our financial strength and our confidence in the Group's sustainable earnings capacity.

OUTLOOK

Looking ahead to the financial year ending 31 March 2027, the Group will continue to build on the operational improvements achieved during the Year. While the external environment is expected to remain dynamic, we are well positioned to pursue measured growth.

Our priorities include further strengthening our core services in Hong Kong, selectively expanding our multi-brand portfolio, and exploring strategic opportunities that align with long-term value creation. We will maintain our disciplined approach to cost management and capital allocation while leveraging our optimized network and digital capabilities to capture opportunities as consumer confidence continues to recover.

APPRECIATION

On behalf of the Board, I would like to express my sincere appreciation to our management team and all staff members for their dedication and hard work throughout the Year. Their commitment was instrumental in delivering the Group's recovery.

I would also like to thank our shareholders, customers, and business partners for their continued trust and support. We remain focused on delivering sustainable, long-term value and look forward to sharing further progress in the year ahead.

Dr. Au-Yeung Kong
Chairman

Hong Kong, 30 June 2026

MANAGEMENT DISCUSSION & ANALYSIS

OVERVIEW

Perfect Medical Health Management Limited (the "Company"), together with its subsidiaries (collectively, the "Group"), is pleased to announce its annual results for the year ended 31 March 2026 (the "Year"). After navigating a complex consumer environment during the first half of the Year, the Group has witnessed increased market visibility and has successfully steered its business operations back into a strong growth trajectory in the second half of the Year.

The Group's revenue for the full year stood at HK$962.3 million (FY2025: HK$1,127.9 million). While representing an overall year-on-year transition of 14.7% due to first-half macro headwinds, our top-line performance showed significant sequential improvement in the second half of the Year, narrowing to a modest 6.1% decrease period-on-period. Concurrently, profitability achieved a powerful turnaround. Profit attributable to equity holders for the Year reached HK$178.7 million (FY2025: HK$206.9 million), with the full-year year-on-year change narrowing to 13.6%. This bottom-line optimization was significantly narrower than the drop recorded in the interim results, primarily propelled by a robust operational surge in the second half of the Year, which delivered an extraordinary period-on-period net profit increase of 27.1% to HK$83.9 million (FY2025 H2: HK$66.0 million).

This resilient recovery reflects the high efficacy of the Group's timely and decisive operational adjustments made to overcome prevailing macroeconomic difficulties. Underpinned by rigorous cost-optimization programs, an optimized and stable store network footprint, and a reinvigorated, AI-driven sales strategy, this turnaround reaffirms the Group's structural agility to navigate intense market volatility while maintaining its market-leading position and core earnings power.

Strategic Agility and Footprint Optimization

During the Year under review, the operating environment in our core Hong Kong market initially displayed an uneven development, characterized by structural headwinds including evolving local consumption habits and intense competition from outbound travel. However, the general retail landscape subsequently demonstrated strong resilience and increased visibility as market conditions shifted favorably. This broad-based recovery was underpinned by a steady rebuilding of consumer confidence, corroborated by 12 consecutive months of total retail sales growth from May 2025 through to April 2026, as reported by the Census and Statistics Department.

Unlike smaller operators who chose to exit the market or significantly downsize, the Group's management excellence and decisive execution of a proactive strategy placed us in a highly competitive and advantageous position. By maintaining a stable operational presence and choosing to halt further shop closures in the second half of the Year, we validated our focus on the correct store format and optimized centralized operations. This operational stability ensured we were perfectly positioned to capture rebounding demand and maximize same-store sales efficiency as market sentiment improved. Furthermore, our core capability to deliver high-value, efficacy-driven treatments allowed us to reinforce relations with our loyal customer base while successfully attracting new premium clients who prioritize quality and proven results.

Commitment to Shareholders

The Group remains steadfast in its commitment to maximizing shareholder returns. Supported by robust cash flow generation and an impeccable, debt-free capital position, the Group continues to proudly uphold its landmark tradition of declaring a dividend payout ratio of 100% or above for the eleventh consecutive year. This progressive policy underscores management's absolute confidence in our structural earning power and reinforces our long-term vision for sustainable value delivery to our shareholders.

FINANCIAL PERFORMANCE

Revenue and Profitability

The Group recorded total revenue of HK$962.3 million for the Year (FY2025: HK$1,127.9 million), representing an overall year-on-year decline of 14.7%. This decline was mainly driven by weaker consumer spending during the first half of the financial year, caused by Hong Kong residents' outbound travel and a cautious macroeconomic environment.

Encouragingly, revenue showed significant improvement in the second half of the year, with a modest 6.1% decrease year-on-year. Profitability also saw a strong sequential increase. Consequently, profit attributable to equity holders for the Year was HK$178.7 million (FY2025: HK$206.9 million), representing a decrease of 13.6% year-on-year. This decline in net profit was significantly narrower than the drop recorded in the interim results, primarily driven by a robust period-on-period net profit increase of 27.1% during the second half of the Year. This resilient recovery provides clear evidence that our decision to maintain our store network in the second half, combined with robust sales growth and cost control, has driven a powerful turnaround in earnings power and operating leverage as consumer confidence stabilized.

Management Discussion and Analysis

Margin Analysis

- EBITDA: Earnings before interest, tax, and depreciation of property, plant, and equipment ("EBITDA") tracked the top-line performance with a 15.9% transition to HK$268.5 million (FY2025: HK$319.1 million). Benefiting from our timely internal cost-optimization programs, the Group successfully defended its core operational profitability, keeping the EBITDA margin steady at 27.9% (FY2025: 28.3%), demonstrating continued resilience despite a modest contraction.

- Operating Profit: Operating profit stood at HK$213.0 million (FY2025: HK$251.6 million), representing a 15.4% change in line with the broader macroeconomic environment. Through disciplined cost controls and an optimized organizational framework, the Group fully absorbed these revenue fluctuations to maintain absolute structural stability, sustaining a consistent operating margin of 22.1% (FY2025: 22.3%).

- Net Profit Margin: Profit attributable to equity holders reached HK$178.7 million (FY2025: HK$206.9 million), yielding a solid and expanding net profit margin of 18.6% (FY2025: 18.3%). While full-year profit recorded a moderate 13.6% year-on-year decrease, this headline figure masks a powerful structural turnaround in the second half of the Year. Following a challenging first half (Net Profit: HK$94.8 million vs. FY2025 H1: HK$140.8 million), our decisive operational rightsizing sparked a robust recovery in the second half, with net profit surging to HK$83.9 million — a remarkable 27.1% period-on-period growth compared to HK$66.0 million in FY2025 H2. This acceleration confirms that the Group's optimized structure has successfully restored our earnings momentum.

Revenue breakdown by region:

	Year ended 31 March			
	2026		2025	
	HK$'000		HK$'000	
Hong Kong	**765,591**	**79.6%**	893,804	79.2%
Regions outside Hong Kong	**196,758**	**20.4%**	234,059	20.8%
	962,349	**100.0%**	1,127,863	100.0%

Hong Kong

Revenue from Hong Kong operations was HK$765.6 million, accounting for 79.6% of the Group's total revenue. Reflecting a powerful operational turnaround, our annual sales trajectory demonstrated a dramatic structural improvement, narrowing from a 22.3% year-on-year decline in the first six months to a 14.3% decline for the full year. This top-line acceleration was propelled by a robust rebound in customer traffic and discretionary spending during the second half of the Year.

During the Year under review, the Group demonstrated exceptional strategic agility in our core Hong Kong market, transforming early structural headwinds into a high-throughput operational model. In the first half, we executed a disciplined store consolidation program by closing underperforming outlets and merging smaller operations into high-traffic flagship centers to streamline operational overhead. Capitalizing on a subsequent retail market recovery, the Group halted further closures in the second half, maintaining a leased service area of approximately 145,000 square feet as of 31 March 2026 to maximize same-store productivity.

This operational stability proved crucial, as a subdued retail environment and shifting consumption habits initially drove local consumers to seek alternative spending avenues in neighboring regions, particularly during weekends and holidays. This dynamic presented a dual challenge for the Group: stabilizing top-line revenue streams against compressed customer spending, while simultaneously reinforcing client retention and attracting new demographics amid tightened discretionary budgets. In response to these evolving consumer preferences, the Group strategically adapted its service approach by rolling out highly compelling, value-driven service structures, flexible installment plans, and diversified treatment packages. These proactive commercial adjustments successfully enhanced our overall market competitiveness, broadened our customer acquisition funnel, and secured a resilient baseline for long-term growth.

WITH UNIFIED COMMITMENT, WE ARE POISED TO WRITE A NEW CHAPTER OF SUCCESS IN OUR JOURNEY TO BUILD A PREMIER BEAUTY KINGDOM.

Regions Outside Hong Kong

For the Year under review, revenue generated from our operations outside Hong Kong — encompassing Mainland China, Macau, Singapore, and Australia — amounted to HK$196.8 million (FY2025: HK$234.1 million), representing 20.4% of the Group's total revenue matrix. As of 31 March 2026, the total leased service area outside Hong Kong stood at approximately 98,000 square feet. Operational performance across these regions was divergent, requiring highly customized, region-specific strategies to navigate local macroeconomic variations and discretionary spending patterns.

Key Cost Components:

	Year ended 31 March		
	2026	2025	Change
	HK$'000	HK$'000	
Cost of inventories and consumables	**20,991**	17,826	17.8%
Employee benefit expenses	**333,674**	408,885	(18.4%)
Marketing expenses	**117,181**	140,305	(16.5%)
Depreciation of property, plant and equipment	**55,466**	67,491	(17.8%)
Rental lease related expenses (Note 1)	**131,975**	147,891	(10.8%)
Other operating expenses	**94,721**	108,532	(12.7%)
	754,008	890,930	(15.4%)

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

WE REMAIN CONFIDENT IN OUR STRATEGIC DIRECTION AND ARE WELL-POSITIONED TO ACHIEVE ANOTHER YEAR OF ROBUST GROWTH IN FY2026

Management Discussion and Analysis

During the Year, the Group executed its cost-optimization program with precision, proactively aligning its core operational expenses to cushion the impact of fluctuating revenue streams. By shifting to high-ROI digital channels and maintaining highly flexible manpower deployment, the Group successfully enhanced its structural efficiency across all key cost categories.

Cost of Inventories and Consumables: This component stood at HK$21.0 million, compared to HK$17.8 million in the previous year, with the strategic increase reflecting our proactive investment in high-quality medical aesthetic consumables to support our expanding multi-brand treatment tiers and the rollout of premium service offerings.

Employee Benefit Expenses: These expenses were optimized by 18.4% to HK$333.7 million, as therapist scheduling and headcount allocation were dynamically matched to actual customer traffic flows. This variable cost structure ensured optimal operational productivity without compromising service quality or client satisfaction.

Marketing Expenses: Driven by the systematic elimination of low-efficiency traditional promotions, marketing costs were optimized by 16.5% to HK$117.2 million. The saved budget was deployed into precision digital marketing campaigns and AI-driven membership retention initiatives that yielded significantly higher customer lifetime returns.

Rental Lease Related Expenses: This segment was optimized to HK$132.0 million, representing a drop of 10.8%, propelled primarily by successful rent negotiations in a soft commercial leasing market and our strategic store rightsizing and consolidation program executed in the first half of the Year. The structural cost benefits of this initial consolidation successfully carried forward to optimize our long-term rental obligations and establish a disciplined cost baseline. This positioned the Group to maintain an optimized network footprint during the second half of the year, allowing us to maximize floor space utilization and efficiently capture rebounding consumer demand as market visibility improved.

Dividend

The Board has proposed a final dividend of HK7.0 cents per share, to shareholders on record as of Friday, 21 August 2026. Together with the interim dividend of HK7.6 cents per share, the total annual dividend is expected to be HK14.6 cents per share, with a total payout ratio of 102.8%.

BUSINESS OVERVIEW

Hong Kong Operations: Agility, Turnaround, and Ecosystem Expansion

During the Year under review, the Group's core Hong Kong market demonstrated strong resilience, generating HK$765.6 million in revenue and contributing 79.6% of the Group's total turnover pipeline. The operating landscape initially exhibited an uneven recovery, characterized by evolving local consumption trends and rising outbound travel. However, market visibility steadily improved, supported by a broad-based rebuilding of consumer confidence that was corroborated by 12 consecutive months of local retail sales growth leading up to April 2026.

Faced with compressed average customer spending and tightened discretionary budgets across the region, management chose a highly proactive path rather than a defensive withdrawal. We systematically restructured our commercial approach by deploying value-driven service matrixes, and highly customizable treatment bundles. These timely commercial adjustments sharply enhanced our market competitiveness, successfully cushioned the business against regional macro-volatility, and drove a powerful second-half acceleration — narrowing our top-line year-on-year contraction from a steep 22.3% in the first six months to 14.3% for the full year.

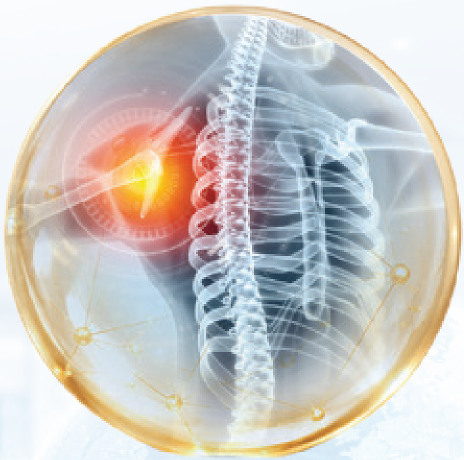
This financial turnaround was structurally locked in by a two-phased footprint optimization strategy:

— First-Half Rightsizing: Management executed a disciplined consolidation program, closing underperforming outlets and merging smaller footprints into neighboring high-traffic flagship hubs. These actions eliminated idle overhead and improved store-level contribution margins through greater operating efficiency at the consolidated locations.

— Second-Half Stabilization: As market sentiment normalized, the Group halted further closures and maintained a lean, stable total leased service area of approximately 145,000 square feet as at 31 March 2026. This stability enabled the Group to maximize floor-space utilization, reduce duplicate labor costs and increase same-store customer throughput as consumer demand began to recover.

The Group's core medical aesthetics segment effectively leveraged this optimized footprint to capture pent-up demand for results-driven treatments while offering more compelling value-for-money propositions to a wider customer base. To protect margins against industry-wide cost pressures, the Group accelerated the integration of artificial intelligence across its marketing and customer relationship management platforms. Data-driven predictive algorithms helped lower customer acquisition costs and improve long-term member retention.

4 MAJOR BUSINESS SECTORS



This digital capability was further strengthened by strategic developments across the multi-brand portfolio. The rollout of "Oracle", the Group's premium dermatologist-led Korean medical beauty concept featuring Korean-like fashion elements, was well received and successfully broadened the customer demographic to include a younger segment. At the same time, the non-aesthetic wellness businesses — encompassing specialized snoring treatment, advanced pain management and premium Japanese-style sleep therapy — delivered strong operational efficiency. These segments served as efficient, low-friction entry points for new members and created attractive cross-selling opportunities into the Group's higher-margin core aesthetic services.

Operations Outside Hong Kong: Prudence, Protection, and Cash Flow Resilience

For the year under review, revenue from operations outside Hong Kong — encompassing Mainland China, Macau, Singapore and Australia — amounted to HK$196.8 million, representing 20.4% of the Group's consolidated revenue. As at 31 March 2026, the total leased service area across these markets stood at approximately 98,000 square feet. Performance varied materially by geography, requiring tailored, market-specific strategies to protect the Group's balance sheet and preserve cash flow resilience.

Mainland China and Macau

The beauty services industry in Mainland China faced a challenging operating environment characterized by cautious discretionary spending and a broad shift toward consumption downgrades. At the same time, the regulatory landscape continued to tighten, accelerating structural consolidation and pushing less optimized or non-compliant operators out of the market.

In response, the Group adopted a highly disciplined and defensive operational posture. Priority was given to long-term margin preservation over short-term volume growth. The Group maintained its core presence strictly within major premium metropolitan cities, successfully shielding operations from regional price competition that compressed competitor margins. Operational focus shifted decisively toward high-net-worth client retention and lifetime value maximization through premium, results-oriented treatments, enhanced member privileges and bespoke concierge-style service. This measured approach protected long-term brand equity and positioned the Mainland China platform to capture high-value demand as macroeconomic sentiment improves.

Macau operations remained modest in scale but contributed stable revenue. The Group maintained a prudent and focused presence, leveraging synergies with the Hong Kong and Mainland networks to serve high-value clients efficiently while exercising strict cost discipline.

Australia and Singapore

Operations in Australia and Singapore recorded steady, incremental improvement as local market uncertainties gradually eased. To mitigate ongoing inflationary pressures and elevated overseas operating costs, the Group implemented targeted rightsizing of outlets, optimized the local service mix and maintained rigorous overhead discipline. These proactive cost-containment measures ensured that both markets remained structurally resilient and continued to generate predictable, healthy operating cash flows for the Group.

FINANCIAL REVIEW

Liquidity, Financial Resources and Capital Structure

The Group continues to maintain a strong financial position as of 31 March 2026, with bank balances and cash amounting to HK$294.9 million (31 March 2025: HK$394.6 million), and no external bank borrowings. Total equity stood at HK$387.9 million (31 March 2025: HK$378.7 million). The Group primarily funds its operations through internally generated cash flows. Based on its short and long-term interest-bearing borrowings and shareholders' equity, the Group's gearing ratio as at 31 March 2026 was Nil (31 March 2025: Nil). As at 31 March 2026, the Group had net current assets amounted to approximately HK$20.1 million (31 March 2025: HK$72.4 million).

Net cash generated from operating activities during the year was HK$339.5 million (FY2025: HK$332.9 million). Supported by substantial cash and bank balances, the Group maintained strong liquidity and had sufficient financial resources to fund future expansion and acquisition plans while meeting ongoing working capital requirements.

Capital Expenditure

During the year ended 31 March 2026, the Group incurred total capital expenditure of HK$24.6 million, which were mainly used in leasehold improvement and equipment in connection with the new service network.

Capital Commitments

Please refer to Note 34 to the financial statements for details of capital commitments.

Contingent Liabilities

As at 31 March 2026, the Group did not have any significant contingent liabilities.

Foreign Exchange Risk

The Group primarily operates in Hong Kong, Mainland China, Macau, Australia and Singapore. Subsidiaries in these regions conduct most of their transactions in Renminbi (RMB), Macau Pataca (MOP), Australian Dollar (AUD), and Singapore Dollar (SGD). Since such transactions are generally denominated in the respective functional currencies of each Group entity, the Group did not encounter significant foreign exchange risk during the reporting year. No hedging contracts were entered into.

Treasury Policy

The Group adopts a prudent approach in treasury and investment activities. Surplus funds are primarily placed in time deposits and savings accounts with reputable banks and in listed equity securities as long-term investments. The Board continues to review the Group's investment portfolio, enforcing strict risk controls to minimize the impact of market fluctuations, and regularly monitors investment performance to mitigate financial risks and maximize shareholder value.

Charges on the Group's Assets

As at 31 March 2026, some of the Group's banking facilities in respect of credit card and instalment sales arrangement were secured by pledged bank deposits as set out in Note 25 to the financial statement.

Employees and Remuneration Policy

The Group firmly believes that its employees are among its most valuable assets. Human resources are highly valued, as attracting and retaining talented staff is essential to long term success. As of 31 March 2026, the Group employed a total of 787 staff (31 March 2025: 971). The remuneration policy is aligned with prevailing market practices and is based on individual performance and experience. The Group regularly reviews employee compensation to maintain competitiveness within the industry.

PROSPECTS

The Group enters the new financial year with a stabilized operational foundation, underpinned by the recovery and positive sales momentum established in the second half of the Year. This momentum has continued into the early months of FY2027, with encouraging performance recorded in April and May 2026. This provides a solid baseline for the periods ahead.

As macroeconomic conditions and retail sentiment in Hong Kong continue to stabilize, the Group expects to leverage its optimized flagship network and high-efficacy service offerings to capture recovering consumer demand while maintaining its competitive position.

Outside Hong Kong, the Group will adopt a pragmatic and progressive approach. In Mainland China, amid ongoing market consolidation and tightening regulatory standards, the Group aims to leverage its premium brand reputation and focused presence in high-end metropolitan cities to capture high-value demand. In Australia and Singapore, the Group will continue to optimize local operations and service portfolios to sustain resilient cash flows as consumer spending patterns gradually recover.

To drive customer acquisition and rebuild growth momentum, the Group will continue to refine its multi-brand ecosystem. This includes strengthening the market position of the flagship "Perfect Medical" and "New Beauty" brands while selectively scaling other high-potential concepts to attract different demographics. The Group will also utilize its non-aesthetic medical services and wellness offerings as accessible entry points to generate cross-selling opportunities and enhance overall customer lifetime value.

Operational efficiency will be further enhanced through the systematic integration of artificial intelligence across marketing and customer relationship management platforms. AI-driven tools are expected to help optimize customer acquisition costs, improve retention through personalized engagement, and streamline administrative processes.

Backed by a healthy, debt-free balance sheet and robust operating cash flows, the Group remains committed to disciplined cost control and a sustainable dividend policy, with the objective of delivering steady, long-term value to shareholders.

SIGNIFICANT INVESTMENTS

The information of the Group's significant investments held at 31 March 2026 stated in this report is as follow:

A Listed equity securities

Stock code	Name of investment	Principal business	Nature of investment	Number of shares	Percentage of total share capital	Investment cost HK$'000	Fair value as at 31.3.2026 HK$'000	Fair value as at 31.3.2025 HK$'000	Unrealised gains/ (losses) on change in fair value during the Year HK$'000	Dividend received HK$'000	Percentage to the Group's total assets
388	Hong Kong Exchanges and Clearing Limited	Principally engaged in operation of the only stock exchange in Hong Kong	Investment in shares	40,000	0.0032%	19,053	15,544	13,792	1,752	495	1.86%
700	Tencent Holdings Limited	Principally engaged in the provision of VAS, FinTech and Business Services and Online Advertising services	Investment in shares	110,000	0.0012%	53,607	53,240	54,670	(1,430)	500	6.38%
NVDA	NVIDIA	Principally engaged in the provision of graphics processing units (GPUs) and AI chips	Investment in shares	5,000	0.0002%	5,216	6,801	4,227	2,574	1	0.82%
TSM	Taiwan Semiconductor Manufacturing Company Limited	Principally engaged in global semiconductor wafer fabrication and integrated circuit manufacturing	Investment in shares	1,800	0.00001%	4,842	4,745	—	(97)	—	0.57%
						82,718	80,330				

B Exchange traded funds in Overseas

Stock code	Name of investment	Nature of investment	Number of shares	Percentage of total share capital	Investment cost HK$'000	Fair value as at 31.3.2026 HK$'000	Unrealised losses on change in fair value during the Year HK$'000	Dividend received HK$'000	Percentage to the Group's total assets
QQQ	Invesco QQQ Trust	Investment in funds	4,500	0.0007%	21,008	20,259	(749)	38	2.43%
QQQM	Invesco NASDAQ 100 ETF	Investment in funds	6,000	0.0009%	11,331	11,121	(210)	—	1.33%
VOO	Vanguard S&P 500 ETF	Investment in funds	3,000	0.0012%	14,920	13,983	(937)	—	1.68%
SPY	SPDR® S&P 500® ETF Trust	Investment in funds	2,800	0.0003%	14,997	14,204	(793)	—	1.70%
IVV	iShares Core S&P 500 ETF	Investment in funds	3,600	0.0013%	19,230	18,342	(888)	33	2.20%
					81,486	77,909			

C Unit trusts held by bank

Name of investment	Number of shares	Percentage of total share capital	Investment cost HK$'000	Fair value as at 31.3.2026 HK$'000	Unrealised losses on change in fair value during the Year HK$'000	Dividend received HK$'000	Percentage to the Group's total assets
HSBC Global Investment Funds — Euroland Value	208,705	0.2521%	34,788	33,784	(1,004)	—	4.05%
AB — American Growth Portfolio	43,742	0.0055%	20,000	17,605	(2,395)	56	2.11%
JP Morgan Funds — America Equity Fund	351,723	0.2530%	20,000	18,778	(1,222)	—	2.25%
			74,788	70,167			

MATERIAL ACQUISITION AND DISPOSAL

Save as disclosed in this report, there was no material acquisition and disposal of subsidiaries, associates and joint ventures processed by the Group during the year.

SUBSEQUENT EVENT

On 28 April 2026, the Board proposed to conditionally grant 50,000,000 share options to Dr. Au-Yeung Kong, who is Chairman, chief executive officer, executive Director and controlling shareholder of the Company under the 2026 Share Option Scheme (the "Conditional Grant"). The Conditional Grant to the grantee was conditional upon (i) the approval by the Shareholders of the adoption of the 2026 Share Option Scheme at the extraordinary general meeting held on 18 June 2026 (the "EGM"); and (ii) the approval by the independent shareholders of the Company of the Conditional Grant at the EGM. The exercise price of the options granted was HK$1.184 per Share. On 18 June 2026, the adoption of the 2026 Share Option Scheme and the Conditional Grant were approved by the independent shareholders. For details, please refer to the announcements of the Company dated 28 April 2026 and 18 June 2026, and the circular of the Company dated 2 June 2026.

Save as disclosed herein, there was no significant subsequent event occurred since the end of the year and up to the date of this report which requires disclosure.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

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

Biographical Details of Directors and Senior Management

EXECUTIVE DIRECTORS

Dr. Au-Yeung Kong ("Dr. Au-Yeung"), aged 54, was appointed as an executive director, the chairman and the chief executive officer of the Company on 11 March 2011. He is also member of the nomination committee of the Company. He is also the director of a number of subsidiaries of the Company. He was a member of the remuneration committee of the Company until April 2026. He is principally responsible for the overall management, strategic development and major decision-making. Dr. Au-Yeung founded the Group in 2003 and has strong and solid management and operation experience in medical and aesthetic medical industry. Dr. Au-Yeung graduated from The Chinese University of Hong Kong with a bachelor's degree in medicine and surgery in 1995. Dr. Au-Yeung is a registered practicing medical practitioner in Hong Kong. Dr. Au-Yeung is the brother of Ms. Au-Yeung Wai and Ms. Au-Yeung Hung.

Ms. Au-Yeung Wai, aged 57, was appointed as an executive director of the Company on 11 March 2011. She is also member of the nomination committee of the Company. She is also the director of a number of subsidiaries of the Company. She was a member of the remuneration committee of the Company until April 2026. She oversees the daily operation of the Company to ensure it is under normal function. Ms. Au-Yeung Wai graduated from City University of Hong Kong with a bachelor degree of arts in accountancy in 1991 and obtained a master's degree in business studies in the Faculty of Social Sciences at The University of Kent at Canterbury in 1995. Since her graduation, she has accumulated many years of experience in the business field. After joining the Group in 2004 as the general manager, Ms. Au-Yeung Wai has strong and solid experience in medical and aesthetic medical industry. Ms. Au-Yeung Wai is the sister of Dr. Au-Yeung and Ms. Au-Yeung Hung.

Ms. Au-Yeung Hung, aged 62, was appointed as an executive director of the Company on 11 March 2011. She is also the director of a number of subsidiaries of the Company. Ms. Au-Yeung Hung is principally responsible for the operational management of the service centres of the Group. Ms. Au-Yeung Hung graduated from the University of Southern Queensland with a bachelor degree in business administration in 1992. Ms. Au-Yeung Hung joined the Group in 2005 as the sales and marketing manager, and has strong and solid experience in medical and aesthetic medical industry. Ms. Au-Yeung Hung is the sister of Dr. Au-Yeung and Ms. Au-Yeung Wai.

Mr. So Hin Lung ("Mr. So"), aged 49, was appointed as an executive director and a member of the nomination committee of the Company on 28 September 2022. He was the member of the remuneration committee of the Company from September 2022 to April 2026. He is the chief financial officer, company secretary and the authorised representative under the Listing Rules of the Company and is responsible for overseeing the finance and accounting, internal control, corporate governance and regulatory compliance of the Company. Mr. So joined the Group in March 2011. Mr. So obtained an executive master degree of business administration from the Chinese University of Hong Kong in 2015 and a master degree of corporate finance from the Hong Kong Polytechnic University in 2013. Mr. So is a member of the Hong Kong Institute of Certified Public Accountants. Prior to joining our Group, Mr. So worked with Deloitte Touche Tohmatsu as an audit manager. He has over 20 years of experience in auditing, accounting and corporate finance.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Hsu Wai Man, Helen ("Ms. Hsu"), aged 56, was appointed as an independent non-executive director of the Company on 5 December 2011. She is also the chairman of the audit committee of the Company and member of each of the remuneration committee and nomination committee of the Company. Ms. Hsu has more than 20 years' experience in accounting. Ms. Hsu graduated from The Chinese University of Hong Kong with a bachelor degree in business administration. Ms. Hsu had been working with Ernst & Young for 18 years and was a partner of Ernst & Young before she retired from the firm in February 2011. Ms. Hsu is a fellow member of the Hong Kong Institute of Certified Public Accountants and a member of the American Institute of Certified Public Accountants.

Ms. Hsu is currently an independent non-executive director of Richly Field China Development Limited (stock code: 313), China Display Optoelectronics Technology Holdings Limited (stock code: 334), Perfect Optronics Limited (Stock Code: 8311), Beijing Gas Blue Sky Holdings Limited (stock code: 6828) and Guolian Minsheng Securities Company Limited dual listed on HKEX (stock code: 1456), the shares of which are listed on the Main Board of the Stock Exchange. Guolian Minsheng Securities Company Limited is also listed on the Shanghai Stock Exchange (stock code: 601456).

Mr. Chi Chi Hung, Kenneth ("Mr. Chi"), aged 57, was appointed as an independent non-executive director of the Company on 5 December 2011. He is also the chairman of the remuneration committee of the Company and member of each of the audit committee and nomination committee of the Company. Mr. Chi has more than 30 years of experience in accounting and financial control. He holds a Degree of Bachelor of Accountancy from the Hong Kong Polytechnic University and is a fellow member of the Association of Chartered Certified Accountants in the United Kingdom. He is also an associate member of the Hong Kong Institute of Certified Public Accountants, the Hong Kong Chartered Governance Institute and the Chartered Governance Institute UK & Ireland.

Mr. Chi is currently an independent non-executive director of Modern Innovative Digital Technology Company Limited (stock code: 2322), a company listed on the Main Board of the Stock Exchange.

Ms. Cho Yi Ping ("Ms. Cho"), aged 48, was appointed as an independent non-executive director of the Company on 14 August 2015. She is also the chairman of the nomination committee of the Company, and member of each of the audit committee and remuneration committee of the Company. Ms. Cho is a practicing solicitor in Hong Kong and a partner of Messrs. Wong & Tang Solicitors. She obtained a bachelor degree of laws from The University of Hong Kong in 2000. Ms. Cho is currently the company secretary of DaChan Food (Asia) Limited (stock code: 3999), a company listed on the Main Board of the Stock Exchange.

Mr. Chuk Sai Cheong Simon ("Mr. Chuk"), aged 44, was appointed as the independent non-executive Director, a member of each of the audit committee, nomination committee and the remuneration committee of the Company, all with effect from 1 July 2024. He is currently the Partner of the Templewater Group, an alternative asset management firm, and he is the lead partner of the APAC middle-market buyout investment strategy. He has twenty years of experience in private equity and investment banking, along with investing and transaction experience in various regions, including Asia Pacific, North America, and Europe. Mr. Chuk obtained a bachelor's degree in Economics and Philosophy from the Columbia University.

Corporate Governance Report

The Directors consider that incorporating the elements of good corporate governance in the management structures and internal control procedures of the Group could balance the interests of the shareholders (the "Shareholders"), customers and employees. The Board has adopted the principles and the code provisions of the Corporate Governance Code (the "CG Code") contained in Appendix C1 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") to ensure that business activities and decision making processes are regulated in a proper and prudent manner.

In accordance with the requirements of the Listing Rules, the Company has established an audit committee, a remuneration committee and a nomination committee with specific written terms of reference.

During year ended 31 March 2026, the Company has complied with the CG Code, except the issues mentioned in the following paragraphs:

According to the code provision C.2.1 of the CG Code, the roles of the chairman and the chief executive officer should be separated and should not be performed by the same individual. During the year ended 31 March 2026, Dr. Au-Yeung Kong is both the chairman of the Board (the "Chairman") and the chief executive officer of the Company (the "CEO"); therefore, the Group does not at present separate the roles of the Chairman and the CEO.

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "Model Code"). Specific enquiry has been made to each of the Directors and all Directors have confirmed that they have complied with the Model Code during the year ended 31 March 2026.

BOARD OF DIRECTORS

Composition of the Board of Directors

As at 31 March 2026, the Board comprises four executive Directors and four independent non-executive Directors. The composition of the Board was as follows:

Name of Directors	Length of Tenure	Current Period of Appointment
Executive Directors		
Dr. Au-Yeung Kong *(Chairman and Chief Executive Officer)*	15.0	3
Ms. Au-Yeung Wai	15.0	3
Ms. Au-Yeung Hung	15.0	3
Mr. So Hin Lung	3.5	3
Independent non-executive Directors		
Ms. Hsu Wai Man, Helen	14.5	3
Ms. Cho Yi Ping	11.0	3
Mr. Chi Chi Hung, Kenneth	14.5	3
Mr. Chuk Sai Cheong Simon	2.0	3

The biographical details of all Directors are set out on pages 29 to 30 of this annual report. To the best knowledge of the Company, save as disclosed under the section headed "Biographical Details of Directors and Senior Management", there is no financial, business, family or other material or relevant relationships among members of the Board.

Functions of the Board

The principal function of the Board is to consider and approve the overall business plans and strategies of the Group, develop and implement the corporate governance function, monitor the implementation of these policies and strategies and the management of the Company.

Board Meetings and Board Practices

The Directors can attend meetings in person or through other means of electronic communication or by way of written resolution in accordance with the Company's articles of association (the "Articles of Association"). All minutes of Board meetings were recorded in sufficient detail the matters considered by the Board and the decisions reached.

During the year ended 31 March 2026, the Board passed several written resolutions and held 6 meetings and 1 general meeting. Details of the attendance of Directors are as follows:

	Attendance/ Number of General Meeting(s) entitled to attend	Attendance/ Number of Board Meeting(s) entitled to attend
Executive Directors		
Dr. Au-Yeung Kong *(Chairman and Chief Executive Officer)*	1/1	6/6
Ms. Au-Yeung Wai	1/1	6/6
Ms. Au-Yeung Hung	1/1	6/6
Mr. So Hin Lung	1/1	6/6
Independent Non-executive Directors		
Ms. Hsu Wai Man, Helen	1/1	6/6
Mr. Chi Chi Hung, Kenneth	1/1	6/6
Ms. Cho Yi Ping	1/1	6/6
Mr. Chuk Sai Cheong Simon	1/1	6/6

During the year ended 31 March 2026, the management prepared monthly updates which were circulated to all members of the Board on a monthly basis in accordance with the code provision D.1.2 of the CG Code.

Directors' Appointment, Re-election and Removal

Each of Dr. Au-Yeung Kong, Ms. Au-Yeung Wai and Ms. Au-Yeung Hung has entered into a service agreement with the Company for a term of three years commencing from 10 February 2024, and shall continue thereafter unless and until terminated by not less than three months prior written notice to the other party and subject to the early termination provisions contained therein.

Mr. So Hin Lung has entered into a service contract with the Company for a term of three years commencing from 28 September 2025, and shall continue thereafter unless and until terminated by not less than three months prior written notice to the other party and subject to the early termination provisions contained therein.

Ms. Hsu Wai Man, Helen and Mr. Chi Chi Hung, Kenneth have entered into a letter of appointment with the Company for a term of three years commencing from 10 February 2024 until terminated by not less than three months written notice to the other party and subject to the early termination provisions contained therein.

Ms. Cho Yi Ping has entered into a letter of appointment with the Company for a term of three years commencing from 14 August 2024 until terminated by not less than three months written notice to the other party and subject to the early termination provisions contained therein.

Mr. Chuk Sai Cheong Simon has entered into a letter of appointment with the Company for a term of three years commencing from 1 July 2024 until terminated by not less than three months written notice to the other party and subject to the early termination provisions contained therein.

By virtue of article 83(3) of the Articles of Association, the Board shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or additional to the existing Board. Any Director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting of the Company after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

In compliance with the code provision B.2.2 of the CG Code, every Director should be subject to retirement by rotation at least once every three years. Furthermore, pursuant to article 84(1) of the Articles of Association, at each annual general meeting one-third of the Directors for the time being, (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years.

Independent Non-executive Directors

The Company has four independent non-executive Directors to comply with Rule 3.10(1) of the Listing Rules. Furthermore, among the four independent non-executive Directors, Ms. Hsu and Mr. Chi have appropriate professional qualifications or accounting or related financial management expertise as required by Rule 3.10(2) of the Listing Rules. In accordance with Rule 3.13 of the Listing Rules, the Company has received from each of its independent non-executive Directors the written confirmation of his/her independence. The Company, based on such confirmation, considers all independent non-executive Directors to be independent.

According to the code provision C.2.7 of the CG Code, the chairman should at least annually hold a meeting with the independent non-executive directors without the presence of other directors. The Company complied the code provision C.2.7 of the CG Code that the chairman of the Board met the independent non-executive Directors without the presence of the executive Directors.

Chairman and Chief Executive Officer

Code provision C.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Dr. Au-Yeung Kong being the Chairman and CEO of the Company provides leadership to the Board ensuring that members of the Board receive accurate, timely and clear information to help them reach well-informed and well-considered decisions.

The Chairman encourages other Directors to make a full and active contribution to the Board’s affairs and ensuring that it acts in the best interests of the Group; encourages every Director with different views to voice their concerns; allows sufficient time for discussion of issues and ensuring that Board decision fairly reflect Board consensus; provides effective communication with Shareholders and that their views are communicated to the Board as a whole; promotes a culture of openness and debate by facilitating the effective contribution of non-executive Directors in particular; ensures constructive relations between executive Directors and non-executive Directors; ensures good corporate governance practices and procedures are established; and manages the day-to-day business of the Company.

The Board believes that vesting the roles of both Chairman and CEO in the same individual can provide the Company with strong and consistent leadership and allows for effective and efficient planning and implementation of business decisions and strategies. Notwithstanding the above, the Board will review the current structure from time to time. If any candidate with suitable leadership, knowledge, skills and experience can be identified within or outside the Group, the Company may consider to make necessary arrangements.

Delegation of Powers

The Board delegates day-to-day operations of the Group to executive Directors and management of the Company with department heads responsible for different aspects of the business/functions, while reserving certain key matters in making strategic decision for its approval. When the Board delegates aspects of its management and administration functions to management, it gives clear directions as to the powers of management, in particular, with respect to the circumstances where management need to report back and obtain prior approval from the Board before making decisions or entering into any commitments on behalf of the Company.

Board Independence

The Board has established mechanisms to ensure independent views and inputs are available to the Board when it discharges its duties. Such mechanisms include:

1. Annual evaluation of training sessions undertaken by each of the Director during the financial year;

2. Obtaining advice from external advisers when and where required;

3. A Director (including an independent non-executive Director) who has a material interest in a contract, arrangement or other proposal shall abstain from voting or be counted in the quorum on any Board resolution approving the same; and

4. The chairman of the Board meets with the independent non-executive Directors annually without the presence of the executive Director and non-executive Directors.

CONTINUING PROFESSIONAL DEVELOPMENT

According to the code provision C.1.4 of the CG Code, all Directors shall participate in continuous professional development to develop and refresh their knowledge and skills to ensure their contribution to the Board remains informed and relevant. The Company would arrange and/or introduce some directors' training courses for the Directors to develop and explore their knowledge and skills. The Directors are also provided with regular updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties.

The Directors confirmed that they have complied with the code provision C.1.4 of the CG Code on the directors' training. During the year ended 31 March 2026, all the Directors have participated in continuous professional development by attending seminars or reading materials on the following topics to develop and refresh their knowledge and skills and provided a record of training to the Company.

Directors	Topic on training covered (Note)
Executive Directors	
Dr. Au-Yeung Kong	a, b
Ms. Au-Yeung Wai	a, b
Ms. Au-Yeung Hung	a, b
Mr. So Hin Lung	a, b, d
Independent Non-executive Directors	
Ms. Hsu Wai Man, Helen	a, b, c, d
Mr. Chi Chi Hung, Kenneth	a, b, d
Ms. Cho Yi Ping	a, b, c, d
Mr. Chuk Sai Cheong Simon	a, b, d

Notes:

(a) Corporate governance

(b) Regulatory

(c) Management

(d) Finance

BOARD PERFORMANCE EVALUATION

The Boards conduct regular evaluation of their performance to ensure good corporate governance and board effectiveness. The Board evaluation was conducted internally in the form of an interview with senior management to provide his/her views on the performance of the Boards and the board committees and any suggestions for improving the board process. The scope of the evaluation focused on the composition and diversity, as well as effectiveness of the performance, of the Board and the board committees, and the evaluation results are presented to the Boards for review and discussion.

Subsequent to the financial year end, the Boards conducted an evaluation of their performance for the Year in the manner described above, and the results were reviewed at the Boards meeting held in June 2026. The Directors considered the Boards and the board committees continued to operate effectively.

REMUNERATION PAID TO MEMBERS OF KEY MANAGEMENT

Details of remuneration paid to members of key management (including all Directors and senior management as disclosed in section headed "Biographical Details of Directors and Senior Management" of this annual report) for the year ended 31 March 2026 fell within the following bands:

	No. of members of key management
Nil–HK$1,000,000	4
HK$1,000,001–HK$5,000,000	3
Over HK$5,000,000	1

Directors' and Officers' Liabilities

The Company has arranged for appropriate insurance covering the liabilities in respect of legal action against the Directors that may arise out in the corporate activities. The insurance coverage is reviewed on an annual basis.

BOARD COMMITTEES

Audit Committee

The audit committee of the Company (the "Audit Committee") was established on 5 December 2011 with written terms of reference which was revised on 20 March 2012, 15 January 2016 and 28 December 2018 in compliance with the CG Code and is available on the websites of the Stock Exchange and the Company. The primary duties of the Audit Committee are to review the financial information of the Group, oversee the financial reporting process and risk management and internal control procedures of the Group, and oversee the relationship with the Company's external auditor.

The Audit Committee comprises four independent non-executive directors, namely, Ms. Hsu Wai Man, Helen, Mr. Chi Chi Hung, Kenneth, Ms. Cho Yi Ping and Mr. Chuk Sai Cheong Simon. Ms. Hsu Wai Man, Helen is the chairman of the Audit Committee.

The Audit Committee has reviewed the accounting standards and practices adopted by the Group and discussed with the management about the risk management, internal control and financial reporting matters, including reviewing the financial statements and annual results for the year ended 31 March 2026.

During the year ended 31 March 2026, the Audit Committee has reviewed the audited consolidated financial statements for the year ended 31 March 2025, the unaudited consolidated financial statements for the six months ended 30 September 2025, the internal control and corporate governance issues related to financial reporting of the Company, adequacy of staff experience, qualifications, resources of the company's accounting and financial reporting departments, training programs and budget and also recommended to the Board for the re-appointment of the auditor of the Company for the Year. The Audit Committee held 3 meetings. Details of the attendance of members of the Audit Committee meetings are as follows:

	Attendance
Ms. Hsu Wai Man, Helen *(Chairman)*	3/3
Mr. Chi Chi Hung, Kenneth	3/3
Ms. Cho Yi Ping	3/3
Mr. Chuk Sai Cheong Simon	3/3

Remuneration Committee

The remuneration committee of the Company (the "Remuneration Committee") was established on 5 December 2011 with written terms of reference which was revised on 20 March 2012 and 14 February 2023 in compliance with the CG Code and is available on the websites of the Stock Exchange and the Company. The primary duties of the Remuneration Committee are to make recommendations to the Board on the Company's policy and structure for all Directors' and senior management remuneration, make recommendations to the Board on the remuneration of non-executive Directors and the remuneration packages of individual executive Directors and senior management including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment and review and/or approve matters relating to share schemes under chapter 17 of the Listing Rules.

The Remuneration Committee comprises four independent non-executive Directors, namely, Mr. Chi Chi Hung, Kenneth, Ms. Hsu Wai Man, Helen, Ms. Cho Yi Ping and Mr. Chuk Sai Cheong Simon. Mr. Chi Chi Hung, Kenneth is the chairman of the Remuneration Committee.

During the year ended 31 March 2026, the Remuneration Committee passed several written resolutions and held 1 meeting to review and make recommendations on the grant of options to the Directors and the remuneration packages of all the Directors. Details of the attendance of members of the Remuneration Committee meeting are as follows:

	Attendance
Mr. Chi Chi Hung, Kenneth *(Chairman)*	1/1
Ms. Hsu Wai Man, Helen	1/1
Ms. Cho Yi Ping	1/1
Mr. Chuk Sai Cheong Simon	1/1
Dr. Au-Yeung Kong (resigned as member of the Remuneration Committee effective from 23 April 2026)	1/1
Ms. Au-Yeung Wai (resigned as member of the Remuneration Committee effective from 23 April 2026)	1/1
Mr. So Hin Lung (resigned as member of the Remuneration Committee effective from 23 April 2026)	1/1

Remuneration Policy for Directors and Senior Management

The remuneration payable to the employees includes salaries and allowances. The Group's remuneration policies are formulated based on the performance of individual employees and are reviewed regularly. The primary goal of the remuneration policy with regard to the remuneration packages of the executive Directors is to enable the Group to retain and motivate executive Directors by linking their compensation with performance as measured against corporate objectives achieved. Each of the executive Directors is entitled to the remuneration packages which include basic salaries and discretionary bonuses.

The share option scheme of the Company was adopted by the Shareholders on 13 August 2021 and terminated upon the adoption of the new share option scheme of Company by the Shareholders at the extraordinary general meeting held on 18 June 2026 in accordance with the latest requirements of Chapter 17 of the Listing Rules. The share option scheme provides the Company with a flexible means in long term planning of granting of share options, in order to provide appropriate incentive or reward to the eligible participants for their contribution to the Group.

The Company believes that by offering the eligible persons a shareholding stake in the Company, the interests of the eligible persons and the Company become aligning, thereby providing the eligible persons with additional incentives to improve the Company's performance.

During the year ended 31 March 2026, 3,768,000 options have been granted to three Directors. All such options were granted with vesting period of twelve months, and no performance target attached.

The Board and the Remuneration Committee were of the view that the options granted for recognition of past performance and contributions made by the grantee to the Company, and such options aim at rewarding and recognizing the contribution of the grantees to the Group, providing incentive to the grantees to continue to strive for the success and better performance of the Group and reinforcing their commitment to long-term services to the Group, thus aligning the interests of the grantees with that of the Company and its shareholders as a whole. In view of the above, the Remuneration Committee was of the view that the grant of Share Options aligned with the purpose of the Share Option Scheme. For future options to be granted, the Board and the Remuneration Committee will consider the setting of performance target and other conditions on a case-by-case basis.

Nomination Committee

The nomination committee of the Company (the "Nomination Committee") was established on 5 December 2011 with written terms of reference which was revised on 20 March 2012, 25 June 2013 and 28 December 2018 respectively in compliance with the CG Code and is available on the websites of the Stock Exchange and the Company. The primary duties of the Nomination Committee are to make recommendations to the Board on the appointment of Directors and management of the Board succession, assess the independence of independent non-executive Directors, review the structure, size and composition (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service) of the Board at least annually to assist the Board in maintaining a board skills matrix, to evaluate whether Directors have committed adequate time to discharge their responsibilities, and review the board diversity policy of the Company (the "Board Diversity Policy") and the director nomination policy (the "Nomination Policy") and any measurable objectives for implementing such policies as may be adopted by the Board from time to time and to review the progress on achieving the objectives.

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

During the year ended 31 March 2026, the Nomination Committee had held 1 meeting to review the structure, size, composition and diversity of the Board, review the Board Diversity Policy and the Nomination Policy, assess the independence of independent non-executive Director, review the re-election of retiring Directors, make recommendation on appointment and re-appointment of Directors, proposed updates on terms of reference of the Nomination Committee and discuss the roles of the Chairman and the CEO. Details of the attendance of members of the Nomination Committee are as follows:

	Attendance
Ms. Cho Yi Ping *(Chairman)*	1/1
Mr. Chi Chi Hung, Kenneth	1/1
Ms. Hsu Wai Man, Helen	1/1
Dr. Au-Yeung Kong	1/1
Ms. Au-Yeung Wai	1/1
Mr. So Hin Lung	1/1
Mr. Chuk Sai Cheong Simon	1/1

In June 2026, the Nomination Committee has assessed each Director's time commitment and contribution to the Board as well as the Director's ability to discharge his/her responsibilities effectively, taking into account professional qualifications and work experience, existing directorships in Hong Kong listed issuers and other significant external time commitments of that Director, and considering training records, Board and Board Committee attendance records and other circumstances relevant to that Director's character, integrity, independence and experience. The Nomination Committee is satisfied with the overall performance of the Board and is of the view that each Director discharges his/her responsibilities effectively, and that the Directors' skills, expertise and qualifications as showed in the Board skills matrix are aligned with the Company's business needs and strategic goals.

DIRECTOR NOMINATION POLICY

The Nomination Policy is in place and was adopted in writing in the year taking into consideration the revised Listing Rules effective from 28 December 2018. The Nomination Policy sets out the procedures, process, and criteria for identifying and recommending candidates for election to the Board.

The Nomination Committee is authorised by the Board to determine the nomination of Directors, the procedure, process and criteria to be adopted for the purposes of selecting and recommending candidates for directorship, and shall make recommendations to the Board on the appointment or re-appointment of Director and succession planning for the Directors, in particular, the Chairman and the CEO.

In assessing the suitability of a proposed candidate, the Nomination Committee may make reference to certain criteria such as Company's need, professional qualifications and work experience, reputation for integrity, motivation, experience in principal business of the Company, balance of skills, knowledge and experience on the Board, the amount of time and effort that the candidate will devote to discharge his/her duties and responsibilities and, in case of Independent Non-executive Directors, the independence requirements set out in Rule 3.13 of the Listing Rules, and take into account various aspects set out in the Board Diversity Policy (as disclosed below), number of directorship(s) in other listed/public companies, and in case of Independent Non-executive Director, number of years he/she has already served in the Company.

BOARD DIVERSITY POLICY

During the year ended 31 March 2026, the Nomination Committee had reviewed the Board Diversity Policy. The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance.

The Board currently comprises of eight Directors, four of which are females. Our diversity philosophy is to avoid a single gender Board. Three of our Directors is in the age group of 40–49, four in the age group of 50–59, and one in the age group of 60 to 69. The background of our Directors including medical and surgery, business, import and export business administration, private equity and investment banking, accounting and financial control and law. In view of these, the Nomination Committee was of the opinion that the Board consisted of members with diversified gender, age, cultural and education background, professional/business experience, skills and knowledge.

In designing the Board's composition, the Nomination Committee will consider a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

The Board considers that the Company has achieved gender diversity at the Board level and targets to maintain, or if suitable candidates are identified further enhance, such achievement. In striving to maintain gender diversity, similar considerations are used when recruiting and selecting key management and other personnel across the Group's operations.

All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

WORKFORCE DIVERSITY POLICY

The Company also recognises the importance of diversity throughout the Group. A workforce diversity policy (the "Workforce Diversity Policy") has been adopted to provide guidance in creating a diverse, inclusive and supportive working environment for its employees.

This policy promotes a diversified and inclusive working environment where individual differences are respected and all employees are treated with dignity. Key components include adhering to non-discriminatory employment practices and procedures, encouraging collaboration among the workforce, providing training and development opportunities to address specific needs and career aspirations of diverse employees and regularly assessing the policy's effectiveness.

As at 31 March 2026, the Group maintained a 716:71 ratio of women to men and a 714:69 ratio of women to men (excluding senior management) in the workplace. The Board was not aware of any mitigating factors or circumstances which make achieving gender diversity across the workforce (including senior management) more challenging or less relevant. For details of our gender distribution and hiring practices, please refer to the Environmental, Social and Governance Report 2026 of the Company.

The Nomination Committee will review the Board Diversity Policy and the Workforce Diversity Policy, as appropriate, to ensure its effectiveness and discuss any revisions or further measurable objectives that may be required, and recommend any such revisions to the Board for consideration and approval.

The Nomination Committee also monitors the implementation of the Board Diversity Policy and the Workforce Diversity Policy and reports to the Board on the achievement of the measurable objectives for achieving diversity under the Board Diversity Policy.

ACCOUNTABILITY AND AUDIT

Directors' and Auditor's Responsibilities for the Financial Statements

The Board acknowledges its responsibility to prepare the Group's financial statements for each financial period to give a true and fair view of the state of affairs of the Group and of the results and cash flows for that period. In preparing the financial statements for the year ended 31 March 2026, the Board has selected suitable accounting policies and applied them consistently, made judgments and estimates that are prudent, fair and reasonable and prepared the financial statements on a going concern basis. The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

A statement by the auditor of the Company regarding their reporting responsibilities is set out on pages 69 to 75 of this annual report.

Auditor's Remuneration

During the year ended 31 March 2026, the remuneration paid or payable to the Company's auditor in respect of the audit services and non-audit services is as follow:

	HK$'000
Audit services	1,980
Non-audit services	—
Total	1,980

There is no disagreement between the Board and the Audit Committee on the re-appointment of the independent auditor, and they both have agreed to recommend the re-appointment of PricewaterhouseCoopers as the Company's independent auditor for the ensuing year at the forthcoming annual general meeting (the "AGM").

CORPORATE GOVERNANCE FUNCTIONS

According to code provision A.2.1 of the CG Code, the Board is responsible for performing the corporate governance duties of the Company in accordance with the written terms of reference adopted by the Board. The Board shall have the following duties and responsibilities for performing the corporate governance duties of the Company:

- to develop and review the Company's policies and practices on corporate governance and make recommendations to enhance the corporate governance;
- to review and monitor the training and continuous professional development of Directors and senior management;

- to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors;
- to review the Company's compliance with the CG Code and disclosure in the corporate governance report; and
- such other corporate governance duties and functions set out in the CG Code (as amended from time to time) for which the Board is responsible.

During the year ended 31 March 2026, the Board had reviewed the policies and practices of the Company relating to the CG Code and the corporate governance report of the Company.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for evaluating and determining the nature and extent of the risks that it is willing to take in achieving the Group's strategic objectives, and ensuring that the Group establishes and maintains appropriate and effective risk management and internal control systems for reviewing their effectiveness annually. The system of internal controls is designed to facilitate effective and efficient operations, to safeguard assets and to ensure the quality of internal and external reporting and compliance with applicable laws and regulations. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board recognises that corporate governance and environmental, social and governance ("ESG") are complementary, with corporate governance inextricably linked to good governance of environmental and social issues. The Company's business, from day-to-day operations to aspects of commercial viability, including but not limited to brand and reputation, and stakeholder capitalism, are all relating to corporate governance and ESG. The management of issues relating to how an organisation interacts with the environment, its own people and the communities in which it operates all tie in with how the organisation is governed. Taken together, corporate governance and ESG demonstrate how a business ought to be managed and operated, while simultaneously taking into consideration environmental and social risks or impacts. The Company acknowledged that good corporate governance practices are not only a prerequisite for managing ESG issues, but provide the bedrock for managing environmental and social risk and ensuring there is accountability and ownership at the highest level of the business.

During the year ended 31 March 2026, the Board, through the Audit Committee, conducted an annual review of both design and implementation effectiveness of the risk management and internal control systems of the Group, covering all material controls, including financial, strategic, operational and compliance controls, with a view to ensuring that resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions are adequate. In this respect, the Audit Committee communicates any material issues to the Board.

During the year ended 31 March 2026, the Group appointed BT Corporate Governance Limited ("BTCGL") to:

- assist in identifying and assessing the risks of the Group through discussions and interviews with the management of the Group; and

- independently perform internal control review and assess the effectiveness of the Group's risk management and internal control systems.

The results of the independent review and assessment were reported to the Audit Committee and the Board. Moreover, improvements in internal control and risk management measures as recommended by BTCGL to enhance the risk management and internal control systems of the Group and mitigate risks of the Group were adopted by the Board. Based on the findings and recommendations of BTCGL as well as the comments of the Audit Committee, the Board considered the internal control and risk management systems are effective and adequate.

The Group has established internal control procedures for the handling and dissemination of inside information in order to comply with Chapter 13 of the Listing Rules as well as Part XIVA of the Securities and Futures Ordinance. The internal control mechanism includes information flow and reporting processes, confidentiality arrangements, disclosure procedures, and staff training arrangements, etc.

Our Enterprise Risk Management Framework

The Group has established its enterprise risk management framework in 2016. While the Board has the overall responsibility to ensure that sound and effective internal controls are maintained, management is responsible for designing and implementing an internal control system to manage all kinds of risks faced by the Group.

Through the risk identification and assessment processes, risks are identified, assessed, prioritized and allocated treatments. Our risk management framework follows the COSO Enterprise Risk Management — Integrated Framework, which allows the Board and management to manage the risks of the Group effectively. The Board receives regular reports through the Audit Committee that oversees risk management and internal audit functions.

Our Risk Control Mechanism

The Group adopts a "three lines of defense model" corporate governance structure with operational management and controls performed by operations management, coupled with risk management monitoring carried out by the finance and compliance team and independent internal audit team and the professional annual review conducted by BTCGL. The Group maintains a risk register to keep track of all identified major risks of the Group. The risk register provides the Board, the Audit Committee, and management with a profile of its major risks and records management's action taken to mitigate the relevant risks. Each risk is evaluated at least annually based on its likelihood of occurrence and potential impact upon the Group. The risk register is updated by management as the risk owners with addition of new risks and/or removal of existing risks, if applicable, at least annually, after the annual risk evaluation has been performed. This review process can ensure that the Group proactively manages the risks faced by it in the sense that all risk owners have access to the risk register and are aware of and alert to those risks in their area of responsibility so that they can take follow-up action in an efficient manner.

Our risk management activities are performed by management on an ongoing process. The effectiveness of our risk management framework will be evaluated at least annually, and periodic management meeting is held to update the progress of risk monitoring efforts. Management is committed to ensuring that risk management forms part of the daily business operation processes in order to align risk management with corporate goals in an effective manner.

The Group's internal audit function is performed by an internal audit team, which consisted of professional staff with relevant expertise, such as Certified Public Accountant, which provides its findings and recommendations for the improvement to the Audit Committee. Nevertheless, the Company will continue to engage external independent professionals to review the Group's system of internal controls and risk management annually and further enhance the Group's internal control and risk management systems as appropriate.

COMPANY SECRETARY

Mr. So has been appointed as the company secretary of the Company since March 2011 and he has taken no less than 15 hours of relevant professional training for the year ended 31 March 2026.

COMMUNICATION WITH SHAREHOLDERS

The Company aims to provide its Shareholders and investors with high standards of disclosure and financial transparency. The Board is committed to providing clear, detailed, timely manner and on a regular basis information of the Group to Shareholders.

The Company uses a number of formal communications channel to account to Shareholders and investors for the performance of the Company. These include (i) the publications of interim and annual reports and/or dispatching circulars, notices, and other announcements; (ii) the AGM or extraordinary general meeting providing a forum for Shareholders to raise comments and exchanging views with the Board; (iii) updated key information of the Group available on the websites of the Stock Exchange and the Company; (iv) the Company's website at www.perfectmedical.com offering the latest information relating to the Group and its business; and (v) the Company's branch share registrars in Hong Kong serving the Shareholders in respect of all share registration matters.

The Board has established a shareholders' communication policy and will review it on a regular basis to ensure its effectiveness.

The shareholders' communication policy of the Company aims to promoting effective communication with the Shareholders and other stakeholders; encouraging the Shareholders to engage actively with the Company; and enabling the Shareholders to exercise their rights as shareholders effectively. To ensure that the shareholders and potential investors are provided with ready, equal and timely access to balanced and understandable information about the Company, the Company has established several channels to communicate with the shareholders as follows:

(i) Corporate communication of the Company, including but not limited to, the directors' report and annual accounts together with a copy of the auditor's report; the interim report; a notice of meeting; a listing document; a circular and proxy form, will be published on the Stock Exchange's website (www.hkex.com.hk) in a timely and consistent manner as required by the Listing Rules;

(ii) The Company shall publish announcements (on price sensitive information, corporate actions and transactions etc.) and other documents on the Stock Exchange's website in a timely manner in accordance with the Listing Rules;

(iii) Any information or documents of the Company posted on the Stock Exchange's website will also be published on the Company's website (www.perfectmedical.com) under the "Investor Relations" section; and

(iv) The annual general meeting and other general meetings of the Company are primary forum for communication by the Company with its Shareholders. Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at the meetings for and on their behalf if they are unable to attend the meetings.

During the year under review, the Board reviewed the implementation and effectiveness of the shareholders' communication policy and considered it to be effective.

SHAREHOLDERS RIGHTS

The Company strives to take into consideration its Shareholders' views and inputs, and address Shareholders' concerns. Shareholders are encouraged to attend the annual general meeting for which at least 21 clear days' notice shall be given. The chairman of the Board as well as chairmen of the Audit Committee, the Nomination Committee and the Remuneration Committee, or in their absence, the Directors are available to answer Shareholders' questions on the Group's businesses at the meeting. To comply with code provision F.2.2 of the CG Code, the management will ensure the external auditor to attend the annual general meeting to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.

All Shareholders have statutory rights to call for extraordinary general meetings and put forward agenda items for consideration by Shareholders. According to article 58 of the Article of Association, any one or more of the members of the Company holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the company secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition.

If a Shareholder wishes to propose a person (the "Candidate") for election as a Director at a general meeting, he/she shall deposit a written notice (the "Notice") at the Company's head office in Hong Kong at 30th Floor, Langham Place Office Tower, 8 Argyle Street, Mong Kok, Kowloon, Hong Kong. The Notice (i) must include the personal information of the Candidate as required by Rule 13.51(2) of the Listing Rules and his/her contact details; and (ii) must be signed by the Shareholder concerned including the information/documents to verify the identity of the Shareholder and signed by the Candidate indicating his/her willingness to be elected and consent of publication of his/her personal data. The period for lodgment of the Notice shall commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than 7 days prior to the date of such meeting. In order to ensure the Shareholders have sufficient time to receive and consider the proposal of election of the Candidate as a Director without adjourning the general meeting, Shareholders are urged to submit and lodge the Notice as soon as practicable, say at least 15 business days prior to the date of the general meeting appointed for such election.

INVESTOR RELATIONS AND CORPORATE COMMUNICATION

The management of the Company is committed to meet with Shareholders, institutional investors, research analyst and financial media on a regular basis and provide timely update on the financial and business performance and recent development of the Company. A dedicated Investor Relations section is also available on the Company's website.

Investors are welcome to direct their enquiries to the Company's Investor Relations Department at:
Tel: (852) 2770 2099
Email: ir@perfectmedical.com

During the year under review, the Company has conducted 70 meetings with over 148 institutional investors and research analysts in Hong Kong and elsewhere. One-on-one, telephone conferences, roadshows, media interview, marketing activities for investors and specialist industry forums are conducted from time to time in order to facilitate two-way communication between the Company, Shareholders and investment community.

CONSTITUTIONAL DOCUMENT

There was no significant changes in the Company's constitutional documents during the year ended 31 March 2026. The latest version of the amended and restated Memorandum of Association and Articles of Association is available on the respective websites of the Company and the Stock Exchange.

Directors' Report

The Directors submit herewith their annual report together with the audited consolidated financial statements for the year ended 31 March 2026.

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

The Company is a limited liability company incorporated in the Cayman Islands and its principal place of business in Hong Kong is 30th Floor, Langham Place Office Tower, 8 Argyle Street, Mong Kok, Kowloon, Hong Kong.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are the provision of medical and aesthetic medical services. Other particulars of the subsidiaries of the Company are set out in Note 37 to the consolidated financial statements.

RESULTS

The profit of the Group for the year ended 31 March 2026 and the financial position of the Company and of the Group as at that date are set out in the consolidated financial statements on pages 76 to 81 of this annual report.

DIVIDEND

The Directors recommended a payment of a final dividend of HK7.0 cents per share for the year ended 31 March 2026 subject to the approval of the Shareholders at the forthcoming AGM of the Company to be held on Friday, 7 August 2026 to the Shareholders whose names appear on the register of members of the Company on Friday, 21 August 2026. After taking into account an interim dividend of HK7.6 cents per share, a total annual dividend for the year ended 31 March 2026 will amount to HK14.6 cents per share.

DIVIDEND POLICY

The Company has adopted a dividend policy which aims sets out principles and guidelines that the Company intends to apply in relation to the declaration, payment or distribution of its net profit as dividends to the Shareholders.

The Company does not have any pre-determined dividend distribution proportion or distribution ratio. Any future declarations of dividends may or may not reflect the Company's historical declarations of dividends and will be at the absolute discretion of the Board. All decisions made by the Board are in accordance with the Company's dividend policy.

The Board shall also take into account the following factors of the Group when considering the declaration and payment of dividends:

- financial results;
- cash flow situation;
- business conditions and strategies;
- future operations and earnings;
- capital requirements and expenditure plans;
- interests of Shareholders;
- any restrictions on payment of dividends; and
- any other factors that the Board may consider relevant.

Any dividend unclaimed shall be forfeited and shall revert to the Company in accordance with the Articles of Association. All dividend decisions made by the Board during FY2026 were made in accordance with the Company's dividend policy as set out above.

BUSINESS REVIEW AND COMMENTARY

Business Review

The business review, including an analysis of the Group's performance during the year ended 31 March 2026 using financial key performance indicators and an indication of likely future development in the Group's business, is set out in the "Management Discussion and Analysis" on pages 14 to 28 of this annual report. This discussion forms part of this "Directors' Report".

Compliance with Relevant Laws and Regulations

It is the responsibility of the Board to ensure all operations in the Group are adhered to applicable laws, rules and regulations in particular, those have significant impact on the Group. Any changes in the applicable laws, rules and regulations are brought to the attention of relevant employees and relevant operation units from time to time.

During the year ended 31 March 2026, the Group has complied with the provisions of the Personal Data (Privacy) Ordinance to ensure that all personal data collected will be treated confidentially and for specific purposes only. As far as the Board is aware, there was no material breach of or non-compliance with the applicable laws and regulations that have a significant impact on the Group's business and operation by the Group.

Principal Risks and Uncertainties

Downside risks have been increased since there is slowing growth in emerging markets as to the global economic conditions has been weaker than expected. The continuing downturn economy may affect the results of operations and financial performance of the Group adversely. To ease its negative impact on the Group's financial position, the Group pursues to enhancing marketing strategies, intensifying cost controlling measures and adopting cautious network diversification plan on points of sales.

Changes in government policies, relevant regulations and guidelines established by the regulatory authorities would have an impact on the business operation of the Group. Failure to comply with the rules and requirements may lead to penalties or suspension of the business operation by the authorities. The Group has closely monitored changes in government policies, regulations and markets as well as assessing the impact of such changes.

The Group will closely monitor any signs of these occurrence and all departments of the Group will be involved in identifying, assessing and evaluating risks relating to their operational scope.

Environmental Protection Policy and Performance

The Group recognises its responsibility to the long term sustainability of the environment and communities in which it operates. Acting in an environmentally responsible manner, the Group has adopted effective measures to achieve efficient use of resources, energy saving and waste reduction. Green initiatives and measures have been implemented in the Group's offices and beauty centres. Details on Perfect Medical's strategies, efforts and performance with respect to environmental, social and governance (ESG) for the year ended 31 March 2026 are available in the Group's ESG Report, which is available on the websites of the Company and the Stock Exchange.

RELATIONSHIPS WITH KEY STAKEHOLDERS

Employees

The Group has been constantly reviewing staff remuneration package, training and occupational health and safety to ensure it is competitive with relevant industries. The Group also regards the personal development of its employees as highly important and strives to motivate its employees with a clear career path and opportunities for advancement and improvement of their skills.

The Group adheres to a strong belief that one of the most valuable assets of a corporation is its employees. The Group values its human resources and recognises the importance of attracting and retaining qualified staff for its continuing success.

Customers

The Group maintains a good relationship with its customers. The Group has strengthened relationships with the customers while cultivating relationships with potential customers and has established long-term co-operation relationships with many customers. Such stellar performance can be attributed to our strong capability of responding to customers' needs on physical and psychological level. As we seek to provide our customers with all of their health and high technology beauty needs under one roof, we created mega centres in Hong Kong. In this way, it has allowed us to better serve our customers, as well as enabled us to centralise personnel, equipment and resources, resulting in greater efficiency.

Suppliers

The Group is in good relationship with its suppliers and conducts a fair and strict appraisal of its suppliers. The Group has developed long-standing co-operation relationships with the Group's suppliers and taken great care to ensure that they can share our commitment to product quality and morality. The Group carefully selected suppliers and required them to satisfy certain assessment criteria, including track record, experience, financial strength, reputation, ability to produce high-quality products and quality control effectiveness.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 4 August 2026 to Friday, 7 August 2026 (both dates inclusive) during which period no transfer of Shares will be registered. In order to attend and vote at the AGM, all transfers of Shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Monday, 3 August 2026.

The proposed final dividend is subject to the approval of the Shareholders at the AGM. The record date for the proposed final dividend is at the close of business on Friday, 21 August 2026. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Tuesday, 18 August 2026 to Friday, 21 August 2026 (both dates inclusive), during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all relevant transfer document(s) and share certificate(s) must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Monday, 17 August 2026.

MAJOR CUSTOMERS AND SUPPLIERS

The Group's top five customers accounted for approximately 0.92% of the total sales. The top five suppliers accounted for approximately 78.81% of the total purchases for the year ended 31 March 2026. In addition, the Group's largest customer accounted for approximately 0.23% of the total sales and the Group's largest supplier accounted for approximately 57.23% of the total purchases for the year ended 31 March 2026.

During the year ended 31 March 2026, none of the Directors, or any of their close associates or any Shareholder (which to the knowledge of the Directors own more than 5% of the Company's share capital) had beneficial interests in the Group's top five customers and suppliers.

DISTRIBUTABLE RESERVES

As at 31 March 2026, the Company's reserves available for distribution represent the share premium and retained earnings amounting to approximately HK$824,205,000.

The Directors recommend a payment of a final dividend of HK7.0 cents per share for the year ended 31 March 2026.

There is no arrangement pursuant to which a Shareholder has waived or agreed to waive any dividends.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group are set out in Note 17 to the consolidated financial statements.

SHARE CAPITAL

Details of the share capital of the Company are set out in Note 27 to the consolidated financial statements.

DIRECTORS

The Directors during the year ended 31 March 2026 and up to the date of this annual report were:

Executive Directors

Dr. Au-Yeung Kong *(Chairman and Chief Executive Officer)*
Ms. Au-Yeung Wai
Ms. Au-Yeung Hung
Mr. So Hin Lung

Independent Non-executive Directors

Ms. Hsu Wai Man, Helen
Mr. Chi Chi Hung, Kenneth
Ms. Cho Yi Ping
Mr. Chuk Sai Cheong Simon

By virtue of article 84 of the Articles of Association at each AGM, one-third of the Directors for the time being shall retire from office by rotation, and every Director shall be subject to retirement by rotation at AGM at least once every three years.

According to code provision B.2.3 of the CG Code, if an independent non-executive Director serves more than nine years, any further appointment of such independent non-executive Director should be subject to a separate resolution to be approved by the Shareholders. Ms. Hsu Wai Man, Helen and Mr. Chi Chi Hung, Kenneth have been appointed as the independent non-executive Directors since 5 December 2011 and Ms. Cho Yi Ping has been appointed as the independent non-executive Director since 14 August 2015, all of the independent non-executive Directors have served the Company for more than nine years. The reasons why the Board believes they are still independent and shall be re-elected would be included in the papers to the Shareholders accompanying the condition for their respective re-election. To comply with B.2.4 of the CG Code, the Company has appointed a new independent non-executive Director with effect from 1 July 2024.

Biographical details of the Directors are set out in pages 29 to 30 of this annual report.

DIRECTORS' SERVICE AGREEMENT

Each of Dr. Au-Yeung Kong, Ms. Au-Yeung Wai and Ms. Au-Yeung Hung has entered into a service agreement with the Company for a term of three years commencing from 10 February 2024 and shall continue thereafter unless and until terminated by not less than three months prior written notice to the other party and subject to the early termination provisions contained therein.

Mr. So Hin Lung has entered into a service contract with the Company for a term of three years commencing from 28 September 2025, and shall continue thereafter unless and until terminated by not less than three months prior written notice to the other party and subject to the early termination provisions contained therein.

Ms. Hsu Wai Man, Helen and Mr. Chi Chi Hung, Kenneth, the independent non-executive Directors, have entered into their respective letter of appointment with the Company for a term of three years commencing from 10 February 2024 until terminated by not less than three months written notice to the other party and subject to the early termination provisions contained therein.

Ms. Cho Yi Ping, an independent non-executive Director, has entered into a letter of appointment with the Company for a term of three years commencing from 14 August 2024 until terminated by not less than three months written notice to the other party and subject to the early termination provisions contained therein.

Mr. Chuk Sai Cheong Simon has entered into a letter of appointment with the Company for a term of three years commencing from 1 July 2024 until terminated by not less than three months written notice to the other party and subject to the early termination provisions contained therein.

None of the Directors proposed for re-election at the forthcoming AGM of the Company has a service contract which is not determinable by the Group within 1 year without payment of compensation (other than statutory compensation).

EQUITY-LINKED AGREEMENT

Details of the equity-linked agreement entered into during the year ended 31 March 2026 or subsisting at the end of the Year are set out below:

Share Option Scheme

A share option scheme (the "Previous Share Option Scheme") was adopted by the Shareholders and it became effective on 13 August 2021 and was terminated upon the adoption of the new share option scheme of the Company (the "2026 Share Option Scheme") by the Shareholders at the extraordinary general meeting held on 18 June 2026. A summary of the principal terms of the Previous Share Option Scheme is set out as follows:

(a) Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to provide the people and the parties working for the interests of the Group with an opportunity to obtain an equity interest in the Company, thus linking their interest with the interests of the Group and thereby providing them with an incentive to work better for the interests of the Group.

(b) Participants of the Share Option Scheme

The Board may, at its absolute discretion, grant all Directors (whether executive or non-executive and whether independent or not), any employee (whether full-time or part-time), any consultant or adviser of or to the Company or the Group (whether on an employment or contractual or honorary basis and whether paid or unpaid), who, in the absolute opinion of the Board, have contributed to the Company or the Group.

(c) Total number of Shares available for issue under the Share Option Scheme

The total number of Shares which may be allotted and issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme of the Company must not in aggregate exceed 10% of the total number of Shares in issue on the Adoption Date unless the Company obtains a fresh approval from its shareholders. There was no service provider sublimit set under the Share Option Scheme.

As at the date of this annual report, there is no options available for grant under the scheme mandate under the Share Option Scheme.

(d) The maximum entitlement of each participant under the Share Option Scheme

The total number of Shares issued and to be issued upon exercise of options granted to each participant (including both exercised and outstanding options) under the Share Option Scheme, in any 12-month period up to the date of grant shall not exceed 1% of the total number of Shares in issue.

Where the Board proposes to grant any option to a participant who is a substantial shareholder or an independent non-executive director of the Company (or its subsidiaries), or any of their respective associates, and such option which if exercised in full, would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted pursuant to the Share Option Scheme and other share option schemes of the Company (including option exercised, cancelled, and outstanding) to such participant in the 12-month period up to and including the date of grant being proposed by the Board (the "Relevant Date") representing in aggregate more than 0.1% of the total number of Shares in issue at the Relevant Date such proposed grant of options and any proposed change in the terms of options granted to a grantee who is a substantial shareholder or an independent non-executive director of the Company (or its subsidiaries) shall be approved by the shareholders of the Company by way of a poll in general meeting with all connected persons of the Company abstaining from voting in favour of the resolution at the general meeting as required under the Listing Rules.

(e) Timing for exercising option

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant in its absolute discretion.

(f) Vesting period

The Board may, at its absolute discretion, determine the terms and conditions of an option (if any), including the vesting date, vesting period, any performance target or any other conditions, whether restrictive or not, to an eligible participant as vesting conditions pursuant to the Listing Rules.

(g) Payment of acceptance of option

The amount payable by the grantee of an option to the Company on acceptance of the offer for the grant of an option is HK$1.

(h) Period of acceptance of option

An offer for the grant of options must be accepted within 28 days from the day on which such offer was made.

(i) The basis of determining the exercise price of option

The subscription price in respect of each Share issued pursuant to the exercise of options granted shall be a price determined by the Board in its absolute discretion and notified to a participant (which shall be stated in the offer letter) and shall be at least the highest of:

(i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option, which must be a business day;

(ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the five consecutive business days immediately preceding the date of grant of the option; and

(iii) the nominal value of the Share.

(j) Duration of the Share Option Scheme

The Share Option Scheme was terminated upon the adoption of the 2026 Share Option Scheme approved by the Shareholders at the extraordinary general meeting held on 18 June 2026.

2026 Share Option Scheme

To align with the amendments to Chapter 17 of the Listing Rule relating to share schemes which came into effect on 1 January 2023, the 2026 Share Option Scheme was adopted by the Shareholders and it became effective on 18 June 2026 (the "Adoption Date"). A summary of the principal terms of the 2026 Share Option Scheme is set out as follows:

(a) Purpose of the 2026 Share Option Scheme

The purposes of the 2026 Share Option Scheme are to (a) recognize and reward the contributions that the Participants have made to the Group; (b) provide incentive to or reward Participants for their contribution to, and continuing efforts to, work towards the growth and development of, and promote the interests of, the Group; and (c) attract and retain talents to promote the sustainable development of the Group. The Directors are of the view that the adoption of the 2026 Share Option Scheme aligns with the market practice of providing incentives to employees to work towards enhancing the enterprise value and achieving the long-term objectives for the benefit of the Group as a whole.

(b) Participants of the 2026 Share Option Scheme

The Board may grant any directors and employees of the Group (including persons who are granted Options under the 2026 Share Option Scheme as an inducement to enter into employment contracts with the Group, but excluding independent non-executive Directors) who, in the sole opinion of the Board, will contribute or have contributed to the Group. The Board may determine the Participants' eligibility in its sole discretion by considering all relevant factors as appropriate before granting Options to them.

(c) Total number of Shares available for issue

The total number of Shares which may be issued in respect of all Options, options and awards to be granted under the 2026 Share Option Scheme and any other share schemes (as defined in the Listing Rules) of the Company under the Scheme Mandate Limit must not in aggregate exceed 4.10% of the total number of issued Shares as at the Adoption Date (i.e. 51,500,000 Shares) unless the Company obtains a fresh approval from the Shareholders to renew the scheme limit. There was no service provider sublimit set under the 2026 Share Option Scheme.

As at the date of this annual report, the number of options available for grant under the 2026 Share Option Scheme is 1,500,000 Shares, representing approximately 0.12% of the total number of Shares in issue (excluding treasury shares).

(d) The maximum entitlement of each participant under the 2026 Share Option Scheme

No Option shall be granted to any Participant if, at the relevant time of grant, the number of Shares issued and to be issued upon exercise of all Options or options or share awards (granted and proposed to be granted, whether exercised, cancelled or outstanding) in the 12-month period up to and including the Offer Date of the relevant Option would exceed 1% of the total number of Shares in issue.

Where an Option is to be granted to a substantial shareholder (or its associates), and the grant will result in the number and value of the Relevant Shares exceeding 0.1% of the total number of Shares in issue at the relevant time of grant (excluding any Options lapsed in accordance with the terms of the 2026 Share Option Scheme), such proposed grant of options and any proposed change in the terms of options granted to a grantee who is a substantial shareholder or an independent non-executive director of the Company (or its subsidiaries) shall be approved by the shareholders of the Company by way of a poll in general meeting with all connected persons of the Company abstaining from voting in favour of the resolution at the general meeting as required under the Listing Rules.

(e) Timing for exercising option

An option may be exercised in accordance with the terms of the 2026 Share Option Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of offer of the Options subject to the terms of the 2026 Share Option Scheme.

(f) Vesting period

The vesting period for the Options under the 2026 Share Option Scheme shall be not less than 12 months from the Offer Date before they can be exercised. A shorter vesting period may be granted to the Participants at the discretion of the Board in certain circumstances as set out in the 2026 Share Option Scheme.

(g) Payment of acceptance of Option

The amount payable by the grantee of an Option to the Company on acceptance of the offer for the grant of an option is HK$1.00.

(h) Period of acceptance of Option

An offer for the grant of options must be accepted within 28 days from the day on which such offer was made.

(i) Basis of determining the exercise price of option

The exercise, being the price at which each Share subject to an Option may be subscribed for on the exercise of that Option, shall be a price determined by the Board (subject to any necessary consent or approval being obtained) and notified to a Participant and shall be at least the highest of: (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the Options, which must be a business day; and (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) business days immediately preceding the date of grant of the Options; provided that in the event of fractional prices, the exercise price per Share shall be rounded upwards to the nearest whole cent.

(j) Duration of the 2026 Share Option Scheme

The 2026 Share Option Scheme will remain in force for a period of ten years commencing from the Adoption Date. Accordingly, the 2026 Share Option Scheme will expire on 18 June 2036.

Details of the options movements during the year ended 31 March 2026 under previous Share Option Scheme terminated on 18 June 2026 are as follows:

					Number of share options					
Name or category of grantees	Date of grant of options	Exercise price (HK$)	Vesting period	Exercise period	Balance as at 01.04.2025	Granted during the Year	Exercised during the Year	Lapsed during the Year	Canceled during the Year	Balance as at 31.03.2026
Dr. Au-Yeung Kong	12/12/2023 (Note 1)	HK$3.346	12/12/2023– 11/12/2024	12/12/2024– 11/12/2033	1,256,000	—	—	—	—	1,256,000
	07/01/2025 (Note 2)	HK$2.208	07/01/2025– 06/01/2026	07/01/2026– 06/01/2035	1,256,000	—	—	—	—	1,256,000
	07/01/2026 (Note 3)	HK$1.270	07/01/2026– 06/01/2027	07/01/2027– 06/01/2036	—	1,256,000	—	—	—	1,256,000
Ms. Au-Yeung Wai	12/12/2023 (Note 1)	HK$3.346	12/12/2023– 11/12/2024	12/12/2024– 11/12/2033	1,256,000	—	—	—	—	1,256,000
	07/01/2025 (Note 2)	HK$2.208	07/01/2025– 06/01/2026	07/01/2026– 06/01/2035	1,256,000	—	—	—	—	1,256,000
	07/01/2026 (Note 3)	HK$1.270	07/01/2026– 06/01/2027	07/01/2027– 06/01/2036	—	1,256,000	—	—	—	1,256,000
Ms. Au-Yeung Hung	12/12/2023 (Note 1)	HK$3.346	12/12/2023– 11/12/2024	12/12/2024– 11/12/2033	1,256,000	—	—	—	—	1,256,000
	07/01/2025 (Note 2)	HK$2.208	07/01/2025– 06/01/2026	07/01/2026– 06/01/2035	1,256,000	—	—	—	—	1,256,000
	07/01/2026 (Note 3)	HK$1.270	07/01/2026– 06/01/2027	07/01/2027– 06/01/2036	—	1,256,000	—	—	—	1,256,000
Total					**7,536,000**	**3,768,000**	**—**	**—**	**—**	**11,304,000**

Notes:

1. The closing price of the Shares immediately before the date of grant (i.e. 11 December 2023), on which those options were granted, was HK$3.260. No performance targets attached to the options.

2. The closing price of the Shares immediately before the date of grant (i.e. 6 January 2025), on which those options were granted, was HK$2.210. No performance targets attached to the options.

3. The closing price of the Shares immediately before the date of grant (i.e. 6 January 2026), on which those options were granted, was HK$1.260. No performance targets attached to the options.

The estimate fair value of the options granted during the year ended 31 March 2026 was approximately HK$1,349,000. The estimated fair value of the options granted was measured using Black-Scholes option pricing model with the fair value per option of HK$0.358, taking into account the terms and conditions upon which the options were granted. The fair values calculated are inherently subjective and uncertain due to the assumptions made and the limitations of the model used. The value of an option varies with different variables of certain subjective assumptions. Any change in variables so adopted may materially affect the estimation of the fair value of an option.

As at 1 April 2025 and 31 March 2026, the total number of options available for grant under the Scheme Mandate Limit and available for issue under the Share Option Scheme were 110,322,339 and 106,554,339 respectively. There was no service provider sublimit set under the Share Option Scheme.

The number of shares that may be issued in respect of 3,768,000 options granted under the Share Option Scheme during the year ended 31 March 2026 divided by the weighted average number of ordinary shares of 1,256,197,771 in issue for the year is approximately 0.30%.

Subsequent to 31 March 2026 and as of the date of this report, the Board proposed to conditionally grant 50,000,000 share options to Dr. Au-Yeung Kong, who is Chairman, chief executive officer, executive Director and controlling shareholder of the Company under the 2026 Share Option Scheme (the "Conditional Grant") on 28 April 2026. The exercise price of the options granted was HK$1.184 per Share. On 18 June 2026, the Conditional Grant was approved by the independent shareholders of the Company. For details, please refer to the announcements of the Company dated 28 April 2026 and 18 June 2026, and the circular of the Company dated 2 June 2026.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 31 March 2026, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required to be recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

(i) Long position in Shares

Name of Directors	Nature of interest	Number of ordinary shares	Number of underlying shares held pursuant to options	Percentage of the issued share capital of the Company (Note 2)
Dr. Au-Yeung Kong	Beneficial owner	114,834,747 (L)	3,768,000	75.28%
	Interest of controlled corporation (Note 1)	827,169,021 (L)		
Ms. Au-Yeung Wai	Beneficial owner	—	3,768,000	66.14%
	Interest of controlled corporation (Note 1)	827,169,021 (L)		
Ms. Au-Yeung Hung	Beneficial owner	—	3,768,000	66.14%
	Interest of controlled corporation (Note 1)	827,169,021 (L)		
Mr. So Hin Lung	Beneficial owner	140,000 (L)	—	0.01%

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

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

(L): Long position

Notes:

1. The 827,169,021 Shares are held by Sure Sino Investments Limited, among which 159,123,029 Shares are held through its wholly-owned subsidiary Perfect Medical Charity Foundation Limited and 208,306,511 Shares are held through its wholly-owned subsidiary Earlson Holdings Limited, respectively. Dr. Au-Yeung Kong, Ms. Au-Yeung Wai and Ms. Au-Yeung Hung beneficially own the entire issued share capital of Sure Sino Investments Limited. By virtue of the SFO, Dr. Au-Yeung Kong, Ms. Au-Yeung Wai and Ms. Au-Yeung Hung are deemed to be interested in the 827,169,021 Shares held by Sure Sino Investments Limited.

2. The percentage represents the number of Shares interested divided by the number of the issued Shares as at 31 March 2026 (i.e. 1,256,197,771 Shares).

Save as disclosed above, as at 31 March 2026, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

At no time during the year ended 31 March 2026 was the Company, or any of its holding companies, its subsidiaries or its fellow subsidiaries a party to any arrangement to enable the Directors and chief executives of the Company (including their spouses and children under 18 years of age) to hold any interest or short positions in the shares, or underlying shares, or debentures, of the Company or its associated corporations (within the meaning of Part XV of the SFO).

COMPETING INTEREST

During the year ended 31 March 2026, none of the Directors, management shareholders and substantial Shareholders of the Company, or their respective associate (as defined in the Listing Rules) had any interest in any business which compete or may cooperate with the business of the Group. Confirmations were provided by or obtained from the Directors and the controlling Shareholders to ensure that none of them was engaged in the competing business. The Directors and the controlling Shareholders had participated in training or reading materials to understand their obligations with respect to the competing business. The independent non-executive Directors also reviewed the controlling Shareholders' compliance with the non-competition undertakings.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 31 March 2026, other than the interests of certain Directors and chief executive of the Company as disclosed under the section headed "Directors' and chief executives' interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporation" above, the interests or short positions of person in the shares, underlying shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, or any other substantial Shareholders whose interests or short positions were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of Shareholders	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company (Note 2)
Sure Sino Investments Limited	Beneficial owner	459,739,481 (L)	36.60%
	Interest of controlled corporation (Note 1)	367,429,540 (L)	29.24%
Earlson Holdings Limited (Note 1)	Beneficial owner	208,306,511 (L)	16.58%
Perfect Medical Charity Foundation Limited (Note 1)	Beneficial owner	159,123,029 (L)	12.66%

(L): Long position

Notes:

1. Sure Sino Investments Limited beneficially owns the entire issued share capital of Earlson Holdings Limited and Perfect Medical Charity Foundation Limited (formerly known as Market Event Holdings Limited). By virtue of the SFO, Sure Sino Investments Limited is deemed to be interested in the 208,306,511 Shares held by Earlson Holdings Limited and 159,123,029 Shares held by Perfect Medical Charity Foundation Limited, respectively.

2. The percentage represents the number of Shares interested divided by the number of the issued Shares as at 31 March 2026 (i.e. 1,256,197,771 Shares).

Save as disclosed above, as at 31 March 2026, the Directors were not aware of any other person (other than the Directors and chief executive of the Company) who had an interest or short position in the shares, underlying shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, or any other substantial Shareholders whose interests or short positions were recorded in the register required to be kept by the Company under Section 336 of the SFO.

CHANGES OF DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information on the Director are as follows:

With effect from 23 April 2026, Dr. Au-Yeung Kong, Ms. Au-Yeung Wai and Mr. So Hin Lung, executive Directors of the Company, have ceased to be members of the Remuneration Committee.

SUFFICIENCY OF PUBLIC FLOAT

From information publicly available to the Company and within the knowledge of the Directors, during the year ended 31 March 2026, the Company maintained the public float required by the Listing Rules.

DONATION

The Group made a donation of HK$6,338,000 during the year ended 31 March 2026 (FY2025: HK$178,000).

DIRECTORS' INTERESTS IN CONTRACTS

No contract of significance to which the Company, its holding companies, or any of its subsidiaries was a party, and in which a Director had a material interest, either directly or indirectly, subsisted at 31 March 2026 or at any time during the year ended 31 March 2026.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year ended 31 March 2026.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at 31 March 2026, none of the Directors or their respective associates had any business or interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE AND CONTROLLING SHAREHOLDER'S INTERESTS IN CONTRACTS OF SIGNIFICANCE

To the best knowledge of the Company and with the information available to the Company, no transactions, arrangements and contracts of significance (including those for the provision of service) in relation to the Group's business to which the Company's subsidiaries or its parent company was a party and in which a Director had a material interest, where directly or indirectly, subsisted at 31 March 2026 or at any time during the year ended 31 March 2026; and any contract of significance (including those for the provision of service) between the listed issuer, or one of its subsidiary companies, and a controlling shareholder or any of its subsidiaries.

RELATED PARTY TRANSACTIONS

Details of the related party transactions undertaken during the year ended 31 March 2026 are provided under Note 35 to the consolidated financial statements. These related party transactions did not fall under the definition of connected transaction or continuing connected transaction as defined in the Listing Rules.

RETIREMENT BENEFITS SCHEMES

Particulars of retirement benefits schemes of the Group are set out in Note 14 to the consolidated financial statements.

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the independent non-executive Directors a confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considered all the independent non-executive Directors to be independent.

PRE-EMPTIVE RIGHTS

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

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's securities.

INDEMNITY OF DIRECTORS

The Company has maintained appropriate directors and officers liability insurance and such permitted indemnity provision for the benefit of the Directors is currently in force and was in force throughout the year ended 31 March 2026.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 March 2026, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including treasury shares).

CORPORATE GOVERNANCE

The Company maintains a high standard of corporate governance practices. Details of the corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 31 to 50 of this annual report. The Directors believe the long term financial performance as opposed to short term rewards is a corporate governance objective. The Board would not take undue risks to make short term gains at the expense of the long term objectives.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the past five financial periods is set out in the financial summary section on page 5 of this annual report.

AUDITOR

The consolidated financial statements for the years ended 31 March 2024, 2025 and 2026 were audited by PricewaterhouseCoopers, who will retire and, being eligible, offer themselves for re-appointment upon conclusion of the forthcoming AGM of the Company. A resolution for the re-appointment of PricewaterhouseCoopers as the auditor of the Company is to be proposed at the forthcoming AGM of the Company. There has been no change in auditor of the Company in the preceding three years.

On behalf of the Board
Au-Yeung Kong
Chairman

Hong Kong, 30 June 2026

Independent Auditor's Report

羅兵咸永道

To the Shareholders of Perfect Medical Health Management Limited
(incorporated in the Cayman Islands with limited liability)

OPINION

What we have audited

The consolidated financial statements of Perfect Medical Health Management Limited (the "Company") and its subsidiaries (the "Group"), which are set out on pages 76 to 142, comprise:

- the consolidated balance sheet as at 31 March 2026;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2026, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

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BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTERS — CONTINUED

The key audit matter identified in our audit is related to revenue recognition for the sale of treatment services.

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue recognition for the sale of treatment services *(Refer to Notes 2.2.12(a) and 33 to the consolidated financial statements)* During the year ended 31 March 2026, revenue from treatment service contracts of approximately HK$895,714,000 was recognised in the Group's consolidated statement of comprehensive income. As at 31 March 2026, the Group had deferred revenue of approximately HK$186,919,000 in respect of sale of treatment service contracts. Revenue from the provision of medical, aesthetic medical and beauty and wellness services are recognised when the services have been rendered to customers. Receipts of proceeds in respect of treatment packages for which the relevant services have not been rendered are recognised as deferred revenue in the consolidated balance sheet.	Our audit procedures performed on revenue recognition for the sale of treatment services included: • We understood and evaluated the key controls and assessment process of breakage estimation and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty, complexity and subjectivity; • We understood and evaluated the key controls of the Group in respect of revenue recognition for the provision of treatment services, including the recording of proceeds received in respect of treatment packages as deferred revenue, the recognition of revenue based on the number of treatment services rendered, and the recognition of any residual deferred revenue at the end of the relevant service period; • We tested, on a sample basis, the key controls over revenue recognition for the sale of treatment services;

KEY AUDIT MATTERS — CONTINUED

Key Audit Matter	How our audit addressed the Key Audit Matter
The Group implements a contractual six-month expiry policy for its service contracts. Customers may not utilise all of their contractual rights within the service period and these unutilised treatments are referred to as "breakage". An expected amount of breakage is estimated by management based on the historical data of customers' utilisation and expected future utilisation pattern of the Group's prepaid packages and is recognised as revenue in proportion to the pattern of treatments used by customers. After the recognition of revenue from treatments provided and breakage, any residual deferred revenue at the end of the relevant service period are fully recognised as revenue in the consolidated statement of comprehensive income. We focused on this area because the estimation of breakage is inherently subjective and requires significant management judgment; and significant audit resources were allocated to perform the audit procedures on revenue recognition for the sale of treatment services due to the magnitude of revenue transactions that occurred.	• We tested, on a sample basis, the calculation of the amount of revenue recognised during the reporting period and the amount of revenue deferred as at the end of the reporting period with reference to the treatment service contracts, proceeds received and underlying treatment service records. This mainly involved: a. Agreeing the contract sums stipulated in the treatment service contracts to the bank receipt records; b. Agreeing the number and type of treatments stipulated in the treatment service contracts to the treatment service records; c. Checking the number and type of utilised treatments shown in the treatment service records to the corresponding documents acknowledged by the respective customers; and d. Recalculating the amount of breakage recognised based on the proportion of treatments used by customers. • We assessed the reasonableness of management's estimate on breakage by performing the following procedures: a. Testing, on a sample basis, the accuracy of historical data of customers' utilisation to develop the estimate; and b. Assessing the appropriateness of using historical rate to estimate expected future utilisation rate by performing retrospective review and comparing with the recent trend in utilisation and the actual utilisation rate subsequent to year end. Based upon the above procedures, we found that the recognition of revenue from the sale of treatment services was supported by the available evidence.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS — CONTINUED

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS — CONTINUED

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is WONG, Chi Yeung Andrew (practising certificate number: P08276).

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 30 June 2026

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2026

	Note	2026 HK$'000	2025 HK$'000
Revenue	6	**962,349**	1,127,863
Other income	7	**5,453**	4,196
Other losses — net	8	**(2,419)**	(393)
Cost of inventories and consumables		**(20,991)**	(17,826)
Employee benefit expenses	14	**(333,674)**	(408,885)
Marketing expenses		**(117,181)**	(140,305)
Depreciation of property, plant and equipment	17	**(55,466)**	(67,491)
Depreciation of right-of-use assets	18	**(97,767)**	(110,850)
Expenses related to short-term leases of stores and offices	18	**(8,783)**	(7,591)
Donations		**(6,338)**	(178)
Other operating expenses	9	**(112,197)**	(126,904)
Operating profit		**212,986**	251,636
Finance income	10	**6,144**	11,991
Finance costs	10	**(7,949)**	(11,078)
Finance (costs)/income — net	10	**(1,805)**	913
Profit before income tax		**211,181**	252,549
Income tax expenses	11	**(32,842)**	(46,179)
Profit for the year		**178,339**	206,370
Attributable to:			
Equity holders of the Company		**178,725**	206,895
Non-controlling interests		**(386)**	(525)
Profit for the year		**178,339**	206,370
Earnings per share attributable to equity holders of the Company for the year			
— Basic	13	**HK14.2 cents**	HK16.5 cents
— Diluted	13	**HK14.2 cents**	HK16.5 cents

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2026

	Note	2026 HK$'000	2025 HK$'000
Profit for the year		**178,339**	206,370
Other comprehensive income/(losses):			
Item that has been reclassified or may be reclassified subsequently to profit or loss:			
Currency translation differences		**4,526**	(146)
Item that will not be reclassified subsequently to profit or loss:			
Currency translation differences		**(74)**	7
Investments at fair value through other comprehensive income:			
Fair value (losses)/gain taken to reserves		**(13,416)**	31,518
Total other comprehensive (loss)/income for the year, net of tax		**(8,964)**	31,379
Total comprehensive income for the year		**169,375**	237,749
Attributable to:			
Equity holders of the Company		**169,835**	238,267
Non-controlling interests		**(460)**	(518)
		169,375	237,749

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet

As at 31 March 2026

	Note	2026 HK$'000	2025 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment	17	**75,348**	109,712
Right-of-use assets	18	**127,431**	205,771
Deposits and prepayments	23	**31,964**	38,288
Financial assets at fair value through other comprehensive income	19	**228,406**	95,513
Deferred income tax assets	29	**15,321**	15,016
		478,470	464,300
Current assets			
Inventories	21	**5,238**	13,962
Trade receivables	22	**30,156**	28,362
Other receivables, deposits and prepayments	23	**25,401**	34,729
Term deposits with initial terms of over three months	24	**148,235**	137,727
Pledged bank deposits	25	**5,597**	7,754
Cash and cash equivalents	26	**141,102**	249,074
		355,729	471,608
Total assets		**834,199**	935,908
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	27	**125,619**	125,619
Reserves	28	**263,926**	254,330
		389,545	379,949
Non-controlling interests		**(1,681)**	(1,221)
Total equity		**387,864**	378,728

	Note	2026 HK$'000	2025 HK$'000
LIABILITIES			
Non-current liabilities			
Provision for reinstatement costs	30	**7,101**	14,025
Lease liabilities	18	**76,205**	116,370
Deferred revenue	33	**2,691**	2,686
Deferred income tax liabilities	29	**24,677**	24,857
		110,674	157,938
Current liabilities			
Provision for reinstatement costs	30	**5,228**	1,938
Trade payables	31	**2,360**	861
Accruals and other payables	32	**40,809**	52,800
Lease liabilities	18	**58,379**	100,277
Deferred revenue	33	**193,687**	197,453
Tax payables		**35,198**	45,913
		335,661	399,242
Total liabilities		**446,335**	557,180
Total equity and liabilities		**834,199**	935,908

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

The consolidated financial statements on pages 76 to 142 were approved by the Board of Directors on 30 June 2026 and were signed on its behalf.

Au-Yeung Kong
Director

Au-Yeung Wai
Director

Consolidated Statement of Changes in Equity

For the year ended 31 March 2026

	Equity attributable to equity holders of the Company										
	Share capital HK$'000	Share premium HK$'000	Statutory reserve HK$'000	Capital redemption reserve HK$'000	Exchange reserve HK$'000	Share-based compensation reserve HK$'000	Financial assets at fair value through other comprehensive income reserve HK$'000	Retained earnings HK$'000	Subtotal HK$'000	Non-controlling interests HK$'000	Total HK$'000
For the year ended 31 March 2026											
At 1 April 2025	125,619	194,371	13,273	8,329	(43,456)	4,748	(34,385)	111,450	379,949	(1,221)	378,728
Comprehensive income/(losses)											
Profit for the year	—	—	—	—	—	—	—	178,725	178,725	(386)	178,339
Other comprehensive income/(losses)											
Currency translation differences	—	—	—	—	4,526	—	—	—	4,526	(74)	4,452
Investments at fair value through other comprehensive income:											
— Fair value loss taken to reserves	—	—	—	—	—	—	(13,416)	—	(13,416)	—	(13,416)
— Fair value loss recycled to retained earnings upon disposal of the relevant financial assets	—	—	—	—	—	—	23,857	(23,857)	—	—	—
Total comprehensive income/(losses)	—	—	—	—	4,526	—	10,441	154,868	169,835	(460)	169,375
Total transactions with owners, recognised directly in equity											
Share-based payment (Note 15)	—	—	—	—	—	1,810	—	—	1,810	—	1,810
Dividends — cash dividends (Note 12)	—	—	—	—	—	—	—	(162,049)	(162,049)	—	(162,049)
	—	—	—	—	—	1,810	—	(162,049)	(160,239)	—	(160,239)
At 31 March 2026	125,619	194,371	13,273	8,329	(38,930)	6,558	(23,944)	104,269	389,545	(1,681)	387,864
For the year ended 31 March 2025											
At 1 April 2024	125,619	263,462	13,273	8,329	(43,310)	1,304	(65,903)	194,737	497,511	(703)	496,808
Comprehensive income											
Profit for the year	—	—	—	—	—	—	—	206,895	206,895	(525)	206,370
Other comprehensive (losses)/income											
Currency translation differences	—	—	—	—	(146)	—	—	—	(146)	7	(139)
Investments at fair value through other comprehensive income:											
— Fair value gain taken to reserves	—	—	—	—	—	—	31,518	—	31,518	—	31,518
Total comprehensive (losses)/income	—	—	—	—	(146)	—	31,518	206,895	238,267	(518)	237,749
Total transactions with owners, recognised directly in equity											
Share-based payment (Note 15)	—	—	—	—	—	3,444	—	—	3,444	—	3,444
Dividends — cash dividends (Note 12)	—	(69,091)	—	—	—	—	—	(290,182)	(359,273)	—	(359,273)
Capital injections from non-controlling interests	—	—	—	—	—	—	—	—	—	—	—
	—	(69,091)	—	—	—	3,444	—	(290,182)	(355,829)	—	(355,829)
At 31 March 2025	125,619	194,371	13,273	8,329	(43,456)	4,748	(34,385)	111,450	379,949	(1,221)	378,728

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 31 March 2026

	Note	**2026 HK$'000**	2025 HK$'000
Cash flows from operating activities			
Cash generated from operations	36(a)	**376,558**	397,288
Interest received		**7,398**	9,903
Income tax paid		**(44,479)**	(74,313)
Net cash generated from operating activities		**339,477**	332,878
Cash flows from investing activities			
Purchase of property, plant and equipment		**(23,597)**	(33,436)
Proceeds from disposal of property, plant and equipment	36(b)	**794**	4,364
Reinstatement costs paid for leased premises	30	**(6,661)**	(1,216)
Proceeds from disposal of financial assets at fair value through other comprehensive income	19	**19,414**	—
Purchase of financial assets at fair value through other comprehensive income	19	**(161,116)**	(5,216)
Dividend income from financial assets at fair value through other comprehensive income	7	**1,517**	1,303
Disposal of term deposits with initial terms of over three months		**137,727**	100,912
Purchase of term deposits with initial terms of over three months		**(148,235)**	(238,639)
Net cash used in investing activities		**(180,157)**	(171,928)
Cash flows from financing activities			
Dividends paid	12	**(162,049)**	(359,273)
Payment of principal element of lease liabilities	36(c)	**(99,942)**	(107,600)
Payment of interest element of lease liabilities	36(c)	**(7,949)**	(11,078)
Net cash used in financing activities		**(269,940)**	(477,951)
Net decrease in cash and cash equivalents		**(110,620)**	(317,001)
Cash and cash equivalents at 1 April		**249,074**	567,401
Effect of foreign exchange rate changes		**2,648**	(1,326)
Cash and cash equivalents at 31 March		**141,102**	249,074

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

1 GENERAL INFORMATION

Perfect Medical Health Management Limited (the "Company") and its subsidiaries (together, the "Group") are principally engaged in the provision of medical, aesthetic medical and beauty and wellness services and sales of products in Hong Kong ("HK"), Chinese Mainland (the "PRC"), Macau, Australia and Singapore.

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

These consolidated financial statements are presented in Hong Kong dollars ("HK$"), unless otherwise stated, and have been approved for issue by the Board of Directors on 30 June 2026.

2 BASIS OF PREPARATION AND SUMMARY OF ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with HKFRS Accounting Standards and the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). The financial statements have been prepared on a historical cost convention, as modified by the revaluation of financial assets at fair value through other comprehensive income which are carried at fair value.

The preparation of the consolidated financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

2 BASIS OF PREPARATION AND SUMMARY OF ACCOUNTING POLICIES — CONTINUED

2.1 Basis of preparation — continued

(a) Amended standards adopted by the Group

Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability

The adoption of the amended standards listed above did not have material impact on the Group's accounting policies and consolidated financial statements.

(b) New and amended standards and interpretation issued that are not yet effective

Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments[(1)]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[(1)]
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards — Volume 11[(1)]
HKFRS 18	Presentation and Disclosure in Financial Statements[(2)]
HKFRS 19	Subsidiaries without Public Accountability: Disclosures[(2)]
Amendments to HKFRS 19	Subsidiaries without Public Accountability: Disclosures[(2)]
Amendments to Hong Kong Interpretation 5	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause[(2)]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[(3)]

(1) Effective for the Group for annual periods beginning on or after 1 January 2026
(2) Effective for the Group for annual periods beginning on or after 1 January 2027
(3) Effective for the Group for annual periods beginning on or after a date to be determined

Except for new HKFRS 18 mentioned below, the Group is commencing an assessment of the impact of these new or amended standards and interpretation, certain of which are relevant to the Group's operations. According to the preliminary assessment made by the Group, no material impact on the financial performance and position of the Group in the current or future reporting period and on foreseeable future transactions is expected when they become effective.

2 BASIS OF PREPARATION AND SUMMARY OF ACCOUNTING POLICIES — CONTINUED

2.1 Basis of preparation — continued

(b) New and amended standards and interpretation issued that are not yet effective — continued

HKFRS 18 sets out requirements on presentation and disclosures in financial statements and it will replace HKAS 1 Presentation of Financial Statements. The new standard introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to HKAS 7 Statement of Cash Flows are also made. HKFRS 18 will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The Group does not plan to early adopt HKFRS 18. HKFRS 18 will impact the presentation of financial statements, and is not expected to have significant impact on the financial performance and position of the Group.

2.2 Material accounting policies

2.2.1 Consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries made up to 31 March 2026.

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

2 BASIS OF PREPARATION AND SUMMARY OF ACCOUNTING POLICIES — CONTINUED

2.2 Material accounting policies — continued

2.2.1 Consolidation — continued

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS Accounting Standards.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

Investments in subsidiaries are accounted for at cost less impairment, if any. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2 BASIS OF PREPARATION AND SUMMARY OF ACCOUNTING POLICIES — CONTINUED

2.2 Material accounting policies — continued

2.2.2 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the directors of the Company who make strategic decisions.

2.2.3 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Company's functional and presentation currency is HK$. Its consolidated financial statements are presented in HK$.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(iii) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

2 BASIS OF PREPARATION AND SUMMARY OF ACCOUNTING POLICIES — CONTINUED

2.2 Material accounting policies — continued

2.2.3 Foreign currency translation — continued

(iii) Group companies — continued

(b) income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(c) all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

2.2.4 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisitions of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate cost of each asset to their residual values (if any) over their estimated useful lives, as follows:

Machinery and equipment	20% to 30%
Furniture and fixtures	20% to 30%
Office equipment	20% to 30%
Motor vehicles	20%
Leasehold improvements	2% or over the unexpired lease term, whichever is shorter
Land and building	3%

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2 BASIS OF PREPARATION AND SUMMARY OF ACCOUNTING POLICIES — CONTINUED

2.2 Material accounting policies — continued

2.2.4 Property, plant and equipment — continued

Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.2.5 Impairment of non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows ("cash-generating units"). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.2.6 Financial assets

(i) Classifications

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss); and

- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investments at fair value through other comprehensive income.

2 BASIS OF PREPARATION AND SUMMARY OF ACCOUNTING POLICIES — CONTINUED

2.2 Material accounting policies — continued

2.2.6 Financial assets — continued

(ii) Recognition and measurement

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the consolidated statement of comprehensive income.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in the consolidated statement of comprehensive income when the Group's right to receive payments is established.

Changes in the fair value of financial asset at fair value through profit or loss are recognised in "other losses — net" in the consolidated statement of comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at fair value through other comprehensive income are not reported separately from other changes in fair value.

2 BASIS OF PREPARATION AND SUMMARY OF ACCOUNTING POLICIES — CONTINUED

2.2 Material accounting policies — continued

2.2.6 Financial assets — continued

(iii) Impairment of financial assets

The Group's financial assets measured at amortised cost are subject to HKFRS 9's expected credit loss model. The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 3.1(b) sets out the details on how the Group determines whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of trade receivables. The provision matrix is determined based on historical observed default rates over the expected life of trade receivables with similar credit risk characteristics and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For other receivables and deposits, the Group measures the impairment as either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of the other receivables and deposits has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

2.2.7 Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

2.2.8 Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. Financial liabilities (as disclosed in Note 20) are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. An equity instrument is any contract that does not meet the definition of financial liability and evidences a residual interest in the assets of the Group after deducting all of its liabilities.

2 BASIS OF PREPARATION AND SUMMARY OF ACCOUNTING POLICIES — CONTINUED

2.2 Material accounting policies — continued

2.2.8 Financial liabilities and equity instruments — continued

Ordinary shares are classified as equity. Incremental costs, net of tax, directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

2.2.9 Current and deferred income tax

The income tax expenses for the year comprise current and deferred tax. Income tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the places where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or a liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

2 BASIS OF PREPARATION AND SUMMARY OF ACCOUNTING POLICIES — CONTINUED

2.2 Material accounting policies — continued

2.2.9 Current and deferred income tax — continued

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Current and deferred income tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.2.10 Employee benefits

(a) Pension obligations

The Group participates in various defined contribution retirement benefit plans which are available to all relevant employees. These plans are generally funded through payments to schemes established by government or trustee-administered funds.

A defined contribution plan is a pension plan under which the Group pays contributions on a mandatory, contractual or voluntary basis into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefit relating to employee service in the current and prior periods.

All contributions to pension plans are fully and immediately vested and the Group has no unvested benefits available to reduce its future contributions.

(b) Bonus plan

The expected cost of bonus payments is recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities of bonus plan are expected to be settled within twelve months and are measured at the amounts expected to be paid when they are settled.

2 BASIS OF PREPARATION AND SUMMARY OF ACCOUNTING POLICIES — CONTINUED

2.2 Material accounting policies — continued

2.2.11 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in provision due to the passage of time is recognised as interest expense.

2.2.12 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sales of services and products in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, service refunds, discounts and after eliminating sales within the Group.

Incremental costs of obtaining contracts with customers such as sales commissions paid or payable to staff may be capitalised as deferred costs in the Group's consolidated balance sheet if the Group expects to recover those costs. If capitalised, these deferred costs are recognised in the consolidated statement of comprehensive income in the period in which the deferred revenue that they relate is recognised as revenue.

(a) Sales of treatment services

Revenue from the provision of medical, aesthetic medical and beauty and wellness services are recognised at a point in time when the services have been rendered to customers. Receipts of proceeds in respect of treatment packages for which the relevant services have not been rendered are deferred and recognised as "deferred revenue" in the consolidated balance sheet.

The Group implements a contractual six-month expiry policy for sales of treatment service contracts. The customers may not utilise all of their contractual rights within the service period and these unutilised treatments are referred to as "breakage". An expected amount of breakage is estimated by management based on the historical data of customers' utilisation and expected future utilisation pattern of the Group's prepaid packages and is recognised as revenue in proportion to the pattern of treatments used by customers. After the recognition of revenue from treatments provided and breakage, any residual deferred revenue at the end of the relevant service period are fully recognised as revenue in the consolidated statement of comprehensive income.

2 BASIS OF PREPARATION AND SUMMARY OF ACCOUNTING POLICIES — CONTINUED

2.2 Material accounting policies — continued

2.2.12 Revenue recognition — continued

(b) Membership service income

The Group implements membership service contracts which entitled customers to enjoy treatment services within fixed periods. The membership fees are collected upfront. The receipt of membership fees is initially recognised as deferred revenue. The Group satisfies its performance obligation throughout the membership period and revenue from the membership service contracts is recognised over time.

(c) Sales of products

Revenue from the sales of products are recognised at a point in time when the products are delivered to the customers.

2.2.13 Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

2 BASIS OF PREPARATION AND SUMMARY OF ACCOUNTING POLICIES — CONTINUED

2.2 Material accounting policies — continued

2.2.13 Leases — continued

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and all leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

The change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract is accounted for as lease modification. The lease modification is recognised as a separate lease when the modification increases the scope of the lease by adding the underlying assets and the increase in the consideration is commensurate with the stand-alone price for the increase in scope. The lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification when the lease modification is not accounted for as a separate lease.

2 BASIS OF PREPARATION AND SUMMARY OF ACCOUNTING POLICIES — CONTINUED

2.3 Other accounting policies

2.3.1 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.3.2 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

2.3.3 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by using the first in, first out (FIFO) method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.3.4 Share-based payments

Equity-settled share-based payment transactions

The Group operates an equity-settled, share-based compensation plan, under which the entity receives services from directors, employees, consultant or adviser of the Group as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or hold shares for a specified period of time).

2 BASIS OF PREPARATION AND SUMMARY OF ACCOUNTING POLICIES — CONTINUED

2.3 Other accounting policies — continued

2.3.4 Share-based payments — continued

Equity-settled share-based payment transactions — continued

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (and share premium).

2.3.5 Government subsidies

Subsidies from the government are recognised at their fair value where there is a reasonable assurance that the incentives will be received and the Group will comply with all attached conditions.

Government subsidies relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government subsidies relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

2.3.6 Dividend distributions

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, as appropriate.

2 BASIS OF PREPARATION AND SUMMARY OF ACCOUNTING POLICIES — CONTINUED

2.3 Other accounting policies — continued

2.3.7 Interest income

Interest income is recognised using the effective interest method.

2.3.8 Dividend income

Dividend income is recognised when the right to receive payment is established.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: foreign exchange risk, credit risk, liquidity risk, cash-flow and fair value interest-rate risks and price risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Foreign exchange risk

The Group operates in Hong Kong, Macau, the PRC, Australia and Singapore with most of the transactions denominated and settled in HK$, Macau Pataca ("MOP"), Chinese Renminbi ("RMB"), Australian dollar ("AUD") and Singapore dollar ("SGD") respectively. The Company does not use any derivative financial instruments to hedge its exposure to foreign exchange risk. In respect of transactions settled in RMB, MOP, AUD and SGD, the Group did not have significant exposure to foreign exchange rate risk during the year due to the transactions being generally denominated in the functional currency of the respective group companies (2025: Same).

(b) Credit risk

The Group has no significant concentrations of credit risk. The carrying amounts of cash at banks, term deposits, pledged bank deposits, trade receivables, deposits and other receivables included in the consolidated balance sheet represent the Group's maximum exposure to credit risk in relation to its financial assets.

The Group has two types of financial asset that is subject to the expected credit loss models:

- Trade receivables
- Other financial assets carried at amortised cost

3 FINANCIAL RISK MANAGEMENT — CONTINUED

3.1 Financial risk factors — continued

(b) Credit risk — continued

Trade receivables

The Group applies the HKFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. Future cash flows for each group of receivables are estimated on the basis of historical default rates, adjusted to reflect the effects of existing market conditions as well as forward looking information on macroeconomic factors affecting the ability of the debtors to settle the receivable. Trade receivables with known insolvencies are assessed individually for impairment allowances and are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a prepayment plan with the Group, and a failure to make contractual payments.

Trade receivables of the Group represent amounts due from various financial institutions as a result of credit cards and instalment payment arrangement. Taking into account the high credit rating of these counterparties, who also has no recent history of default and that the Group is not contractually exposed to the risk of default by the ultimate customer arising from the payment arrangements, management assessed that the expected credit loss rate of these trade receivables is close to zero. Therefore, the loss allowance provision for these balances was not material and no provision was recognised as at 31 March 2026 and 2025.

Other financial assets carried at amortised cost

The Group's other financial assets carried at amortised cost include cash and cash equivalents, term deposits, pledged bank deposits, deposits and other receivables in the consolidated balance sheet. The impairment loss of other financial assets carried at amortised cost is measured based on the 12-month expected credit loss. The 12-month expected credit loss is the portion of lifetime expected credit loss that results from default events on a financial instrument that are possible within twelve months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime expected credit loss.

Management considered the credit risk of deposits and other receivables as low as counterparties have a strong capacity to meet their contractual cash flow obligations in the near term.

3 FINANCIAL RISK MANAGEMENT — CONTINUED

3.1 Financial risk factors — continued

(b) Credit risk — continued

Other financial assets carried at amortised cost — continued

The Group's cash at banks, term deposits and pledged bank deposits are deposited in major financial institutions located in Hong Kong, Macau, the PRC, Australia and Singapore, which are of high credit rating. Management does not expect any losses arising from non-performance by these counterparties.

The Group's rental deposits are placed with various landlords in Hong Kong, Macau, the PRC, Australia and Singapore, and are due to refund upon the expiry of the tenancy agreement and handover of the leased premium. The Group has not experienced any defaults by the landlords.

Therefore, the Group has assessed that the expected credit losses for these financial assets carried at amortised costs were immaterial under 12-month expected losses method, and therefore no provision was recognised as at 31 March 2026 (2025: Same).

(c) Liquidity risk

Prudent liquidity management implies maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of committed credit facilities.

The Group's primary cash requirements have been the payment for operating expenses. The Group mainly finances its working capital requirements through internal resources.

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure it maintains sufficient cash and cash equivalents and adequate amount of committed credit facilities to meet its liquidity requirements in the short and long term.

During the years ended 31 March 2026 and 2025, the credit terms with financial institutions on instalment and credit card sales arrangement generally ranged from 1 day to 120 days.

Taking into account the Group's financial resources and its internally generated cash, the Directors of the Group are of the opinion that the Group has sufficient capital to meet its liquidity needs for at least twelve months from 31 March 2026.

3 FINANCIAL RISK MANAGEMENT — CONTINUED

3.1 Financial risk factors — continued

(c) Liquidity risk — continued

The table below analyses the Group's non-derivative financial liabilities into relevant maturity grouping based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying values as the impact of discounting is not significant.

	Less than 1 year HK$'000	Between 1 and 2 years HK$'000	Between 2 and 5 years HK$'000	Total HK$'000
At 31 March 2026				
Trade payables (Note 31)	**2,360**	**—**	**—**	**2,360**
Accruals and other payables (excluding accrued salaries and other taxes payables)	**18,647**	**—**	**—**	**18,647**
Lease liabilities	**63,285**	**44,970**	**36,326**	**144,581**
Total	**84,292**	**44,970**	**36,326**	**165,588**
At 31 March 2025				
Trade payables (Note 31)	861	—	—	861
Accruals and other payables (excluding accrued salaries and other taxes payables)	24,884	—	—	24,884
Lease liabilities	106,871	58,722	62,888	228,481
Total	132,616	58,722	62,888	254,226

3 FINANCIAL RISK MANAGEMENT — CONTINUED

3.1 Financial risk factors — continued

(d) Cash-flow and fair value interest-rate risks

The Group does not have any significant interest bearing financial assets or liabilities except for term deposits, pledged bank deposits and cash at banks details of which are disclosed in Notes 24, 25 and 26 to the consolidated financial statements respectively. Management considers that interest-rate risk exposure of the Group is insignificant and no sensitivity analysis is therefore presented thereon.

(e) Price risk

The Group's main market price risk exposures as at 31 March 2026 and 2025 relate to financial assets at fair value through other comprehensive income which comprised listed equity investments, listed exchange-traded funds and unit trusts.

As at 31 March 2026, if the market price of financial assets at fair value through other comprehensive income had increased/decreased by 5%, the Group's equity would have been approximately HK$11,420,000 (2025: HK$4,776,000) higher/lower, mainly as a result of the gains/losses on financial assets at fair value through other comprehensive income.

The Group closely monitors the price movement and changes in market conditions that may have an impact on the value of these financial assets.

3.2 Fair value estimation

The following table presents the Group's financial instruments that are measured at fair value at 31 March 2026 and 2025. The different levels have been defined as follows:

(i) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

(ii) Inputs other than quoted prices included within level 1 that are observable for the assets or liabilities, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

(iii) Inputs for the assets or liabilities that are not based on observable market data (that is, unobservable inputs) (level 3).

3 FINANCIAL RISK MANAGEMENT — CONTINUED

3.2 Fair value estimation — continued

	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
At 31 March 2026				
Financial assets at fair value through other comprehensive income				
— Listed equity investments	**80,330**	—	—	**80,330**
— Listed exchange-traded funds	**77,909**	—	—	**77,909**
— Unit trusts	**70,167**	—	—	**70,167**
	228,406	—	—	**228,406**
At 31 March 2025				
Financial assets at fair value through other comprehensive income				
— Listed equity investments	95,513	—	—	95,513

The carrying amounts of the Group's current financial assets, including cash at banks, term deposits, pledged bank deposits, trade receivables, deposits and other receivables; and the Group's current financial liabilities, including trade payables and accruals and other payables approximate their fair values due to their short maturities.

3.3 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group manages the capital structure and makes adjustments to it in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the dividend payments to shareholders, return capital to shareholders, issue new shares or obtain bank borrowings.

The Group also monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as "equity", as shown in the consolidated balance sheet, plus net debt. The Group's strategy was to maintain a minimal gearing ratio. Management consider that the Group's capital risk is minimal as the Group has cash and cash equivalents of approximately HK$141,102,000 as at 31 March 2026 (2025: HK$249,074,000), and has no outstanding bank loans, overdrafts or other borrowings at 31 March 2026 (2025: Same).

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments used in preparing the consolidated financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below.

(a) Breakage in revenue recognition

As explained in Note 2.2.12(a), the Group's revenue recognition from sales of treatment services involves the element of breakage which is estimated by the Group's management based on the historical data of customers' utilisation and expected future utilisation pattern and is recognised as revenue in proportion to the pattern of rights exercised by the customers. The actual subsequent utilisation by the customers may be higher or lower than the amount of breakage estimated at the end of each reporting period, which would affect the revenue and profit recognised in current and future years.

(b) Impairment assessment on property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts have been determined based on the higher of value-in-use or fair value less costs of disposal.

The calculations require the use of judgements and estimates. Management judgement is required in the area of asset impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related asset values may not be recoverable; (ii) whether the carrying amount of the assets can be supported by the recoverable amount, being the higher of fair value less costs of disposal and value-in-use which are estimated based upon the continued use of the assets in the business; and (iii) the key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions used by management in assessing impairment, including the revenue growth rate and discount rates used in the cash flow projections, could affect the result of impairment.

5 SEGMENT INFORMATION

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

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

	2026 **HK$'000**	2025 HK$'000
Hong Kong	**765,591**	893,804
Regions outside Hong Kong	**196,758**	234,059
	962,349	1,127,863

The consolidated profits before income tax of the Group, prior to certain intra-group recharges, was attributable to the profits of the following regions:

	2026 **HK$'000**	2025 HK$'000
Hong Kong	**144,840**	179,188
Regions outside Hong Kong	**66,341**	73,361
	211,181	252,549

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

	2026 **HK$'000**	2025 HK$'000
Hong Kong	**189,847**	274,354
Regions outside Hong Kong	**44,896**	79,417
	234,743	353,771

5 SEGMENT INFORMATION — CONTINUED

The Group's capital expenditures were incurred in the following regions based on where the assets were located:

	2026 **HK$'000**	2025 HK$'000
Hong Kong	**23,302**	20,872
Regions outside Hong Kong	**1,324**	12,666
	24,626	33,538

6 REVENUE

During the year ended 31 March 2026, except for the revenue of approximately HK$9,793,000 (2025: HK$25,329,000) that was recognised over time, the remaining revenue of the Group from contracts with customers was recognised at a point in time.

	2026 **HK$'000**	2025 HK$'000
Sales of treatment service and products	**952,556**	1,102,534
Membership service income	**9,793**	25,329
	962,349	1,127,863

7 OTHER INCOME

	2026 **HK$'000**	2025 HK$'000
Government subsidies (Note)	**3,936**	2,893
Dividend income from financial assets at fair value through other comprehensive income	**1,517**	1,303
	5,453	4,196

Note: During the years ended 31 March 2026 and 2025, there were no unfulfilled conditions or other contingencies attaching to these grants.

8 OTHER LOSSES — NET

	2026 HK$'000	2025 HK$'000
(Losses)/gains on disposal of property, plant and equipment (Note 36(b))	**(3,768)**	1,508
Net exchange gains/(losses)	**1,041**	(1,901)
Gains on termination of leases (Note 18(d))	**308**	—
	(2,419)	(393)

9 OTHER OPERATING EXPENSES

Included in other operating expenses are the following:

	2026 HK$'000	2025 HK$'000
Credit card and instalment arrangement commissions	**49,503**	50,755
Building management fees	**17,476**	18,372
Air-conditioning charges	**6,429**	8,516
Telecommunication and computer expenses	**7,251**	7,968
Rates	**4,480**	4,868
Legal and professional fees	**4,204**	3,818
Utility charges	**3,170**	3,914
Laundry expenses	**2,357**	3,089
Printing, stationeries and general office expenses	**2,127**	2,394
Auditor's remuneration		
— Audit services	**1,980**	2,100
Courier, postages and delivery charges	**1,095**	1,222
Other expenses	**12,125**	19,888
	112,197	126,904

10 FINANCE (COSTS)/INCOME — NET

	2026 HK$'000	2025 HK$'000
Interest income on bank deposits	**6,144**	11,991
Interest expenses on lease liabilities (Note 18(d))	**(7,949)**	(11,078)
Finance (costs)/income — net	**(1,805)**	913

11 INCOME TAX EXPENSES

The Group is not subject to taxation in the Cayman Islands and the British Virgin Islands. Hong Kong profits tax has been provided for at the rate of 16.5% (2025: 16.5%) for the year on the estimated assessable profits arising in or derived from Hong Kong. Companies established and operating in the PRC are subject to PRC corporate income tax at the rate of 25% (2025: 25%). Companies incorporated and operating in Macau are subject to Macau complementary tax, under which taxable income of up to MOP600,000 is exempted from taxation with amounts beyond this amount to be taxed at a fixed rate of 12% for the years ended 31 March 2026 and 2025. Companies incorporated in Australia are subject to Australian income tax at the rate of 30% (2025: 30%). Companies incorporated in Singapore are subject to Singapore income tax at the rate of 17% (2025: 17%).

	2026 HK$'000	2025 HK$'000
Current income taxation		
— Hong Kong profits tax	**21,017**	31,242
— PRC and Macau income tax	**13,658**	15,475
	34,675	46,717
Over-provision in prior years	**(4,667)**	(6,530)
Total current income taxation	**30,008**	40,187
Deferred taxation (Note 29)	**2,834**	5,992
	32,842	46,179

11 INCOME TAX EXPENSES — CONTINUED

The taxation on the Group's profit before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the companies within the Group as follows:

	2026 HK$'000	2025 HK$'000
Profit before income tax	**211,181**	252,549
Tax calculated at the applicable domestic tax rates (Note a)	**36,548**	44,846
Income not subject to tax	**(1,199)**	(1,871)
Expenses not deductible	**506**	77
Tax effect of unrecognised tax losses	**4,090**	3,836
Utilisation of tax losses previously not recognised	**(5,443)**	(709)
Effect of PRC withholding taxes	**3,206**	6,743
Tax credit (Note b)	**(199)**	(305)
Over-provision in prior years	**(4,667)**	(6,530)
Others	**—**	92
Income tax expenses	**32,842**	46,179

Notes:

(a) The weighted average applicable tax rate for the year ended 31 March 2026 was 17.3% (2025: 17.8%).

(b) Pursuant to the arrangement between Mainland China and Hong Kong tax authorities on the Avoidance of Double Taxation on Income, the Group is entitled to a Hong Kong profit tax credit for the withholding income tax paid in relation to the royalty income from its PRC companies.

12 DIVIDENDS

	2026 HK$'000	2025 HK$'000
Interim, paid, of HK7.6 cents (2025: HK11.2 cents) per ordinary share (Notes i and iii)	**95,471**	140,694
Special, not proposed (2025: HK0.1 cent) per ordinary share (Note i)	**—**	1,256
Final, proposed, of HK7.0 cents (2025: HK5.3 cents) per ordinary share (Notes ii and iv)	**87,934**	66,578
	183,405	208,528

12 DIVIDENDS — CONTINUED

Notes:

(i) At a board meeting held on 29 November 2024, the directors declared an interim and special dividend for the year ended 31 March 2025 of HK11.2 cents and HK0.1 cent per ordinary share, totalling approximately HK$140,694,000 and approximately HK$1,256,000 respectively, which were paid on 31 December 2024 and were reflected as an appropriation of retained earnings and share premium for the year ended 31 March 2025.

(ii) At a board meeting held on 27 June 2025, the directors recommended the payment of a final dividend of HK5.3 cents per ordinary share, totalling HK$66,578,000, which were paid on 5 September 2025 and were reflected as an appropriation of retained earnings for the year ended 31 March 2026.

(iii) At a board meeting held on 28 November 2025, the directors declared an interim dividend for the year ended 31 March 2026 of HK7.6 cents per ordinary share, totalling approximately HK$95,471,000, which were paid on 31 December 2025 and were reflected as an appropriation of retained earnings for the year ended 31 March 2026.

(iv) At a board meeting held on 30 June 2026, the directors recommended the payment of a final dividend of HK7.0 cents per ordinary share, totalling HK$87,934,000. The dividend was not reflected as dividends payable in these consolidated financial statements, but will be reflected as an appropriation of retained earnings for the year ending 31 March 2027 after receiving the shareholders' approval at the forthcoming annual general meeting.

13 EARNINGS PER SHARE

Basic

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

	2026	2025
Profit attributable to equity holders of the Company (HK$'000)	**178,725**	206,895
Weighted average number of ordinary shares for the purposes of basic earnings per share (thousands of shares)	**1,256,197**	1,256,197
Basic earnings per share (HK cents)	**14.2**	16.5

Diluted

During the years ended 31 March 2026 and 2025, the exercise of the outstanding share options would be anti-dilutive and diluted earnings per share is of the same amount as the basic earnings per share.

14 EMPLOYEE BENEFIT EXPENSES

	2026 HK$'000	2025 HK$'000
Wages and salaries	**308,254**	373,338
Pension costs — defined contribution plans (Note a)	**9,002**	14,622
Share-based payment expenses (Note 15)	**1,810**	3,444
Other staff welfares	**14,608**	17,481
Total employee benefit expenses (including directors' remunerations)	**333,674**	408,885

(a) Pension costs — defined contribution plans

Hong Kong

The Group has arranged for its Hong Kong employees to join the Mandatory Provident Fund Scheme (the "MPF Scheme"), which is a defined contribution scheme managed by an independent trustee. Under the MPF Scheme, each of the Hong Kong subsidiaries of the Group and its Hong Kong employees make monthly contributions to the scheme at 5% of the employees' earnings as defined under the Mandatory Provident Fund legislation. The respective monthly contributions made by the Group and the employee are subject to a cap of HK$1,500 with contributions beyond these amounts being voluntary.

The PRC

As stipulated under the relevant rules and regulations in the PRC, the subsidiaries operating in the PRC contribute to state-sponsored retirement plans for its employees. Depending on the provinces of their registered residences and their current regions of work, the employees contribute based on their basic salaries, while the subsidiaries contribute also based on the basic salaries of its employees and have no further obligations for the actual payment of pensions or post-retirement benefits beyond the contributions. The state-sponsored retirement plans are responsible for the entire pension obligations payable to the retired employees.

Australia and Singapore

The Group is required to contribute a certain percentage of the salaries of the employees in Australia by joining the superannuation funds and in Singapore under Central Provident Fund, and has no further obligations for the actual payment of pensions or post-retirement benefits beyond the contributions.

15 SHARE-BASED PAYMENT

The Company has a share option scheme approved and adopted on 13 August 2021 ("Share Option Scheme"), pursuant to which share options may be granted to directors (including executive, non-executive or independent non-executive directors), any employee (full-time or part-time), any consultant or adviser of or to the Company or the Group (on an employment or contractual or honorary basis and paid or unpaid) to subscribe for the shares of the Company, subject to a maximum of 10% of the total number of shares in issue as at the listing date or such maximum number as approved by the shareholders.

The Share Option Scheme is valid and effective for a period of ten years commencing on the adoption date of the scheme.

The exercise price shall be at least the highest of (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option, which must be a business day; (ii) the average of the closing prices of the shares as stated in the Stock Exchange's daily quotations sheets for the five consecutive business days immediately preceding the date of grant of the option; and (iii) the nominal value of the share.

The terms and conditions of the share options granted and effective during the years ended 31 March 2026 and 2025 are as follows:

(a) Share options granted to directors on 12 December 2023

On 12 December 2023, the Company granted 1,256,000 share options to each of its three executive directors, amounting to a total of 3,768,000 share options granted. The exercise price is HK$3.346 per share option, being the closing price of the Company's shares on the grant date. These share options granted will be vested and exercisable after one year from the grant date. These options granted have a contractual option terms of 10 years and will be expired on 11 December 2033. The Company does not have a legal or constructive obligation to repurchase or settle the options in cash. During the years ended 31 March 2026 and 2025, the share options were exercisable, but none were exercised.

The fair values of these share options granted determined using the Binomial Option Pricing Model was HK$1.1411 per option. The significant inputs into the model were the exercise price of HK$3.346 at the grant date, volatility of 50.14%, dividend yield of 7.68% and an annual risk-free interest rate of 3.58%. The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily share prices over the last three years.

15 SHARE-BASED PAYMENT — CONTINUED

(b) Share options granted to directors on 7 January 2025

On 7 January 2025, the Company granted 1,256,000 share options to each of its three executive directors, amounting to a total of 3,768,000 share options granted. The exercise price is HK$2.208 per share option, being the closing price of the Company's shares on the grant date. These share options granted will be vested and exercisable after one year from the grant date. These options granted have a contractual option terms of 10 years and will be expired on 6 January 2035. The Company does not have a legal or constructive obligation to repurchase or settle the options in cash. During the year ended 31 March 2025, no share options were exercisable. During the year ended 31 March 2026, the share options were exercisable, but none were exercised.

The fair values of these share options granted determined using the Binomial Option Pricing Model was HK$0.517 per option. The significant inputs into the model were the exercise price of HK$2.208 at the grant date, volatility of 48.14%, dividend yield of 12.60% and an annual risk-free interest rate of 3.80%. The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily share prices over the last three years.

(c) Share options granted to directors on 7 January 2026

On 7 January 2026, the Company granted 1,256,000 share options to each of its three executive directors, amounting to a total of 3,768,000 share options granted. The exercise price is HK$1.270 per share option, being the closing price of the Company's shares on the grant date. These share options granted will be vested and exercisable after one year from the grant date. These options granted have a contractual option terms of 10 years and will be expired on 6 January 2036. The Company does not have a legal or constructive obligation to repurchase or settle the options in cash. During the year ended 31 March 2026, no share options were exercisable and exercised.

The fair values of these share options granted determined using the Binomial Option Pricing Model was HK$0.358 per option. The significant inputs into the model were the exercise price of HK$1.270 at the grant date, volatility of 47.01%, dividend yield of 9.67% and an annual risk-free interest rate of 2.96%. The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily share prices over the last three years.

15 SHARE-BASED PAYMENT — CONTINUED

Total expenses recognised in profit or loss for the above share options granted to directors are set out in Note 14.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2026		2025	
	Average exercise price in HK$ per share option	**Number of share options (thousands)**	Average exercise price in HK$ per share option	Number of share options (thousands)
At 1 April	**2.777**	**7,536**	3.346	3,768
Granted during the year	**1.270**	**3,768**	2.208	3,768
At 31 March	**2.275**	**11,304**	2.777	7,536

Share options outstanding as at year end have the following expiry dates and exercise prices:

	Exercise price in HK$ per share option	**Number of share options (thousands)**	
		2026	2025
Expiry date — 6 January 2036	1.270	**3,768**	—
Expiry date — 6 January 2035	2.208	**3,768**	3,768
Expiry date — 11 December 2033	3.346	**3,768**	3,768
		11,304	7,536

16 DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATIONS

(a) Remunerations of directors and chief executive officer

	Fees HK$'000	Salary HK$'000	Discretionary bonuses HK$'000	Housing allowance HK$'000	Estimated money value of other benefit (Note 1) HK$'000	Employer's contribution to a retirement benefit scheme HK$'000	Remunerations paid or receivable in respect of accepting office as director HK$'000	Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the company or its subsidiary undertaking HK$'000	Total HK$'000
Year ended 31 March 2026									
Executive directors									
Dr. Au-Yeung Kong *(Chief executive officer)*	30,000	—	—	—	603	18	—	—	30,621
Ms. Au-Yeung Hung	3,600	—	—	—	603	18	—	—	4,221
Ms. Au-Yeung Wai	3,600	—	—	—	604	18	—	—	4,222
Mr. So Hin Lung	1,755	—	—	—	—	18	—	—	1,773
Independent non-executive directors									
Ms. Hsu Wai Man, Helen	180	—	—	—	—	—	—	—	180
Mr. Chi Chi Hung, Kenneth	180	—	—	—	—	—	—	—	180
Ms. Cho Yi Ping	180	—	—	—	—	—	—	—	180
Mr. Chuk Sai Cheong Simon (Note 2)	180	—	—	—	—	—	—	—	180
	39,675	—	—	—	1,810	72	—	—	41,557

16 DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATIONS — CONTINUED

(a) Remunerations of directors and chief executive officer — continued

	Fees HK$'000	Salary HK$'000	Discretionary bonuses HK$'000	Housing allowance HK$'000	Estimated money value of other benefit (Note 1) HK$'000	Employer's contribution to a retirement benefit scheme HK$'000	Remunerations paid or receivable in respect of accepting office as director HK$'000	Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the company or its subsidiary undertaking HK$'000	Total HK$'000
Year ended 31 March 2025									
Executive directors									
Dr. Au-Yeung Kong *(Chief executive officer)*	30,000	—	—	—	1,148	18	—	—	31,166
Ms. Au-Yeung Hung	3,600	—	—	—	1,148	18	—	—	4,766
Ms. Au-Yeung Wai	3,600	—	—	—	1,148	18	—	—	4,766
Mr. So Hin Lung	1,755	—	—	—	—	18	—	—	1,773
Independent non-executive directors									
Ms. Hsu Wai Man, Helen	180	—	—	—	—	—	—	—	180
Mr. Chi Chi Hung, Kenneth	180	—	—	—	—	—	—	—	180
Ms. Cho Yi Ping	180	—	—	—	—	—	—	—	180
Mr. Chuk Sai Cheong Simon (Note 2)	180	—	—	—	—	—	—	—	180
	39,675	—	—	—	3,444	72	—	—	43,191

Note 1: The amounts represent the share-based payment expenses charged to profit or loss during the year for share options granted to these directors (Note 14).

Note 2: Mr. Chuk Sai Cheong Simon was appointed as an independent non-executive director on 1 July 2024.

No directors waived or agreed to waive any emoluments during the years ended 31 March 2026 and 2025.

16 DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATIONS — CONTINUED

(b) Five highest paid individuals

The five individuals whose remunerations were the highest in the Group are as follows:

	Number of individuals	
	2026	2025
Directors	**3**	3
Employees	**2**	2
	5	5

Information relating to the remunerations of the directors has been disclosed above. Details of the remunerations of the remaining highest paid individuals not in the capacity as a director during the year are set out below:

	2026 HK$'000	2025 HK$'000
Wages and salaries	**4,004**	6,839
Pension costs — defined contribution plans	**36**	36
	4,040	6,875

The number of highest paid individuals not in the capacity as a director whose remunerations for the year fell within the following bands:

	Number of non-directors	
	2026	2025
HK$1,500,001 to HK$2,000,000	**1**	—
HK$2,000,001 to HK$2,500,000	**1**	—
HK$2,500,001 to HK$3,000,000	**—**	1
HK$3,500,001 to HK$4,000,000	**—**	1

During the years ended 31 March 2026 and 2025, no emoluments had been paid to the directors of the Company or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

17 PROPERTY, PLANT AND EQUIPMENT

	Land and building HK$'000	Leasehold improvements HK$'000	Machinery and equipment HK$'000	Office equipment, furniture and fixtures HK$'000	Motor vehicles HK$'000	Total HK$'000
At 1 April 2024						
Cost	16,516	297,539	418,798	71,889	10,033	814,775
Accumulated depreciation	(2,886)	(229,224)	(363,211)	(64,873)	(7,602)	(667,796)
Net book amount	13,630	68,315	55,587	7,016	2,431	146,979
Year ended 31 March 2025						
Opening net book amount	13,630	68,315	55,587	7,016	2,431	146,979
Additions	—	16,847	10,452	2,130	4,109	33,538
Disposals	—	—	(2,375)	(141)	(340)	(2,856)
Depreciation	(495)	(32,276)	(26,885)	(5,800)	(2,035)	(67,491)
Exchange differences	—	(298)	(133)	(27)	—	(458)
Closing net book amount	13,135	52,588	36,646	3,178	4,165	109,712
At 31 March 2025						
Cost	16,516	309,173	419,669	73,019	10,062	828,439
Accumulated depreciation	(3,381)	(256,585)	(383,023)	(69,841)	(5,897)	(718,727)
Net book amount	13,135	52,588	36,646	3,178	4,165	109,712
Year ended 31 March 2026						
Opening net book amount	**13,135**	**52,588**	**36,646**	**3,178**	**4,165**	**109,712**
Additions	**3,880**	**7,965**	**7,850**	**2,228**	**2,703**	**24,626**
Disposals	**—**	**(1,319)**	**(1,982)**	**(733)**	**(528)**	**(4,562)**
Depreciation	**(568)**	**(29,844)**	**(20,276)**	**(3,384)**	**(1,394)**	**(55,466)**
Exchange differences	**—**	**506**	**479**	**53**	**—**	**1,038**
Closing net book amount	**16,447**	**29,896**	**22,717**	**1,342**	**4,946**	**75,348**
At 31 March 2026						
Cost	**20,397**	**243,046**	**420,321**	**73,841**	**10,865**	**768,470**
Accumulated depreciation	**(3,950)**	**(213,150)**	**(397,604)**	**(72,499)**	**(5,919)**	**(693,122)**
Net book amount	**16,447**	**29,896**	**22,717**	**1,342**	**4,946**	**75,348**

18 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) The Group's leasing activities and how these are accounted for

The Group leases various stores and offices. Rental contracts are typically made for fixed periods of 2 to 6 years (2025: 2 to 6 years). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

(b) Movement of right-of-use assets

	2026 **HK$'000**	2025 HK$'000
At 1 April	**205,771**	260,748
Acquisition of leases	**23,637**	56,482
Termination of leases	**(6,382)**	—
Depreciation of right-of-use assets	**(97,767)**	(110,850)
Exchange differences	**2,172**	(609)
At 31 March	**127,431**	205,771

(c) Amounts recognised in the consolidated balance sheet

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

	2026 **HK$'000**	2025 HK$'000
Right-of-use assets		
Properties	**127,431**	205,771
Lease liabilities		
Non-current	**76,205**	116,370
Current	**58,379**	100,277
	134,584	216,647

18 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES — CONTINUED

(d) Amounts recognised in the consolidated statement of comprehensive income

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

	2026 HK$'000	2025 HK$'000
Depreciation of right-of-use assets — Properties	**97,767**	110,850
Interest expenses on lease liabilities (Note 10)	**7,949**	11,078
Expenses related to short-term leases of stores and offices	**8,783**	7,591
Gains on termination of leases (Note 8)	**308**	—

(e) During the years ended 31 March 2026 and 2025, the total cash outflows for leases were analysed as below:

	2026 HK$'000	2025 HK$'000
Cash flows from operating activities (Note)		
Payments for short-term leases in respect of stores and offices	**8,783**	7,591
Cash flows from financing activities		
Payment of interest element of lease liabilities	**7,949**	11,078
Payment of principal element of lease liabilities	**99,942**	107,600
	107,891	118,678

Note:

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

19 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2026 HK$'000	2025 HK$'000
At 1 April	95,513	59,717
Additions	161,116	5,216
Fair value (losses)/gains taken to reserves	(13,416)	31,518
Disposals	(19,414)	—
Exchange differences	4,607	(938)
At 31 March	228,406	95,513

	2026 HK$'000	2025 HK$'000
Equity investments listed in Hong Kong	68,784	91,286
Equity investments listed in United States	11,546	4,227
Exchange-traded funds listed in United States	77,909	—
Unit trusts	70,167	—
Total	228,406	95,513

As at 31 March 2026 and 2025, financial assets at fair value through other comprehensive income comprise equity and fund investments which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Group considers this classification to be more relevant.

20 FINANCIAL INSTRUMENTS BY CATEGORY

	Financial assets at amortised cost HK$'000	Financial assets at fair value through other comprehensive income HK$'000	Total HK$'000
Assets included in the consolidated balance sheet			
At 31 March 2026			
Trade receivables (Note 22)	**30,156**	**—**	**30,156**
Financial assets at fair value through other comprehensive income (Note 19)	**—**	**228,406**	**228,406**
Other receivables and deposits (Note 23)	**47,771**	**—**	**47,771**
Term deposits with initial terms of over three months (Note 24)	**148,235**	**—**	**148,235**
Pledged bank deposits (Note 25)	**5,597**	**—**	**5,597**
Cash and cash equivalents (Note 26)	**141,102**	**—**	**141,102**
	372,861	**228,406**	**601,267**
Assets included in the consolidated balance sheet			
At 31 March 2025			
Trade receivables (Note 22)	28,362	—	28,362
Financial assets at fair value through other comprehensive income (Note 19)	—	95,513	95,513
Other receivables and deposits (Note 23)	60,971	—	60,971
Term deposits with initial terms of over three months (Note 24)	137,727	—	137,727
Pledged bank deposits (Note 25)	7,754	—	7,754
Cash and cash equivalents (Note 26)	249,074	—	249,074
	483,888	95,513	579,401

20 FINANCIAL INSTRUMENTS BY CATEGORY — CONTINUED

	Financial liabilities at amortised cost HK$'000
Liabilities included in the consolidated balance sheet	
At 31 March 2026	
Trade payables (Note 31)	**2,360**
Accruals and other payables (excluding accrued salaries and other taxes payables)	**18,647**
Lease liabilities (Note 18)	**134,584**
	155,591
At 31 March 2025	
Trade payables (Note 31)	861
Accruals and other payables (excluding accrued salaries and other taxes payables)	24,884
Lease liabilities (Note 18)	216,647
	242,392

21 INVENTORIES

	2026 HK$'000	2025 HK$'000
Consumables	**5,238**	13,962

22 TRADE RECEIVABLES

	2026 HK$'000	2025 HK$'000
Trade receivables	**30,156**	28,362

22 TRADE RECEIVABLES — CONTINUED

The Group's trade receivables were denominated in the following currencies:

	2026 **HK$'000**	2025 HK$'000
HK$	**28,494**	26,814
RMB	**1,268**	998
MOP	**204**	339
AUD	**1**	121
SGD	**189**	90
	30,156	28,362

There is no concentration of credit risk with respect to trade receivables as there is a dispersed number of financial institutions with high individual credit ratings through which the credit card and instalment sales arrangements are entered into.

The credit terms of the Group's trade receivables generally range from 3 days to 120 days (2025: 3 days to 120 days). The ageing analysis of trade receivables by the dates on which the relevant invoices are issued is as follows:

	2026 **HK$'000**	2025 HK$'000
Less than 60 days	**24,083**	22,571
60 days to 90 days	**3,206**	3,036
91 days to 120 days	**2,867**	2,755
	30,156	28,362

As at 31 March 2026, trade receivables of approximately HK$221,000 (2025: HK$385,000) were past due but not impaired because they were mainly debtors of high credit ratings with no recent history of default. The ageing analysis of these trade receivables by the days of overdue repayment is as follows:

	2026 **HK$'000**	2025 HK$'000
Less than 60 days	**221**	385

22 TRADE RECEIVABLES — CONTINUED

The credit quality of trade receivables neither past due nor impaired has been assessed by reference to historical information about the counterparty default rates. The existing counterparties do not have significant defaults in the past.

As at 31 March 2026 and 2025, no collateral was received from these counterparties.

As at 31 March 2026 and 2025 and during the years then ended, no trade receivables were impaired.

23 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2026 HK$'000	2025 HK$'000
Current		
Prepayments	**9,539**	10,962
Rental and other deposits	**13,770**	20,275
Interest receivables	**1,229**	2,483
Other receivables	**863**	1,009
	25,401	34,729
Non-current		
Prepayments for the acquisition of property, plant and equipment	**55**	1,084
Rental and other deposits	**31,909**	37,204
	31,964	38,288
	57,365	73,017

The Group's other receivables and deposits were denominated in the following currencies:

	2026 HK$'000	2025 HK$'000
HK$	**40,323**	48,936
RMB	**3,160**	7,803
MOP	**1,432**	1,436
SGD	**2,835**	2,593
AUD	**21**	203
	47,771	60,971

24 TERM DEPOSITS WITH INITIAL TERMS OF OVER THREE MONTHS

As at 31 March 2026, the weighted average effective interest rate of the Group's term deposits with initial terms of over three months was 2.32% (2025: 3.41%).

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

	2026 **HK$'000**	2025 HK$'000
HK$	**132,670**	137,500
United States dollars ("US$")	**15,335**	—
MOP	**230**	227
	148,235	137,727

25 PLEDGED BANK DEPOSITS

As at 31 March 2026 and 2025, certain of the Group's bank deposits were pledged to certain financial institutions based in Hong Kong to secure banking facilities in respect of credit card and instalment sales arrangements. As at 31 March 2026, the weighted average effective interest rate of these deposits was 2.52% (2025: 2.45%).

The Group's pledged bank deposits were denominated in the following currencies:

	2026 **HK$'000**	2025 HK$'000
HK$	**1,867**	2,412
AUD	**2,650**	4,331
SGD	**1,080**	1,011
	5,597	7,754

26 CASH AND CASH EQUIVALENTS

	2026 **HK$'000**	2025 HK$'000
Cash at banks	**116,647**	54,537
Cash on hand	**977**	913
Term deposits with initial terms of less than three months	**23,478**	193,624
	141,102	249,074

26 CASH AND CASH EQUIVALENTS — CONTINUED

Cash and cash equivalents were denominated in the following currencies:

	2026 **HK$'000**	2025 HK$'000
HK$	**104,018**	164,935
RMB	**28,597**	31,262
US$	**68**	30,334
MOP	**4,106**	5,442
AUD	**3,221**	15,181
SGD	**1,092**	1,920
	141,102	249,074

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

27 SHARE CAPITAL

	Number of shares (in thousand)	**Nominal value** HK$'000
Issued and fully paid:		
Ordinary shares of HK$0.10 each		
At 1 April 2024, 31 March 2025, 1 April 2025 and 31 March 2026	1,256,197	125,619

28 RESERVES

(a) Movements in the reserves of the Group are set out in the consolidated statement of changes in equity.

(b) The Macau Commercial Code number 377 requires that companies incorporated in Macau should set aside a minimum of 25% of their respective profit after income tax to the legal reserve until the balance of the reserve reaches a level equivalent to 50% of their capital.

The PRC laws and regulations require companies registered in the PRC to provide for certain statutory reserves, which are to be appropriated from the profit after income tax (after offsetting accumulated losses from prior years) as reported in their respective statutory financial statements, before profit distributions to equity holders. All statutory reserves are created for specific purposes. A PRC company is required to appropriate an amount of not less than 10% of statutory profits after income tax to statutory surplus reserves, prior to distribution of its post-tax profits of the current year. A company may discontinue the contribution when the aggregate sum of the statutory surplus reserve is more than 50% of its registered capital. The statutory surplus reserves shall only be used to make up losses of the company, to expand the company's operations, or to increase the capital of the company. In addition, a company may make further contribution to the discretional surplus reserve using its post-tax profits in accordance with resolutions of the board of directors.

29 DEFERRED TAXATION

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The balances shown in the consolidated balance sheet are, after appropriate offsetting, as follows:

	2026 **HK$'000**	2025 HK$'000
Deferred income tax assets		
Deferred income tax assets to be recovered after more than 12 months	**15,321**	15,016
Deferred income tax liabilities		
Deferred income tax liabilities to be settled after more than 12 months	**(30)**	(315)
Deferred income tax liabilities to be settled within 12 months	**(24,647)**	(24,542)
	(24,677)	(24,857)
Deferred income tax liabilities — net	**(9,356)**	(9,841)

29 DEFERRED TAXATION — CONTINUED

The movement on net deferred income tax liabilities account is as follows:

	2026 HK$'000	2025 HK$'000
At 1 April	**(9,841)**	(7,345)
Charged to profit or loss (Note 11)	**(2,834)**	(5,992)
Payment during the year	**3,101**	3,065
Exchange differences	**218**	431
At 31 March	**(9,356)**	(9,841)

The movement in deferred income tax assets and liabilities prior to offsetting of balances within the same taxation jurisdiction is as follows:

Deferred income tax assets

	Tax losses		Decelerated tax depreciation		Accrued expenses and others		Lease liabilities and provision for lease reinstatement costs		Total	
	2026 HK$'000	2025 HK$'000	2026 HK$'000	2025 HK$'000	2026 HK$'000	2025 HK$'000	2026 HK$'000	2025 HK$'000	2026 HK$'000	2025 HK$'000
At 1 April	**10**	1,468	**11,107**	9,826	**3,319**	3,042	**7,730**	9,795	**22,166**	24,131
(Charged)/credited to profit or loss	**(10)**	(1,458)	**564**	1,281	**(222)**	313	**(3,400)**	(1,977)	**(3,068)**	(1,841)
Exchange differences	**—**	—	**1**	—	**190**	(36)	**357**	(88)	**548**	(124)
At 31 March	**—**	10	**11,672**	11,107	**3,287**	3,319	**4,687**	7,730	**19,646**	22,166

Deferred income tax assets are recognised for tax losses carry-forwards to the extent that the realisation of the related tax benefit through the future taxable profits is probable. As at 31 March 2026, the Group did not recognise certain deferred income tax assets of approximately HK$19,072,000 (2025: HK$23,568,000) in respect of accumulated tax losses amounting to approximately HK$82,984,000 (2025: HK$113,941,000) that can be carried forward against future taxable income. The tax losses of the PRC subsidiaries will expire in 5 years, while the tax losses of the Company and the other non-PRC subsidiaries do not have an expiry date.

29 DEFERRED TAXATION — CONTINUED

Deferred income tax assets — continued

As at 31 March 2026 and 2025, the expiry dates for the Group's unused tax losses are as follows:

	2026 HK$'000	2025 HK$'000
Expiry in		
2026	—	2
2027	7,246	12,645
2028	960	907
2029	982	928
2030	4,689	—
No expiry date	69,107	99,459
	82,984	113,941

Deferred income tax liabilities

	Accelerated tax depreciation		PRC withholding taxes		Right-of-use assets		Total	
	2026 HK$'000	2025 HK$'000	2026 HK$'000	2025 HK$'000	2026 HK$'000	2025 HK$'000	2026 HK$'000	2025 HK$'000
At 1 April	(315)	(1,478)	(24,545)	(20,866)	(7,147)	(9,132)	(32,007)	(31,476)
Credited/(charged) to profit or loss	285	1,163	(3,206)	(6,744)	3,155	1,430	234	(4,151)
Reversal of deferred income tax liability upon distribution of profits and remittance of royalties from subsidiaries	—	—	3,101	3,065	—	—	3,101	3,065
Exchange differences	—	—	—	—	(330)	555	(330)	555
At 31 March	(30)	(315)	(24,650)	(24,545)	(4,322)	(7,147)	(29,002)	(32,007)

As at 31 March 2026, total unremitted earnings and unremitted royalty income of PRC subsidiaries amounted to approximately HK$468,741,000 (2025: HK$465,933,000).

30 PROVISION FOR REINSTATEMENT COSTS

The movement of provision for reinstatement costs is as follows:

	2026 HK$'000	2025 HK$'000
At 1 April	**15,963**	18,051
Provision during the year	**1,286**	358
Payment	**(6,661)**	(1,216)
Under/(over)-provision for reinstatement costs	**1,549**	(1,157)
Exchange differences	**192**	(73)
At 31 March	**12,329**	15,963
Represented by:		
— Non-current	**7,101**	14,025
— Current	**5,228**	1,938
	12,329	15,963

31 TRADE PAYABLES

Payment terms with majority of the suppliers are on open account. Certain suppliers grant credit period ranging from 30 days to 180 days (2025: 30 days to 180 days).

At 31 March 2026 and 2025, the ageing analysis of trade payables based on invoice date is as follows:

	2026 HK$'000	2025 HK$'000
Less than 60 days	**2,359**	803
60 days to 120 days	**1**	—
Over 120 days	**—**	58
	2,360	861

31 TRADE PAYABLES — CONTINUED

The Group's trade payables were denominated in the following currencies:

	2026 **HK$'000**	2025 HK$'000
HK$	**1,563**	433
RMB	**712**	283
MOP	**84**	21
AUD	**1**	124
	2,360	861

32 ACCRUALS AND OTHER PAYABLES

	2026 **HK$'000**	2025 HK$'000
Accrued operating expenses	**24,888**	31,532
Other payables	**15,921**	21,268
	40,809	52,800

Accruals and other payables were denominated in the following currencies:

	2026 **HK$'000**	2025 HK$'000
HK$	**31,731**	38,597
RMB	**7,098**	11,382
MOP	**1,020**	959
AUD	**239**	761
SGD	**721**	1,101
	40,809	52,800

33 DEFERRED REVENUE

The deferred revenue is related to the sales of treatment services and membership service income.

	2026 HK$'000	2025 HK$'000
Deferred revenue related to sales of treatment services	**186,919**	190,146
Deferred revenue related to membership service income	**9,459**	9,993
Deferred revenue	**196,378**	200,139
Less: Non-current portion	**(2,691)**	(2,686)
Current portion	**193,687**	197,453

The following table shows unsatisfied performance obligations that will be satisfied:

	2026 HK$'000	2025 HK$'000
Within one year	**193,687**	197,453
Over one year	**2,691**	2,686
	196,378	200,139

34 CAPITAL COMMITMENTS

	2026 HK$'000	2025 HK$'000
Capital expenditure contracted for but not yet incurred in respect of acquisition of property, plant and equipment	**621**	2,482

35 RELATED PARTY TRANSACTIONS

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

Parties are also considered to be related if they are subject to common control or joint control.

Members of key management and their close family members are also considered as related parties.

(a) Details of key management compensations are disclosed in Note 16 to the consolidated financial statements.

36 NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Cash generated from operations

	2026 HK$'000	2025 HK$'000
Profit before income tax	**211,181**	252,549
Adjustments for:		
— Depreciation of property, plant and equipment (Note 17)	**55,466**	67,491
— Depreciation of right-of-use assets (Note 18)	**97,767**	110,850
— Losses/(gains) on disposal of property, plant and equipment (Note 8)	**3,768**	(1,508)
— Gains on termination of leases (Note 8)	**(308)**	—
— Dividend income from financial assets at fair value through other comprehensive income (Note 7)	**(1,517)**	(1,303)
— Under/(over)-provision for reinstatement costs (Note 30)	**1,549**	(1,157)
— Interest income (Note 10)	**(6,144)**	(11,991)
— Interest expenses (Note 10)	**7,949**	11,078
— Share-based payment expenses (Note 14)	**1,810**	3,444
	371,521	429,453
Changes in working capital:		
— Inventories	**8,724**	(7,517)
— Trade receivables	**(1,718)**	34,403
— Other receivables, deposits and prepayments	**13,933**	22,366
— Trade payables, accruals and other payables	**(11,785)**	(21,996)
— Deferred revenue	**(6,672)**	(59,353)
— Pledged bank deposits	**2,555**	(68)
Cash generated from operations	**376,558**	397,288

(b) In the consolidated statement of cash flows, proceeds from disposal of property, plant and equipment comprise:

	2026 HK$'000	2025 HK$'000
Net book amount disposed (Note 17)	**4,562**	2,856
(Losses)/gains on disposal of property, plant and equipment (Note 8)	**(3,768)**	1,508
Proceeds from disposal of property, plant and equipment	**794**	4,364

36 NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS — CONTINUED

(c) Reconciliation of liabilities arising from financing activities

This section sets out the movement in liabilities arising from financing activities for the years presented.

	Lease liabilities HK$'000	Dividend payable HK$'000
As at 1 April 2024	268,726	—
Acquisition of leases	56,124	—
Interest expenses on lease liabilities (Note 10)	11,078	—
Dividends declared	—	359,273
Cash flows		
Payment of principal element of lease liabilities (Note 18(e))	(107,600)	—
Payment of interest element of lease liabilities (Note 18(e))	(11,078)	—
Dividends paid	—	(359,273)
Other non-cash movements		
Exchange difference	(603)	—
As at 31 March 2025	216,647	—
As at 1 April 2025	**216,647**	**—**
Acquisition of leases	**22,351**	**—**
Interest expenses on lease liabilities (Note 10)	**7,949**	**—**
Dividends declared	**—**	**162,049**
Cash flows		
Payment of principal element of lease liabilities (Note 18(e))	**(99,942)**	**—**
Payment of interest element of lease liabilities (Note 18(e))	**(7,949)**	**—**
Dividends paid	**—**	**(162,049)**
Other non-cash movements		
Termination of leases	**(6,690)**	**—**
Exchange difference	**2,218**	**—**
As at 31 March 2026	**134,584**	**—**

37 PARTICULARS OF PRINCIPAL SUBSIDIARIES

As at 31 March 2026 and 2025, the Company had the following principal subsidiaries:

Name of subsidiary	Place of incorporation/ establishment	Principal activities and place of operation	Registered/ issued and fully paid-up capital	Effective interest held by the Group	
				2026	2025
Direct interests:					
Perfect Shape Advertising Company Limited	Hong Kong	Provision of advertising services to group companies in Hong Kong	HK$10,000	100%	100%
Perfect Shape Holdings (China) Limited	The British Virgin Islands	Investment holding in the PRC	100 shares of US$1 each	100%	100%
Success Honour Holdings Limited	The British Virgin Islands	Investment holding in Hong Kong	100 shares of US$1 each	100%	100%
Perfect Shape & Skin Management Co. Limited	Hong Kong	Holding of trademarks in Hong Kong and the PRC	HK$10,000	100%	100%
Next App Limited	The British Virgin Islands	Investment holding in Hong Kong	1 shares of US$1 each	100%	100%
Hong Kong Charity Foundation Limited	Hong Kong	Charitable activities	Limited by guarantee	100%	100%
Indirect interests:					
Freedom Beauty Limited	Hong Kong	Provision of medical, aesthetic medical and beauty and wellness services in Hong Kong	HK$10,000	100%	100%
I-Medi Asia Limited	Hong Kong	Rental of equipment to group companies in Hong Kong	HK$10,000	100%	100%
Perfect Men Limited	Hong Kong	Provision of medical, aesthetic medical and beauty and wellness services in Hong Kong	HK$10,000	100%	100%
Goku Japan Limited	Hong Kong	Provision of medical, aesthetic medical and beauty and wellness services in Hong Kong	HK$10,000	100%	100%
K-Beauty Group Limited (formerly known as Perfect Health Care Limited)	Hong Kong	Provision of medical, aesthetic medical and beauty and wellness services in Hong Kong	HK$10,000	100%	100%

37 PARTICULARS OF PRINCIPAL SUBSIDIARIES — CONTINUED

Name of subsidiary	Place of incorporation/ establishment	Principal activities and place of operation	Registered/ issued and fully paid-up capital	Effective interest held by the Group 2026	Effective interest held by the Group 2025
Indirect interests: — continued					
New Beauty Medical Limited	Hong Kong	Provision of medical, aesthetic medical and beauty and wellness services in Hong Kong	HK$10,000	**100%**	100%
New Beauty Group Limited	Hong Kong	Provision of medical, aesthetic medical and beauty and wellness services in Hong Kong	HK$10,000	**100%**	100%
Perfect Shape & Skin (Macau) Limited	Macau	Provision of medical, aesthetic medical and beauty and wellness services in Macau	MOP100,000	**100%**	100%
Perfect Medical Limited	Hong Kong	Provision of medical, aesthetic medical and beauty and wellness services in Hong Kong	HK$10,000	**100%**	100%
Hong Kong Doctor Healthcare Limited	Hong Kong	Provision of medical, aesthetic medical and beauty and wellness services in Hong Kong	HK$10,000	**100%**	100%
Perfect Medical Group Limited	Hong Kong	Provision of medical, aesthetic medical and beauty and wellness services in Hong Kong	HK$10,000	**100%**	100%
Perfect Shape (Holdings) Limited	Hong Kong	Provision of management services to group companies in Hong Kong	HK$10,000	**100%**	100%
Oracle (Hong Kong) Limited (formerly known as Perfect Hair Limited)	Hong Kong	Provision of medical, aesthetic medical and beauty and wellness services in Hong Kong	HK$10,000	**100%**	100%
Perfect Shape Investment (Shanghai) Limited	Hong Kong	Investment holding in the PRC	HK$10,000	**100%**	100%
MediSearch Limited	Hong Kong	Provision of medical, aesthetic medical and beauty and wellness services in Hong Kong	HK$10,000	**100%**	100%

37 PARTICULARS OF PRINCIPAL SUBSIDIARIES — CONTINUED

Name of subsidiary	Place of incorporation/ establishment	Principal activities and place of operation	Registered/ issued and fully paid-up capital	Effective interest held by the Group 2026	2025
Indirect interests: — continued					
Dr. Au Yeung Kong and Associates Limited	Hong Kong	Provision of medical, aesthetic medical and beauty and wellness services in Hong Kong	HK$10,000	**100%**	100%
Perfect Beauty Group Limited	Hong Kong	Provision of medical, aesthetic medical and beauty and wellness services in Hong Kong	HK$20,000	**100%**	100%
Perfect Specialist Clinic Limited	Hong Kong	Provision of medical, aesthetic medical and beauty and wellness services in Hong Kong	HK$1	**100%**	100%
Perfect Goku Holdings Limited	Hong Kong	Provision of medical, aesthetic medical and beauty and wellness services in Hong Kong	HK$100	**51%**	51%
Perfect Goku Management Limited	Hong Kong	Provision of medical, aesthetic medical and beauty and wellness services in Hong Kong	HK$100	**51%**	51%
Loyal Fortunate Limited	The British Virgin Islands	Investment holding in Hong Kong	1 shares of US$1 each	**100%**	100%
New Beauty Australia Pty Ltd	Australia	Provision of medical, aesthetic medical and beauty and wellness services in Australia	AUD10	**100%**	100%
New Beauty Pte. Limited	Singapore	Provision of medical, aesthetic medical and beauty and wellness services in Singapore	SGD100	**100%**	100%
必瘦站企業管理諮詢(深圳)有限公司 (Perfect Shape Consultancy Shenzhen Limited)[#]	The PRC	Investment holding in the PRC	RMB1,000,000	**100%**	100%
廣州必瘦站美容服務有限公司 (Guangzhou Shape Perfect Limited)[@]	The PRC	Provision of medical, aesthetic medical and beauty and wellness services in the PRC	RMB1,000,000	**100%**	100%

37 PARTICULARS OF PRINCIPAL SUBSIDIARIES — CONTINUED

Name of subsidiary	Place of incorporation/ establishment	Principal activities and place of operation	Registered/ issued and fully paid-up capital	Effective interest held by the Group 2026	Effective interest held by the Group 2025
Indirect interests: — continued					
深圳必瘦站美容纖體有限公司 (Shenzhen Shape Perfect Limited)@	The PRC	Provision of medical, aesthetic medical and beauty and wellness services in the PRC	RMB1,000,000	**100%**	100%
上海必瘦站企業管理諮詢有限公司 (Shanghai Perfect Shape Consultancy Limited)@	The PRC	Provision of medical, aesthetic medical and beauty and wellness services in the PRC	RMB1,000,000	**100%**	100%
必瘦站投資管理諮詢(上海)有限公司 (Shanghai Perfect Shape Investment Management Limited)#	The PRC	Investment holding in the PRC	RMB1,000,000	**100%**	100%
上海必瘦站美容服務有限公司 (Shanghai Perfect Shape Cosmetic Limited)@	The PRC	Provision of medical, aesthetic medical and beauty and wellness services in the PRC	RMB10,000,000	**100%**	100%
廣州必瘦站醫療美容診所有限公司 (Guangzhou Zhenmei Clinic Limited)@	The PRC	Provision of medical, aesthetic medical and beauty and wellness services in the PRC	RMB1,000,000	**100%**	100%
上海必瘦站醫療科技有限公司 (Shanghai Perfect Shape Cosmetic Technology Limited)@	The PRC	Provision of medical, aesthetic medical and beauty and wellness services in the PRC	RMB1,000,000	**100%**	100%
悟完(上海)咨詢管理有限公司 (Goku (Shanghai) Consultancy Limited)@	The PRC	Provision of medical, aesthetic medical and beauty and wellness services in the PRC	RMB100,000	**51%**	51%

\# The company is established as a wholly foreign-owned enterprise in the PRC.

@ The company is established as a limited liability company in the PRC.

Note: The English names of the group companies established in the PRC represent the best effort by the directors in translating their Chinese names as they do not have official English names.

38 BALANCE SHEET OF THE COMPANY

	2026 HK$'000	2025 HK$'000
ASSETS		
Non-current assets		
Interests in subsidiaries	**22,035**	22,035
Amounts due from subsidiaries	**964,205**	956,770
	986,240	978,805
Current assets		
Prepayments and other receivables	**69**	69
Cash and cash equivalents	**482**	482
	551	551
Total assets	**986,791**	979,356
EQUITY		
Share capital	**125,619**	125,619
Reserves (Note (a))	**861,107**	853,672
Total equity	**986,726**	979,291
LIABILITY		
Current liability		
Accruals and other payables	**65**	65
Total equity and liability	**986,791**	979,356

The balance sheet of the Company was approved by the Board of Directors on 30 June 2026 and was signed on its behalf.

Au-Yeung Kong
Director

Au-Yeung Wai
Director

38 BALANCE SHEET OF THE COMPANY — CONTINUED

Note (a) Reserve movement of the Company

	Share premium HK$'000	Retained earnings HK$'000	Capital reserve HK$'000	Capital redemption reserve HK$'000	Share-based compensation reserve HK$'000	Total HK$'000
At 1 April 2024	263,462	627,821	22,015	8,329	1,304	922,931
Profit for the year	—	286,570	—	—	—	286,570
Dividends — cash dividends (Note 12)	(69,091)	(290,182)	—	—	—	(359,273)
Share-based payment (Note 15)	—	—	—	—	3,444	3,444
At 31 March 2025 and 1 April 2025	**194,371**	**624,209**	**22,015**	**8,329**	**4,748**	**853,672**
Profit for the year	**—**	**167,674**	**—**	**—**	**—**	**167,674**
Dividends — cash dividends (Note 12)	**—**	**(162,049)**	**—**	**—**	**—**	**(162,049)**
Share-based payment (Note 15)	**—**	**—**	**—**	**—**	**1,810**	**1,810**
At 31 March 2026	**194,371**	**629,834**	**22,015**	**8,329**	**6,558**	**861,107**

Note:

Pursuant to the reorganisation in preparation for the listing of the shares of the Company on the Stock Exchange (the "Reorganisation"), the Company acquired the entire issued share capital of Success Honour Holdings Limited, Perfect Shape Holdings (China) Limited, Perfect Shape & Skin Management Co., Ltd. and Perfect Shape Advertising Company Limited, the then holding companies of all other companies comprising the Group and consequently became the holding company of the Group. The Reorganisation was completed on 1 December 2011.

The capital reserve of the Company represents the difference between the aggregate of consideration paid and nominal amounts of the Company's shares issued pursuant to the Reorganisation, and the value of net assets of the underlying subsidiaries.

39 BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' emoluments (regarded as key management compensation)

Details of directors' emolument were disclosed in Note 16.

(b) Directors' retirement benefits and termination benefits

None of the directors received or will receive any retirement benefits or termination benefits during the year (2025: Nil).

(c) Consideration provided to third parties for making available directors' services

During the year ended 31 March 2026, the Company did not pay consideration to any third parties for making available directors' services (2025: Nil).

(d) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

As at 31 March 2026, there were no loans, quasi-loans and other dealings in favour of the directors, controlled bodies corporate by and connected entities with such directors (2025: Nil).

(e) Directors' material interests in transactions, arrangements or contracts

Save as disclosed in Note 35 to the consolidated financial statements, there were no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 March 2026 (2025: Nil).