PERFECT SHAPE (PRC) HOLDINGS LIMITED
必瘦站（中國）控股有限公司

(incorporated in the Cayman Islands with limited liability)

(stock code: 1830)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2013

HIGHLIGHTS

- The Group's revenue rose by 16.2% year-on-year from HK$381.2 million to HK$443.0 million
- The Group's operating profit margin increased from 23.0% to 23.8% year-on-year
- The Group's net profit for the year increased by 13.5% year-on-year from HK$68.7 million to HK$78.0 million
- Basic earnings per share was HK7.8 cents
- Final dividend per share proposed is HK4.4 cents
- The sales receipts of prepaid packages in Hong Kong increased by 169.3% from HK$54.1 million to HK$145.7 million

FINAL RESULTS

The board of directors (the "Board") of Perfect Shape (PRC) Holdings Limited (the "Company") announces the results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2013, together with the comparative figures for the year ended 31 March 2012:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2013

	Note	**2013** *HK$'000*	2012 *HK$'000*
Revenue	3	**443,026**	381,160
Other income		**1,900**	2,284
Other gains — net		**690**	1,320
Cost of inventories and consumables		**(8,764)**	(8,658)
Employee benefit expenses		**(110,839)**	(95,599)
Marketing expenses		**(78,134)**	(61,901)
Depreciation		**(23,729)**	(18,126)
Operating lease rentals		**(49,000)**	(40,105)
Other operating expenses		**(69,670)**	(72,555)
Operating profit		**105,480**	87,820
Finance income		**3,636**	2,510
Finance cost		**—**	(43)
Finance income — net		**3,636**	2,467
Profit before income tax		**109,116**	90,287
Income tax expense	4	**(31,101)**	(21,615)
Profit for the year attributable to equity holders of the Company		**78,015**	68,672
Other comprehensive income:			
Disposal of available-for-sale financial assets		**—**	15
Currency translation differences		**1,185**	397
Total other comprehensive income for the year		**1,185**	412
Total comprehensive income for the year attributable to equity holders of the Company		**79,200**	69,084
Earnings per share attributable to equity holders of the Company during the year	6		
— basic		**HK7.8 cents**	HK8.7 cents
— diluted		**HK7.8 cents**	HK8.7 cents

CONSOLIDATED BALANCE SHEET

As at 31 March 2013

	Note	2013 HK$'000	2012 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**52,449**	39,568
Deposits and prepayments		**22,105**	18,303
Deferred income tax assets		**9,002**	9,843
		83,556	67,714
Current assets			
Inventories		**2,585**	571
Trade receivables	7	**19,371**	9,133
Other receivables, deposits and prepayments		**35,973**	18,648
Amounts due from related companies		**—**	329
Financial assets at fair value through profit or loss		**18,684**	6,391
Term deposits with initial terms of over three months		**58,137**	38,901
Pledged bank deposits		**55,548**	36,200
Cash and cash equivalents		**109,472**	205,684
		299,770	315,857
Total assets		**383,326**	383,571
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		**100,000**	100,000
Share premium		**91,748**	91,748
Other reserves		**5,255**	3,287
Retained earnings		**44,918**	25,686
Total equity		**241,921**	220,721
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		**5,710**	3,716
Provision for reinstatement costs		**1,998**	1,808
		7,708	5,524

	Note	2013 HK$'000	2012 HK$'000
Current liabilities			
Provision for reinstatement costs		**838**	972
Trade payables	8	**1,833**	898
Accruals and other payables		**35,958**	27,223
Deferred revenue		**79,168**	119,400
Tax payable		**15,900**	8,197
Amounts due to directors		**—**	636
		133,697	157,326
Total liabilities		**141,405**	162,850
Total equity and liabilities		**383,326**	383,571
Net current assets		**166,073**	158,531
Total assets less current liabilities		**249,629**	226,245

1 GENERAL INFORMATION

Perfect Shape (PRC) Holdings Limited (the "Company") and its subsidiaries (together, the "Group") are principally engaged in the provision of slimming and beauty services and the sales of slimming and beauty products in Hong Kong ("HK"), the People's Republic of China (the "PRC") and Macau.

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 on 10 February 2012.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The consolidated financial statements of the Company have been prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss which are carried at fair value.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

(a) Effect of adopting amendments to standards

The following amendments to standards are mandatory for accounting periods beginning on or after 1 April 2012. The adoption of these amendments to standards does not have any significant impact to the results and financial position of the Group.

HKFRS 1 (amendment)	Severe hyperinflation and removal of fixed dates for first-time adopters
HKFRS 7 (amendment)	Disclosures — transfers of financial assets
HKAS 12 (amendment)	Deferred tax: recovery of underlying assets

(b) New standards, amendments to standards and interpretation that have been issued but are not effective

The following new standards, amendments to standards and interpretation have been issued but are not effective in the current period and have not been early adopted:

HKFRS 1 (amendment)	First-time adoption of Hong Kong Financial Standards — government loans[2]
HKFRS 7 (amendment)	Disclosures — offsetting financial assets and financial liabilities[2]
HKFRS 7 (amendment)	Mandatory effective date of HKFRS 9 and transition disclosures[4]
HKFRS 9	Financial instruments[4]
Additions to HKFRS 9	Financial instruments — financial liabilities[4]
HKFRS 10	Consolidated financial statements[2]
HKFRS 11	Joint arrangements[2]
HKFRS 12	Disclosure of interests in other entities[2]
HKFRS 10, HKFRS 11 and HKFRS 12 (amendments)	Consolidated financial statements, joint arrangements and disclosure of interests in other entities: transition guidance[2]
HKFRS 10, HKFRS 12 and HKAS 27 (2011) (amendments)	Investment entities[3]
HKFRS 13	Fair value measurements[2]
HKAS 1 (amendment)	Presentation of financial statements[1]
HKAS 19 (2011)	Employee benefits[2]
HKAS 27 (2011)	Separate financial statements[2]
HKAS 28 (2011)	Investments in associates and joint ventures[2]
HKAS 32 (amendment)	Offsetting financial assets and financial liabilities[3]
Amendments to HKFRSs	Annual Improvement to HKFRSs 2009–2011 Cycle[2]
HK(IFRIC) Int 20	Stripping costs in the production phase of a surface mine[2]

(1) Effective for the Group for annual period beginning on 1 July 2012

(2) Effective for the Group for annual period beginning on 1 April 2013

(3) Effective for the Group for annual period beginning on 1 April 2014

(4) Effective for the Group for annual period beginning on 1 April 2015

The directors anticipate that the adoption of these new standards, amendments to standards and interpretation will not result in any significant impact on the results and financial position of the Group.

3 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 beauty and slimming treatments and the sales of beauty and slimming 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 unit, the Group's chief operating decision maker considers the performance assessment of the Group should be based on the profit before income tax of the Group as a whole. Therefore, management considers there to be only one operating segment under the requirements of HKFRS 8.

The Group primarily operates in Hong Kong, the PRC and Macau, and its revenue was derived from the following regions:

	2013	2012
	HK$'000	*HK$'000*
Hong Kong	**137,843**	75,215
The PRC	**298,852**	291,745
Macau	**6,331**	14,200
	443,026	381,160

The consolidated profit before income tax of the Group, prior to certain intra-group recharges and excluding the listing expenses, was attributable to the profit/(loss) of following regions:

	2013	2012
	HK$'000	*HK$'000*
Hong Kong	**14,679**	(381)
The PRC	**91,217**	87,921
Macau	**3,220**	8,964
	109,116	96,504

The Group's total non-current assets other than deferred income tax assets were located in the following regions:

	2013	2012
	HK$'000	*HK$'000*
Hong Kong	**33,727**	13,260
The PRC	**40,562**	44,325
Macau	**265**	286
	74,554	57,871

4 INCOME TAX EXPENSE

The Group is not subject to taxation in the Cayman Islands and the British Virgin Islands. Hong Kong profits tax has been provided for at the rate of 16.5% (2012: 16.5%) for the year on the estimated assessable profits arising in or derived from Hong Kong. Companies established and operated in the PRC are subject to PRC corporate income tax at the rate of 25% (2012: 25%). Companies established and operated in Macau is subject to Macao complementary tax, which is 9% on taxable income above MOP200,000 but below MOP300,000, and thereafter at a fixed rate at 12% for the years ended 31 March 2013 and 2012.

	2013	2012
	HK$'000	*HK$'000*
Current income taxation		
— Hong Kong profits tax	**4,086**	6,409
— PRC corporate income tax	**20,725**	12,756
— Macao complementary tax	**387**	60
	25,198	19,225
Under/(over)-provision in prior years		
— Hong Kong profits tax	**617**	(222)
— PRC corporate income tax	**—**	(4,017)
	617	(4,239)
Total current income taxation	**25,815**	14,986
Deferred taxation	**5,286**	6,629
	31,101	21,615

5 DIVIDENDS

	2013	2012
	HK$'000	*HK$'000*
Interim, paid, of HK3.3 cents per ordinary share (note i)	**33,000**	—
Special, paid (note ii)	**—**	88,500
Final, proposed, of HK4.4 cents (2012: HK2.5 cents) per ordinary share (notes iii and iv)	**44,000**	25,000
	77,000	113,500

Notes:

(i) At a meeting held on 26 November 2012, the directors declared an interim dividend for the year ended 31 March 2013 of HK3.3 cents per ordinary share, totaling HK$33,000,000, which was paid on 11 January 2013 and was reflected as an appropriation of retained earnings for the year ended 31 March 2013.

(ii) Pursuant to respective resolutions on 3 November 2011, certain subsidiaries comprising the Group declared a special dividend relating to the year ended 31 March 2012 amounting to HK$88,500,000 prior to the Company's public offering of shares, the amount of which was paid in January 2012.

(iii) At a meeting held on 28 June 2012, the directors recommended the payment of a final dividend of HK2.5 cents per ordinary share, totaling HK$25,000,000, for the year ended 31 March 2012. The amount was paid on 18 September 2012 and was reflected as an appropriation of retained earnings for the year ended 31 March 2013.

(iv) At a meeting held on 26 June 2013, the directors recommended the payment of a final dividend of HK4.4 cents per ordinary share, totaling HK$44,000,000. The dividend was not reflected as dividend payable in these financial statements, but will be reflected as an appropriation of retained earnings for the year ending 31 March 2014 after receiving the shareholders' approval at the coming annual general meeting.

6 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.

	2013	2012
	HK$'000	*HK$'000*
Profit attributable to equity holders of the Company	**78,015**	68,672
Weighted average number of ordinary shares for the purposes of basic earnings per share (thousand of share)	**1,000,000**	784,932
Basic earnings per share (HK cents per share)	**7.8**	8.7

The weighted average number of ordinary shares used for the purposes of calculating the basic earnings per share for the year ended 31 March 2012 had been retrospectively adjusted for the effects of the capitalisation issue of the ordinary shares which took place on 9 February 2012.

Diluted

Diluted earnings per share is of the same amount as the basic earnings per share as there were no potential dilutive ordinary shares outstanding during the year.

7 TRADE RECEIVABLES

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

	2013	2012
	HK$'000	*HK$'000*
Less than 60 days	**14,291**	7,974
60 days to 90 days	**1,805**	283
91 days to 120 days	**1,320**	223
Over 120 days	**1,955**	653
	19,371	9,133

At 31 March 2013, trade receivables of approximately HK$740,000 (2012: HK$460,000) were past due but not considered to be impaired because these mainly related to a number of financial institutions of high individual credit ratings with no recent history of default. The ageing analysis of these trade receivables by the days of overdue repayment is as follows:

	2013	2012
	HK$'000	*HK$'000*
Less than 60 days	**391**	129
60 days to 120 days	**49**	—
Over 120 days	**300**	331
	740	460

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 2013 and 2012, no collateral was received from these counterparties.

As at 31 March 2013 and 2012 and during the years then ended, no trade receivables were impaired.

8 TRADE PAYABLES

Payment terms with majority of the suppliers are on open account. Certain suppliers grant credit period ranging from 30 to 180 days (2012: 30 to 60 days).

An ageing analysis of trade payables as at the balance sheet date is as follows:

	2013	2012
	HK$'000	*HK$'000*
Less than 60 days	**957**	265
60 days to 120 days	**199**	46
Over 120 days	**677**	587
	1,833	898

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Overview

The Group proudly outperformed the industry in the revenue growth and reported a satisfactory profit during the year even though uncertainties arisen from the financial crisis have continued to cloud the global economies and the alarming signals of a slowdown in China's economic growth have weakened the national consumption sentiment. Such impressive performance is mainly attributable to the Group's marketing strategy and its promising business portfolio.

For the year ended 31 March 2013, the Group recorded revenue of HK$443,026,000, representing an increase of 16.2% from HK$381,160,000 last year. Earnings before interest, tax, depreciation and amortisation ("EBITDA") were HK$129,209,000 (2012: HK$105,946,000). The profit attributable to equity holders of the Company was HK$78,015,000 (2012: HK$68,672,000).

Immense market potential

Pursuit of beauty has been part of an undeniable nature of human being, its importance has been seen moving upward, in view of surging awareness of appearance and various technology breakthroughs. With reference to the market of China, where the Group's business is mainly located, slimming and beauty services continued to grow in the year ended 31 March 2013, despite the continuous economic fluctuation. According to Ibis World's report on skincare, hairdressing and beauty service, revenue generated across the industry totaled US$961.3 million, up by 7.6% for the year, with annualized growth of 7.1% since 2007. This reflected that the market, which has experienced strong and regular growth, is particularly solid and resilient.

Winning Strategy

The burgeoning market of China has resulted in increasing competition. In encountering the competition, the Group is committed to building our brand "Perfect Shape" which distinguishes it from its competitors. The Group continued to strengthen its market position by employing endorsements from celebrities and expanding its geographical coverage.

According to the trend that Euromonitor subscribes to, it is expected that the premium segment will capture greater market share as consumers continue to migrate upwards. Such observation supported the strategy of targeting mid-to-high-end customers. Among other measures discussed herein, the locations sought for new centres were strictly limited to the prestigious shopping areas.

To date, the Company has over 100,000 members in the PRC, Hong Kong and Macau. This impressive clientele has helped to instill confidence among new members, while referrals have also aided the Group to grasp new market opportunities.

Promising business portfolio

With the tremendous business opportunities arising from the medical beauty services, the Group has reviewed its business portfolio in early 2012 and decided to allocate more resources in developing this business segment, which promised the Group with higher profit margins. Subsequent to the year ended 31 March 2012, the Group recorded satisfactory performance in its medical beauty services, and the sales from this sector are expected to grow further.

Health and safety have laid down the foundation of Perfect Shape. The Group's management team, with their significant medical knowledge and expertise, is determined to further expand the medical beauty services. In particular, the founder and chief executive officer of the Company, Dr Au-Yeung Kong is a registered medical practitioner who has extensive experience in the slimming and medical beauty industry. Being fully capable of selecting or referring suitable medical practitioners to perform medical beauty services, this underscores the Company's commitment to customer safety. Even prior to a fatalistic accidents caused by intravenous therapy in a centre operated by a competitor in Hong Kong last October, the Group has solely offered non-invasive, results driven cosmetic enhancements. The Group will continue to dedicate precaution in formulating the range of services and products.

Mainland China Operations

The Company has a strong network in the PRC. During the year under review, the Group recorded revenue of HK$298,852,000 from its operations in Mainland China, representing a year-on-year growth of 2.4% compared with the revenue of HK$291,745,000 recorded last year.

Of the over 60 service centres of the Group, almost 90% are located in Mainland China. These centres are located in major metropolitan cities, namely Shanghai, Beijing, Shenzhen, Guangzhou, Chengdu, Chongqing, Dongguan, Foshan, Nanjing and Tianjin.

Hong Kong and Macau Operations

During the year under review, the Group recorded revenue of HK$144,174,000 from its operations in Hong Kong and Macau, representing a year-on-year significant growth of 61.2% compared with the revenue of HK$89,415,000 recorded last year.

In additional to "Perfect Shape", "Perfect Medical", with two service centres in Hong Kong, is also under the Group to provide its medical beauty service, which focuses in laser treatments.

Save for the services retailing which the Group has been engaged for a decade, the Group has explored the business-to-business market as well. After the financial year ended 31 March 2013, the Group has launched cosmetic equipment distribution business. With the Group's established relationship with suppliers, it is believed that the distribution business will provide an alternative source of steady income for the Group.

Future Plan

Under the combined effects of population growth, urbanization, progress in infrastructure and growth in China's GDP, the population with access to advanced beauty technology is believed to grow in the coming decade, boosted by the rapid rise of urban middle class. We believe that securing market share under our brand "Perfect Shape" is essential in leveraging the robust growth of the slimming and medical beauty market. The Group will uphold its plan in maximizing its brand coverage over the entire region by the year ending March 2015. Save for seeking suitable locations in opening new branches, the Group has also considered introduction of quality business partners by means of, including but not limited to, franchising. Moreover, our expansion is not limited in the Mainland China. The Group will look for joint venture formation to extend our business outside Hong Kong, Macau and Mainland China when opportunity arises.

The Group plans to launch multi-clinics offering one-stop beauty and health management services. Premium medical beauty services, anti-aging treatments and body checks will be offered to customers in these clinics. In doing so, the Company will leverage its strong customer base to enter into this business segment and increase its revenue stream.

Notwithstanding the goal of progressive expansion, the customer experience will not be compromised. In order to safeguard the hallmark of "Perfect Shape", we will continue to take ultra precaution in reviewing the range of services and products to be offered and the choice of locations of our new centres, in order to have continuous steady growth in the industry.

Liquidity, Financial Resources and Capital Structure

The total equity of the Company as at 31 March 2013 was HK$241.9 million (2012: HK$220.7 million). The Group generally finances its operation with internal generated cash flows. The Group had bank and cash balance of approximately HK$223.2 million as at 31 March 2013 (2012: HK$280.8 million), with no external bank borrowing. The Group's gearing ratio as at 31 March 2013 was nil (2012: nil), based on the short-term and long-term interest bearing bank borrowings and the equity attributable to equity holders of the Company. As at 31 March 2013, the Group had net current assets of approximately HK$166.1 million (2012: HK$158.5 million).

Cash generated from operations in 2013 is approximately HK$68.3 million (2012: HK$80.0 million). With the bank and cash balances on hand, the Group's liquidity position remains strong and it has sufficient financial resources to finance its commitments and to meet its working capital requirement.

Foreign Exchange Exposure

Since the Group's assets and liabilities, revenue and payments are mainly denominated in Hong Kong Dollars and Renminbi, the Group considers that there is no significant exposure to foreign exchange fluctuations.

Employees and Remuneration Policies

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

The Group employed a total work force of 829 employees as at 31 March 2013 (2012: 864 employees). The Group's remuneration policies are in line with the prevailing market practices and are determined on the basis of performance and experience of the individual. The Group has been constantly reviewing staff remuneration package to ensure it is competitive with relevant industries.

Capital commitments

As at 31 March 2013, the Group had the following capital commitments.

	2013	2012
	HK$'000	*HK$'000*
Capital expenditure contracted for but not yet incurred in respect of acquisition of property, plant and equipment	**2,846**	1,059

Contingent liabilities

As at 31 March 2013, the Group did not have any significant contingent liabilities.

DIVIDEND

The Directors recommended a payment of a final dividend equivalent to HK4.4 cents per share of the Company (the "Share") for the year ended 31 March 2013 to the shareholders of the Company (the "Shareholders") whose names appear on the register of Shareholders on Friday, 23 August 2013, together with interim dividend of HK3.3 cents per share paid, the total dividend for the year ended 31 March 2013 amounted to HK7.7 cents per share.

The proposed final dividend is subject to approval by the Shareholders at the forthcoming annual general meeting of the Company and will be paid on or around Wednesday, 18 September 2013.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 12 August 2013 to Thursday, 15 August 2013 (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 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Friday, 9 August 2013.

The register of members of the Company will be closed from Wednesday, 21 August 2013 to Friday, 23 August 2013 (both dates inclusive), during which period no transfer of Shares will be registered. In order to qualify for the final dividend, all transfers of Shares, accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrars in Hong Kong, Tricor Investor Services Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 20 August 2013.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 March 2013, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE PRACTICES

During the year ended 31 March 2013, the Company has complied with the Corporate Governance Code and Corporate Governance Report (the "CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") except the issue mentioned in the following paragraph.

According to the code provision A.2.1 of the CG Code, the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual. During the year ended 31 March 2013, 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 slimming and beauty industry and is the appropriate person to manage the Group, therefore, the roles of Chairman and CEO exercised by the same individual, Dr. Au-Yeung Kong, is beneficial to the business prospects and management of the Group. 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 as set out in Appendix 10 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 2013.

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 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 internal control procedures of the Group, and oversee the relationship with the Company's external auditors.

The Audit Committee comprises three independent non-executive Directors namely, Ms. Hsu Wai Man, Helen, Mr. Chi Chi Hung, Kenneth and Ms. Pang Siu Yin. 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 internal control and financial reporting matters, including reviewing the financial statements and annual results for the year ended 31 March 2013.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the Company's website (http://www.perfectshape.com.hk) and the Stock Exchange's website (http://www.hkex.com.hk). The 2013 Annual Report containing all the information required by the Listing Rules will be dispatched to the Shareholders and available on the same websites in due course.

By Order of the Board
Perfect Shape (PRC) Holdings Limited
Dr. Au-Yeung Kong
Chairman

Hong Kong, 26 June 2013

As at the date of this announcement, the Board comprises Dr. Au-Yeung Kong, Ms. Au-Yeung Wai, and Ms. Au-Yeung Hung as executive Directors and Ms. Hsu Wai Man, Helen, Mr. Chi Chi Hung, Kenneth and Ms. Pang Siu Yin as independent non-executive Directors.