JBM (Healthcare) Limited

Incorporated in the Cayman Islands with limited liability
Stock Code: 2161

Focus Forward

2024/2025 Annual Report

Corporate Information

Board of Directors

Executive Directors

Mr. Sum Kwong Yip, Derek (Chairman)
(Re-designated on 12 June 2025)
Mr. Yim Chun Leung
(Re-designated on 12 June 2025)
Mr. Wong Yat Wai, Patrick (Chief Executive Officer)
Dr. Cheng Celine Heung Kwan

Non-executive Director

Mr. Yeung Kwok Chun, Harry

Independent Non-executive Directors

Mr. Chan Kam Chiu, Simon
Mr. Luk Ting Lung, Alan
Mr. Lau Shut Lee, Tony

Audit Committee

Mr. Luk Ting Lung, Alan (Chairman)
Mr. Chan Kam Chiu, Simon
Mr. Lau Shut Lee, Tony

Remuneration Committee

Mr. Luk Ting Lung, Alan (Chairman)
Mr. Yim Chun Leung
Mr. Chan Kam Chiu, Simon
Mr. Lau Shut Lee, Tony

Nomination Committee

Mr. Sum Kwong Yip, Derek (Chairman)
Mr. Yeung Kwok Chun, Harry
Mr. Chan Kam Chiu, Simon
Mr. Luk Ting Lung, Alan
Mr. Lau Shut Lee, Tony

Executive Committee

Mr. Sum Kwong Yip, Derek (Chairman)
Mr. Yim Chun Leung

Authorised Representatives

Mr. Wong Yat Wai, Patrick
Mr. Yu Chun Kau

Company Secretary

Mr. Yu Chun Kau

Registered Office

Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

Hong Kong Headquarters and Principal Place of Business

Units 808-811, 8/F
C-Bons International Centre
108 Wai Yip Street
Kwun Tong, Kowloon
Hong Kong

Principal Share Registrar And Transfer Office

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

Hong Kong Branch Share Registrar

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

Auditor

KPMG
Certified Public Accountants
Public Interest Entity Auditor
registered in accordance with
the Accounting and Financial
Reporting Council Ordinance

Principal Bankers

(In alphabetical order)
Chong Hing Bank Limited
Standard Chartered Bank (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited

Public Relations Consultant

Strategic Public Relations Group

Investor Relations

Email: jbmhealthcare@sprg.com.hk

Stock Code

2161

Company Website

www.jbmhealthcare.com.hk

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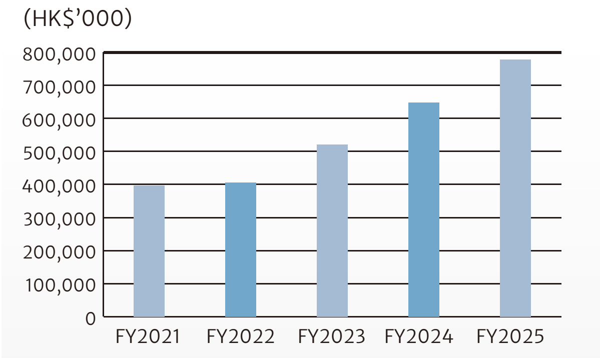
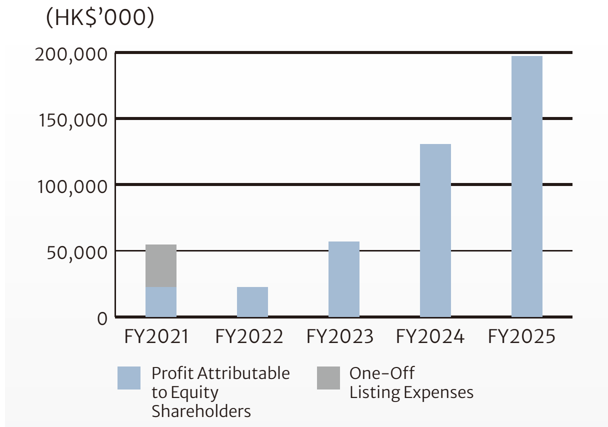
Financial Highlights

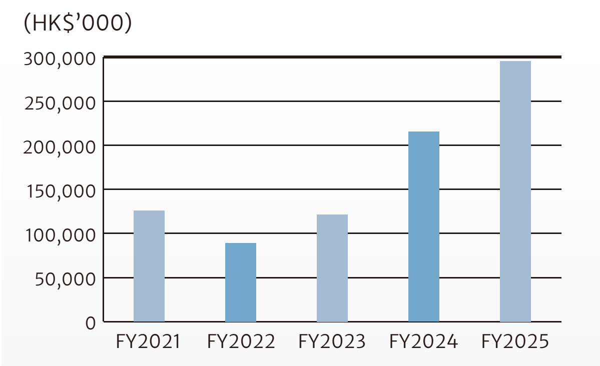
Revenue



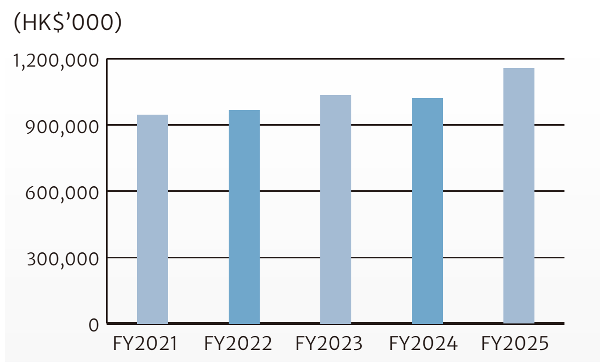
Adjusted Profit Attributable to Equity Shareholders



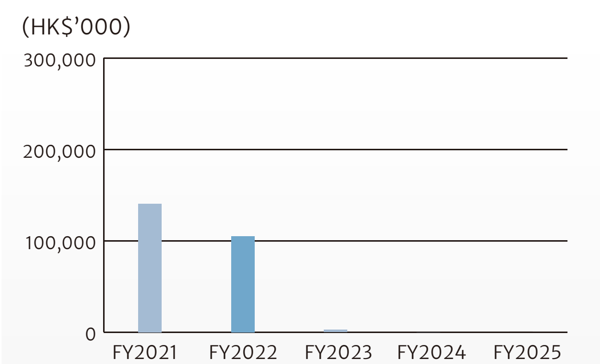
Adjusted EBITDA



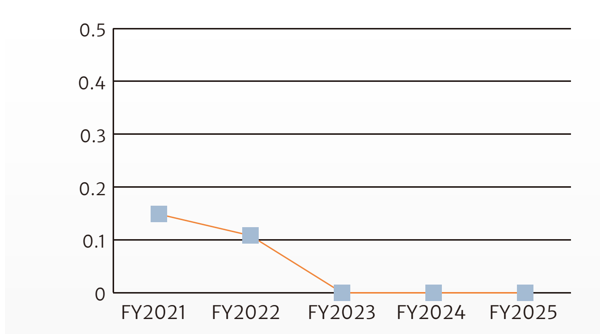
Net Assets



Net Debts (Note)



Net Gearing Ratio (Note)



Note: The Group was in net cash position in FY2024 and FY2025.

	Year ended 31 March 2025 HK$'000	Year ended 31 March 2024 HK$'000	Change
Revenue			
– Branded medicines	272,231	190,108	43.2%
– Proprietary Chinese medicines	405,448	386,122	5.0%
– Health and wellness products	104,613	72,185	44.9%
Total	782,292	648,415	20.7%
Gross profit	413,707	338,081	22.4%
Gross profit margin (%)	52.9%	52.1%	
Profit attributable to equity shareholders of the Company	197,261	130,463	51.2%
Profit margin attributable to equity shareholders of the Company (%)	25.2%	20.1%	
Adjusted EBITDA[1]	295,762	215,496	37.2%
Adjusted EBITDA margin (%)[2]	37.8%	33.2%	
Return on equity (%)[3]	18.5%	13.4%	

	As at 31 March 2025 HK$'000	As at 31 March 2024 HK$'000	Change
Total assets	1,545,118	1,388,697	11.3%
Total liabilities	381,160	366,753	3.9%
Total equity	1,163,958	1,021,944	13.9%

(1) Adjusted EBITDA is calculated based on adjusted earnings before interest, taxes, depreciation and amortisation, where "interest" is regarded as including interest income from bank deposits and finance costs. To arrive at adjusted EBITDA, the Group's earnings are further adjusted for gain on disposal of an associate and equity interest in a joint venture, share of loss of an associate and share of profits of joint ventures.

(2) Adjusted EBITDA margin is calculated based on adjusted EBITDA divided by revenue and multiplied by 100%.

(3) Return on equity is calculated based on profit for the year divided by the arithmetic mean of the opening and closing balances of total equity in the relevant year and multiplied by 100%.

Chairman's Statement

Dear Shareholders,

"Together, we have reinforced our position as a key player in the consumer healthcare market, demonstrating the strength, resilience and adaptability that define JBM Healthcare."

Orchestrated Team Driving Remarkable Performance

As we reflect on another transformative year in the consumer healthcare landscape, I am delighted to share JBM Healthcare's exceptional performance in FY2025. Albeit navigating a challenging retail environment shaped by economic headwinds and evolving consumer behaviours, our dedicated team delivered remarkable results through effective strategy execution and unwavering commitment. Together, we have reinforced our position as a key player in the consumer healthcare market, demonstrating the strength, resilience and adaptability that define JBM Healthcare.

Delivering Outstanding Financial Results

Our focused strategy and disciplined execution delivered strong results this year. Revenue increased by 20.7%, gross profit grew by 22.4%, and profit attributable to shareholders surged by 51.2% – a clear indication that our brand-building efforts and integrated sales and marketing approach are paying off across both online and offline channels.

These gains underscore our ability to seize growth opportunities in Hong Kong, Macau, and key cities in the Greater Bay Area. Meanwhile, our solid cash position continues to provide a strong foundation for future growth and long-term stability.

Flagship Brands Leading the Charge

Our flagship proprietary brands were the key drivers behind this year's stellar performance, continuing to show strong market appeal and growth momentum. Ho Chai Kung, a trusted name in over-the-counter pain and fever relief, achieved exceptional growth by deepening market penetration through creative and targeted campaigns, expanding its reach while reinforcing brand recognition.

In our proprietary Chinese medicines segment, Po Chai Pills and Flying Eagle Woodlok Oil excelled despite a lackluster retail environment, reflecting the brand equity we have built through strategic marketing and effective consumer engagement.

Proven Brand Management Excellence

Our success stems from a proven track record of brand management, bold creative thinking, and robust execution that connects with consumers and captures market opportunities.

Take Ho Chai Kung as an example. The brand elevated its profile by sponsoring hit TV programs "Blossoms Shanghai" and "Midlife, Sing & Shine! 3", supported by a dynamic multi-channel campaign. These efforts won the "Excellence in Campaign Award" and the "Excellence in TV Commercial Award" at the 2024 HKMA-ViuTV-Now TV Awards.

Po Chai Pills reinforced its leadership with a sustained TV campaign and targeted sponsorships that resonated strongly with both local consumers and visitors from Mainland China. In recognition of its enduring reputation, the brand received the "2024 Hong Kong Top Brand Ten-Year Achievement Award", underscoring its lasting legacy.

Flying Eagle Woodlok Oil revamped its image with a bold, integrated campaign, featuring celebrity endorsements, compelling TVC storytelling, and a viral "Flying Eagle Bro" billboard at the Star Ferry Pier in Tsim Sha Tsui. The campaign delivered a significant boost in brand awareness, propelling it to become the second most recognised medicated oil brand in the market.

Strategic Acquisition Unlocks New Synergies

Our acquisition of Tin Hee Tong Medicine Factory, Limited is a strategic milestone, strengthening our proprietary medicine portfolio. Tin Hee Tong Tin Hee Pills, well-regarded among female consumers in Hong Kong and Mainland China for menstrual and reproductive health, offers strong growth potential. By applying our proven brand management and marketing expertise, we aim to elevate its market presence. This acquisition not only broadens our proprietary Chinese medicine portfolio but also unlocks synergies by integrating Tin Hee Tong's brand and operations with our established manufacturing, marketing, and sales platforms.

Cross-Border E-Commerce Gains Momentum

Our cross-border e-commerce initiatives continued to gain traction, contributing meaningfully to profitability amid sustained demand for our proprietary brands. We expanded both B2B and B2C channels, launched flagship stores on major platforms such as Tmall Global, and saw Ho Chai Kung Tji Thung San rank among the top 10 best-selling overseas medicines during the 2024 Double 11 event. These efforts have deepened brand awareness and consumer engagement in Mainland China, laying a solid foundation for further growth in this dynamic market.

Confident Outlook Supported by Strong Fundamentals

Looking ahead, we remain optimistic about our growth prospects, underpinned by structural trends such as sedentary lifestyles, rising health awareness, and ageing populations – all of which will continue to drive demand in consumer healthcare. Our proprietary Chinese medicine portfolio is particularly well-positioned to benefit from growing consumer trust, broader acceptance, and supportive government policies promoting preventive care.

Our strategic priorities are gaining traction – from deepening our e-commerce presence and capturing opportunities in the Greater Bay Area to aligning our diverse product portfolio with evolving consumer needs. With proven brand management capabilities and disciplined execution, we are well-positioned to deliver consistent results and long-term value for our stakeholders.

Appreciation and Commitment

On behalf of the Board, I extend heartfelt gratitude to our customers, shareholders, and business partners for their unwavering trust and support. Most importantly, I deeply appreciate our dedicated team, whose resilience, creativity, and orchestrated efforts have been instrumental in our success. Their passion for excellence and commitment to our mission of enabling better health through self-care continue to drive our achievements.

Sincerely,

Sum Kwong Yip, Derek
Chairman
JBM (HEALTHCARE) LIMITED

12 June 2025

CEO's Statement

Dear Shareholders,

"Our team delivered robust performance which underscores the strength of our diversified portfolio, the enduring equity of our flagship brands, our proven capability in brand management, and our unwavering commitment to operational excellence."

As we look back on FY2025, I am deeply pleased to report that JBM Healthcare has once again demonstrated its resilience, agility, and strategic foresight in navigating a complex and evolving market landscape. Despite significant macroeconomic challenges, including persistent global economic headwinds, geopolitical tensions, and a subdued retail environment in Hong Kong, our team delivered robust financial and operational performance. This success underscores the strength of our diversified portfolio, the enduring equity of our flagship brands, and our unwavering commitment to operational excellence. On behalf of the Board and the entire JBM team, I extend my gratitude to you, our shareholders, for your continued trust and support as we work to create sustainable value.

A Challenging Yet Transformative Year

Hong Kong's retail sector faced significant headwinds in FY2025, with declines in both overall and online sales. High interest rates, ongoing US-China tensions, and evolving consumer behaviors – such as shorter visits and reduced spending by Mainland Chinese tourists – further tempered the retail recovery. Meanwhile, Hong Kong's deepening integration into the Greater Bay Area, though promising over the long term, introduced competitive pressures as more residents sought cost-effective shopping alternatives in nearby Greater Bay Area cities.

Despite this challenging environment, JBM Healthcare delivered robust growth across our core segments: branded medicines, proprietary Chinese medicines, and health and wellness products. Our agility in adapting to market shifts, combined with disciplined execution and innovative brand management, enabled us to capture demand and reinforce our leadership across Hong Kong, Macau, and the Greater Bay Area.

Robust Financial Performance

I am pleased to report that JBM Healthcare delivered strong financial results in FY2025, reflecting our ability to drive sustained demand for trusted, high-quality products. Revenue from our branded healthcare business rose to HK$782.3 million, representing a 20.7% year-on-year increase. Gross profit grew by 22.4% to HK$413.7 million, while consolidated profit attributable to equity shareholders surged 51.2% to HK$197.3 million.

This performance was driven by the exceptional growth of our flagship brands – Ho Chai Kung, Po Chai Pills, and Flying Eagle Woodlok Oil – alongside the steady contribution of our CCMG business. Our strategic focus on integrated sales and marketing across both offline and online channels, combined with high-impact creative brand campaigns, expanded e-commerce coverage, and continued cost optimisation, drove these impressive results.

Operational Excellence Across Core Segments

Our operational performance in FY2025 highlights the strength and adaptability of our business model. Each of our core segments delivered growth, driven by strategic brand management, creative and targeted marketing, and robust execution.

Branded Medicines: Sustained Momentum

Our branded medicines segment, led by the iconic Ho Chai Kung, achieved strong revenue growth, driven by strategic marketing that deepened consumer trust and expanded market reach. Targeted campaigns enhanced brand visibility and engagement, particularly among younger audiences. Key initiatives included sustained TVC placements, title sponsorships of popular programmes such as "Blossoms Shanghai" and "Midlife, Sing & Shine! 3", and a multi-channel presence across bus and metro ads, radio, and digital platforms like Xiaohongshu and Douyin. These efforts not only strengthened Ho Chai Kung's leadership in pain and fever relief but also earned industry acclaim, winning both the "Excellence in Campaign Award" and "Excellence in TV Commercial Award" at the 2024 HKMA-ViuTV-Now TV Awards.

Proprietary Chinese Medicines: Building on Heritage

Amid a softened retail environment for Chinese drugs and herbs in Hong Kong, our proprietary Chinese medicines segment delivered moderate growth, led by the strong performance of Po Chai Pills and Flying Eagle Woodlok Oil.

Po Chai Pills continued to strengthen its brand equity through a sustained and multifaceted campaign. Key initiatives included TV commercials featuring brand ambassador Ivana Wong and the brand's iconic jingle, a special segment on TVB's "Pop Lifestyle Guide", and strategic sponsorships such as the Xuelong 2 icebreaker's visit to Hong Kong. Supported by broad advertising and an active presence on platforms like Xiaohongshu, these efforts deepened consumer engagement and reaffirmed the brand's relevance. In recognition of its enduring reputation, Po Chai Pills was honoured with the "2024 Hong Kong Top Brand Ten-Year Achievement Award".

Flying Eagle Woodlok Oil's integrated campaign, themed "Flying Eagle – The Real Master's Choice", leveraged celebrity endorsements, bold TVC creativity, mass media exposure, and a viral "Flying Eagle Bro" billboard at Tsim Sha Tsui Star Ferry Pier to drive a threefold surge in brand awareness. Sponsorships of popular TV programs and strategic product placements further amplified its impact, firmly positioning Flying Eagle Woodlok Oil as a top contender in the medicated oil category.

In addition, our CCMG business remained resilient, maintaining strong trust among Hong Kong's Chinese medicine practitioners through consistent quality and reliable delivery. We are expanding the portfolio with new granule-based traditional Chinese medicines products and preparing to launch an upgraded e-business platform to streamline ordering and strengthen customer relationships.

Health and Wellness products: Advancing Precision Medicine

Our health and wellness products segment delivered steady growth, led by the Oncotype DX Breast Recurrence Score Test ("**Oncotype DX**"), which continues to gain traction among healthcare professionals in Hong Kong and Macau. Through ongoing marketing and education efforts, we are broadening access to this innovative diagnostic tool, reinforcing our commitment to precision medicine and better patient outcomes.

Strategic Growth and Future Outlook

Looking forward, we maintain optimism about JBM's long-term outlook. While macroeconomic pressures and shifting consumer trends pose near-term challenges, sustained structural drivers – including rising health awareness, increasingly sedentary lifestyles, and ageing populations – will continue to underpin demand in the consumer healthcare sector. Our proprietary Chinese medicines business is strategically positioned to capitalise on growing public trust, supportive government policies, and the rising preference for granule-based formulations.

We remain focused on four strategic priorities: expanding cross-border e-commerce channels, deepening market penetration in the Greater Bay Area, enhancing our product portfolio to align with evolving consumer needs, and leveraging our brand management strengths to build and grow our core brands. Our flagship stores on Tmall Global and JD.com have performed strongly, with Ho Chai Kung Tji Thung San ranking among the top 10 overseas medicines during the 2024 Double 11 sales event. To support sustainable growth, we are also diversifying into new categories such as medical devices and strengthening both our B2B and B2C sales networks.

Within the traditional Chinese medicines ("**TCM**") market, we are advancing opportunities in the Greater Bay Area through brands like Shiling Oil and Konsodona Medicated Oil, leveraging favorable regulatory tailwinds and growing consumer acceptance of TCM. By integrating innovation with our proven brand expertise, we are confident in delivering steady, long-term value.

A Commitment to Sustainable Value

As we move into FY2026, JBM Healthcare remains steadfast in delivering operational excellence and disciplined growth. We will continue to sharpen our brand management expertise, strengthen the equity of our key brands, expand our product portfolio, and extend our geographic reach – all while maintaining a strong financial foundation and creating sustainable value for our stakeholders.

I am deeply grateful to our dedicated team, whose passion and commitment drive our success, and to you, our shareholders, for your unwavering support. Together, we are building a brighter, healthier future, and I am confident that JBM Healthcare will continue to excel, lead, and thrive in the dynamic consumer healthcare market.

Sincerely,

Wong Yat Wai, Patrick
Chief Executive Officer
JBM (HEALTHCARE) LIMITED

12 June 2025

Our Vision and Mission

Enabling Better Health Through Self-care

We aim to be a distinguished branded healthcare partner in Asia, aspiring to empower consumers to live healthier and fuller.

We are committed to the mission of providing self-care products and solutions to allow consumers to better manage and enhance their personal well-being at every stage of life. By enabling better health for people through self-care, we believe in the importance of our role to contribute to a more sustainable healthcare system.

健倍苗苗
JBM (Healthcare) Limited

Corporate Profile

Dynamic and Forward-Thinking Branded Healthcare Partner in Asia

JBM (Healthcare) Limited is a leading Hong Kong-based company engaged in the marketing and distribution of branded healthcare products with product footprint across Greater China, Southeast Asia, and other select countries. Our portfolio includes a wide range of branded healthcare products divided into two product categories, namely consumer healthcare products and proprietary Chinese medicines. Our consumer healthcare products consist of branded medicines, which are proprietary medicines primarily distributed over-the-counter, and health and wellness products. Our proprietary Chinese medicines consist of OTC proprietary Chinese medicines and CCMG products.

We have been cultivating the regional markets for years and established solid local distribution networks and collaborative relationships with select product originators. We believe we are well-positioned to develop a sustainable regional platform in Asia for branded healthcare products.

Our Competitive Strengths

A Leading Hong Kong-based Brand Operator with a Notable and Growing Brand Portfolio and Proven Brand Management Capability

Our focus on brand management and portfolio development has enabled us to build a notable and growing brand portfolio. We have established a track record of introducing category-leading overseas branded healthcare products and revitalising the brand positioning of our heritage household brands based on changing demographics and consumer behaviors.

We carry a suite of principal brands which comprise a range of own brands and third-party brands. Our own brands include highly recognised household brands among Chinese consumers, such as Po Chai Pills (保濟丸), Ho Chai Kung (何濟公), Flying Eagle Wood Lok Medicated Oil (飛鷹活絡油), Tin Hee Tong Tin Hee Pills (天喜堂天喜丸), and Tong Tai Chung Woodlok Oil (唐太宗活絡油), as well as a leading CCMG brand among Chinese medicine practitioners in Hong Kong. The third-party brands mainly consist of notable overseas consumer healthcare brands, including Oncotype DX of the United States, AIM Atropine of Taiwan, Contractubex of Germany, Rowatanal Cream of Ireland, and Smartfish of Norway.

A Unique Field Player with a Heritage of Pharmaceutical Background and Quality-driven Culture

With a strong background in pharmaceuticals and a corporate culture deeply rooted in quality from its inception, JBM is a unique player in the field, characterised by its expertise in drugs and a heritage that consistently prioritises product effectiveness and quality. We have the capacity to attract industry professionals with pharmaceutical or medical backgrounds, enabling us to identify and secure third-party brands and products with distinct market niches.

We also adhere to the high standard of quality control by establishing and implementing strict quality management procedures to ensure the safety, efficacy and quality of products. In addition, we are one of the few GMP-accredited proprietary Chinese medicine manufacturers in Hong Kong.

Extensive Sales and Distribution Network in Hong Kong with Multi-region Geographical Reach

We have established an extensive sales and distribution network in Hong Kong, with a geographical reach spanning over China, Macau, Taiwan and select countries in Southeast Asia, Europe, North America and the Caribbean Islands. Our stable business relationships with key retailers and distributors, coupled with our reputation for delivering high-quality products and our wide distribution network, have enabled us to generate effective retail penetration and commercialisation of our new products.

In Hong Kong, we sell our products both directly and indirectly (through our distributors and our trading company customers) to major modern chain stores, registered pharmacies, and drug stores, as well as corporate clients, hospitals and clinics, and end consumers (through online platforms). In addition, we sell CCMG products to a substantial number of active Chinese medicine practitioners in Hong Kong.

We believe we are well-positioned to leverage our geographical presence and develop a sustainable regional platform in Asia for branded healthcare products.

Seasoned Management Team with In-depth Industry Knowledge and Regional Experience

Our core management team comprises a group of technically seasoned industry veterans with a strong track record and proven execution capabilities. The vast majority of our Directors and senior management team have approximately 25 years of relevant industry experience, are registered pharmacists, or have pharmaceutical or medical academic backgrounds. Their technical backgrounds are crucial to the success of our knowledge-driven sourcing methodology in identifying attractive products and acquisition opportunities.

Management Discussion & Analysis

Business Review

The Hong Kong retail sector navigated a challenging yet evolving landscape in FY2025. For the full year of 2024, total retail sales declined by 7.3% in value and 9.0% in volume year-on-year, while online retail sales saw a 2.6% contraction in value. These declines were primarily driven by global economic headwinds, geopolitical tensions, and a dampening of consumer sentiment.

Healthcare-related categories exhibited mixed performance – while retail sales of Chinese drugs and herbs softened, medicines and cosmetics recorded value growth. Despite these market conditions, JBM Healthcare demonstrated remarkable operational agility, achieving solid results through effective brand management, strategic marketing and sales initiatives, and disciplined execution.

Several macroeconomic factors influenced JBM's performance throughout FY2025. Persistently high interest rates and ongoing US-China trade tensions continued to dampen consumer sentiment and discretionary spending. Additionally, changing behavior among mainland Chinese visitors – characterised by shorter stays, more day trips, and reduced per-capita spending – tempered the pace of retail recovery. However, increased visitor arrivals and enhancements to the Individual Visit Scheme contributed to a modest recovery during the second half of the fiscal year.

The deepening integration of Hong Kong into the Greater Bay Area has simultaneously shifted consumption dynamics, with more local residents travelling to Shenzhen for cost-competitive shopping alternatives, creating additional pressure on local retail performance.

Against this multifaceted backdrop, JBM Healthcare delivered commendable growth led by its flagship proprietary brands. The Group effectively leveraged its strong product portfolio, established brand management capability, and enhanced commercial execution to overcome ongoing retail challenges. Its strategic focus on growth initiatives across both online and offline channels further solidified JBM's leadership position in the branded healthcare segment throughout Hong Kong and the Greater Bay Area.

Results

During the Reporting Period, the Group's branded healthcare business, encompassing branded medicines, proprietary Chinese medicines, and health and wellness products, delivered robust financial results. Revenue reached HK$782.3 million, reflecting a 20.7% increase year-on-year. Gross profit rose to HK$413.7 million in FY2025, up 22.4% from FY2024, while consolidated profit attributable to equity shareholders grew by 51.2% to HK$197.3 million.

The consumer healthcare market is set for sustained long-term growth, underpinned by structural trends such as increasingly sedentary lifestyles, heightened health awareness driven by rising living standards, and growing demand from ageing populations.

Ho Chai Kung, a trusted household name in over-the-counter pain and fever relief, successfully deepened its market penetration through targeted marketing initiatives that expanded its consumer base and strengthened brand recognition.

The significant increase in consolidated profit attributable to equity shareholders was primarily driven by the strong sales performance of the Group's key brands – most notably Ho Chai Kung (何濟公) in the branded medicines segment, and Po Chai Pills (保濟丸) and Flying Eagle Woodlok Oil (飛鷹活絡油) in the proprietary Chinese medicines segment – supported by focused and effective brand management campaigns, complemented by the resilient performance of the Group's CCMG business.

The strong result highlights the successful execution of integrated sales and marketing strategies across both offline and online channels, and reflects the Group's strategic foresight in capturing growth opportunities in the branded consumer healthcare market across Hong Kong, Macau, and major cities in the Greater Bay Area.

Through disciplined cost management, JBM maintained a resilient financial position with substantial cash reserves, providing a strong foundation for ongoing operations and strategic growth initiatives.

Operational Performance

Amid a softened retail environment, the Group delivered resilient performance across all three core business segments – branded medicines, proprietary Chinese medicines, and health and wellness products. Sales revenue of each segment recorded growth to varying degrees, driven by disciplined brand management, targeted marketing and promotion efforts, and agile execution. The Group's ability to adapt quickly to evolving consumer behavior, optimise channel strategies, and reinforce brand relevance enabled it to capture demand effectively despite prevailing market challenges.

Branded Medicines

Robust Momentum of Ho Chai Kung

During the Reporting Period, the branded medicines segment achieved impressive revenue growth of 43.2%, propelled by Ho Chai Kung's sustained market momentum. This trusted household name in over-the-counter pain relief and fever medications successfully expanded its market penetration through precisely targeted marketing initiatives that broadened its consumer base while simultaneously reinforcing brand recognition.

A key highlight was Ho Chai Kung's strategic title sponsorship of "Blossoms Shanghai (繁花)", the acclaimed drama directed by internationally renowned filmmaker Wong Kar-wai (王家衛). This highly regarded series, recognised as a "must-watch 2024 Chinese drama", aired on TVB from June to July 2024, significantly elevating the brand's awareness and recognition.

To sustain growth momentum, Ho Chai Kung implemented a comprehensive multi-channel advertising strategy across Hong Kong's highest-traffic platforms, including bus advertisements, metro displays, radio spots, and in-store promotions. This coordinated approach ensured consistent brand engagement across diverse consumer touchpoints.

The brand strategically intensified its social media presence, particularly on youth-oriented platforms like Xiaohongshu and Douyin, to strengthen connections with younger demographics. This targeted digital investment capitalised on social media's growing influence in consumer decision-making while aligning the brand with contemporary trends among young Mainland Chinese consumers.

Further strengthening its presence, Ho Chai Kung served as the title sponsor of the highly popular TVB program "Midlife, Sing & Shine! 3 (中年好聲音3)" during the second half year of FY2025. The partnership further amplified the brand's visibility and reinforced its leadership in the OTC pain and fever relief category.

The brand's marketing achievements gained industry recognition through prestigious accolades from the Hong Kong Management Association, ViuTV, and Now TV, where Ho Chai Kung was honoured with both the "Excellence in Campaign Award" and the "Excellence in TV Commercial Award". These accolades not only affirmed the brand's marketing excellence but also significantly enhanced its visibility through high-profile media exposure.

Proprietary Chinese Medicines

The Group's proprietary Chinese medicines segment achieved growth of 5.0% during the Reporting Period, despite a softened retail environment for sales of Chinese drugs and herbs in Hong Kong in 2024. This growth was primarily driven by the strong momentum of flagship brands Po Chai Pills and Flying Eagle Woodlok Oil, alongside the resilient performance of the CCMG business, which was partially offset by decrease in revenue from select third-party products from the cross-border ecommerce platforms.

The robust performance of Po Chai Pills reflects the brand equity it has built through sustained and strategic marketing efforts targeting both local consumers and visitors from Mainland China.

Po Chai Pills' Brand Equity Enhancement

The robust performance of Po Chai Pills reflects the brand equity it has built through sustained and strategic marketing efforts targeting both local consumers and visitors from Mainland China.

As part of its multifaceted campaign to boost brand recognition, Po Chai Pills aired its TV commercial featuring renowned singer Ivana Wong (王菀之) as brand ambassador. This commercial ran during peak sales periods to strengthen consumer recall. Further extending its brand engagement, Po Chai Pills co-sponsored the concert, "Fusion – Ivana Wong Live 2025". To engage fans and enhance interaction, the brand also launched a Facebook contest offering concert ticket giveaways, which received an enthusiastic response.

To deepen emotional connections with consumers in Hong Kong and the Greater Bay Area, Po Chai Pills also featured in a four-week segment on TVB's "Pop Lifestyle Guide (潮流生活誌)". The special series, "Talking Medicine, Telling Stories (講藥、港故事)", showcased Po Chai Pills' rich heritage and trusted history, reinforcing its relevance and authenticity. The brand also served as the title sponsor for the popular TVB program "Midlife, Sing & Shine! 3 (中年好聲音3)", providing further brand visibility to a wide television audience.

This multifaceted campaign was supported by an extensive advertising push across multiple channels, including bus wraps, metro placements, radio ads, and in-store promotions, ensuring broad and sustained consumer engagement. In Mainland China, Po Chai Pills strengthened its digital presence by ramping up social media marketing on platforms such as Xiaohongshu and Douyin, with a particular focus on engaging younger consumers.

As part of its efforts to foster national pride and enhance brand recognition, Po Chai Pills sponsored the Xuelong 2 icebreaker's inaugural visit to Hong Kong in April 2024, commemorating the 40th anniversary of China's Antarctic expeditions. The event was widely shared by influencers on Douyin, further elevating the brand's visibility and resonance among Mainland Chinese audiences.

Po Chai Pills also took part in the 58th Hong Kong Brands and Products Expo, where it was featured in the Hong Kong Top Brand Zone. The brand attracted enthusiastic responses from visitors, reaffirming its strong market presence.

In recognition of its sustained brand-building efforts and industry influence, Po Chai Pills was honored with the "2024 Hong Kong Top Brand Ten-Year Achievement Award". The award, jointly presented by the Hong Kong Brand Development Council and the Chinese Manufacturers' Association of Hong Kong, affirms the brand's excellence in reputation, product quality, image, and its contributions to environmental protection and social responsibility – attributes widely acknowledged by both the industry and consumers.

Flying Eagle Woodlok Oil Launches New Integrated Campaign with Impact

Flying Eagle Woodlok Oil significantly strengthened its market position through an integrated marketing campaign that combined celebrity endorsements, mass media exposure, strategic sponsorships, and immersive storytelling. This multifaceted approach successfully expanded consumer engagement across Hong Kong and the Greater Bay Area, contributing to a strong uplift in sales performance.

Building on earlier efforts led by veteran actor Law Kar Ying (羅家英), who brought credibility and familiarity to the brand, a new television commercial was launched featuring popular "Twilight of the Warriors: Walled In (九龍城寨之圍城)" stars Raymond Lam (林峯) and Tony Wu (胡子彤), alongside DJ Bonnie Wong (黃正宜). The campaign, themed "Flying Eagle – The Real Master's Choice (飛鷹至係真王道)", effectively communicated the product's efficacy in relieving muscle and joint pain, underscoring its formulation in refined traditional Chinese medicines.

To drive high-impact visibility, a giant "Flying Eagle Bro" billboard was unveiled at the Tsim Sha Tsui Star Ferry Pier, quickly becoming a viral sensation and iconic visual landmark. The eye-catching installation sparked public attention and widespread social media buzz, serving as a powerful point of consumer engagement and reinforcing Flying Eagle Woodlok Oil's presence in the local market. Product exposure was further amplified through KOL promotions on Xiaohongshu, leading to a surge in brand search volume and elevating Flying Eagle Woodlok Oil to third place in its category.

"Flying Eagle – Real Master's Choice" campaign tripled brand awareness, propelling Flying Eagle Woodlok Oil to the second-highest brand recognition among medicated oil brands.

The brand also served as the title sponsor for TVB's hit program "Midlife, Sing and Shine! 3 (中年好聲音3)", enhancing its resonance with mainstream audiences in Hong Kong. This was followed by sponsorship of "2025 Feng Shui And Fortune (風生水起 2025)", extending visibility to viewers across both Hong Kong and Guangdong Province.

As part of its broader brand storytelling, Flying Eagle Woodlok Oil was featured in a four-week special segment titled "Talking Medicine, Telling Stories" on TVB's "Pop Lifestyle Guide", sharing the brand's heritage with audiences in the Greater Bay Area. Additional exposure was secured through product placement in the TVB program "No Poverty Land IV – One Belt One Road (無窮之路IV – 一帶一路)".

The campaign also spanned film and exhibition channels. Flying Eagle was featured via product placement in a Lunar New Year movie "Hit N Fun (臨時決鬥)" and supported a major themed exhibition at AIRSIDE, where product sampling and festive giveaways generated strong consumer interest.

According to a brand study, the "Flying Eagle – Real Master's Choice" campaign tripled brand awareness, propelling Flying Eagle Woodlok Oil to the second-highest brand recognition among medicated oil brands.

Resilient CCMG Performance

Our CCMG business experienced a moderation in sales revenue in FY2025 compared to the same period last year, while demonstrating resilience in a challenging market environment marked by more cautious consumer spending amid economic uncertainty.

As a leading supplier of CCMG, the Group offers over 700 single and compound formulas to local TCM providers, reaching most active registered practitioners in Hong Kong. With consistent product quality, efficient supply chain management, and reliable delivery, the Group has earned strong trust within the Chinese medicines community.

To capture growth opportunities in the CCMG market, we are expanding our portfolio with new granule-based TCM products and health supplements. We are also seeking to broaden the registration scope of our branded combo formulas while enhancing distribution through our extensive practitioner network.

We are also preparing to launch an enhanced e-business platform to improve customer service competitiveness. Targeted at Chinese medicines practitioners and clinics, the upgraded system will significantly streamline the ordering process and enhance user experience. By integrating online and offline engagement, the platform is expected to deepen customer relationships and further reinforce our market position.

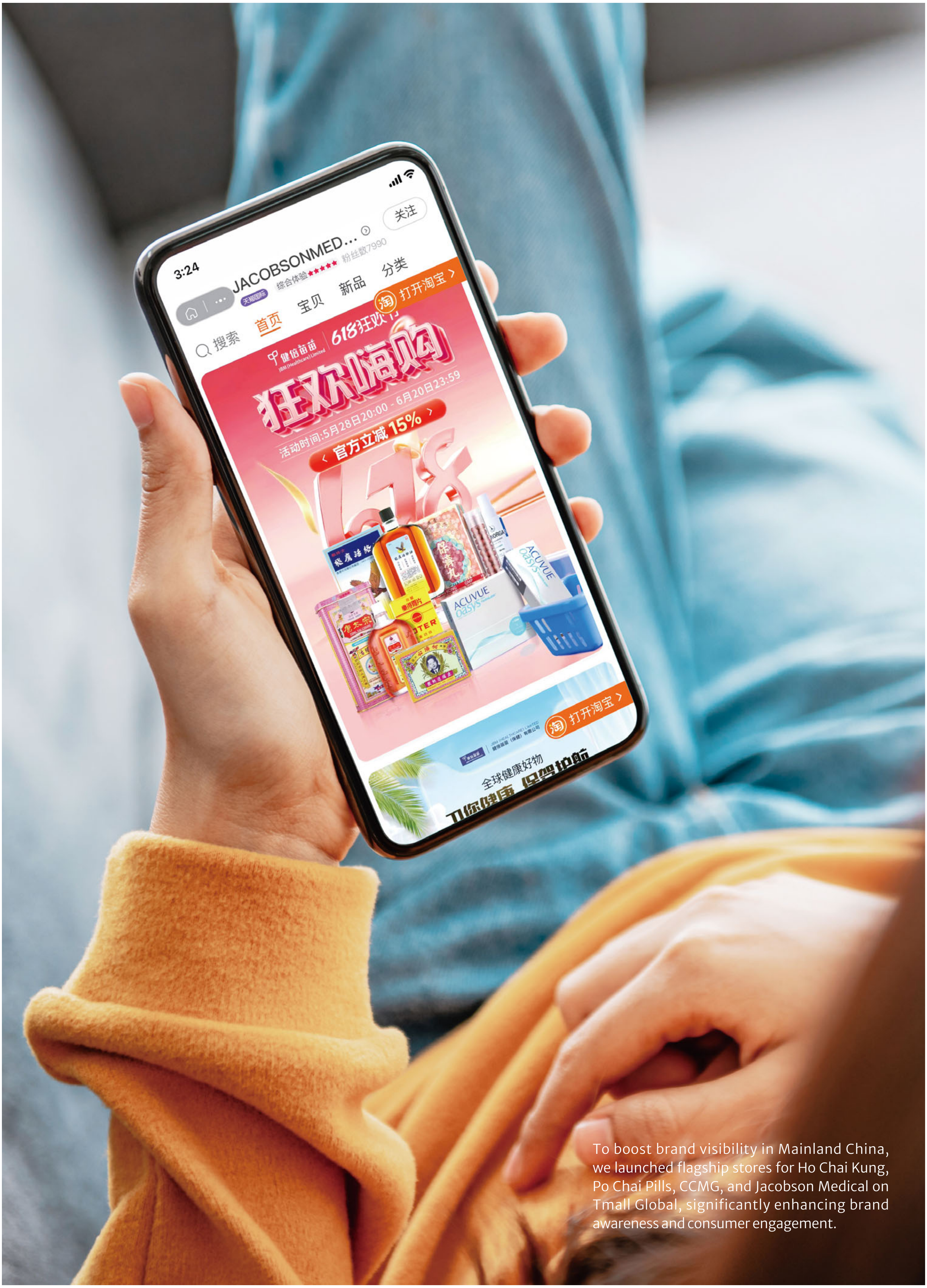
Health & Wellness Products

The health and wellness products segment of the Group recorded a revenue increase of 44.9%, driven by the steady growth of Oncotype DX, along with the expansion of our product portfolio and enhanced marketing efforts to meet consumer healthcare demands of the mass market.

Oncotype DX: Expanding Access in Precision Healthcare

Oncotype DX, a genomic test that evaluates a breast cancer patient's likelihood of benefiting from chemotherapy, continued to demonstrate steady growth during the Reporting Period. The test has gained increasing recognition among hospitals and healthcare professionals in Hong Kong and Macau, particularly within the public sector, where demand for precision oncology tools is on the rise.

With continued education efforts and support from the medical community, we anticipate further growth in the number of Oncotype DX cases within the public sector. These initiatives not only expand access to innovative diagnostics but also reinforce the Group's commitment to advancing precision medicine and improving patient outcomes.



To boost brand visibility in Mainland China, we launched flagship stores for Ho Chai Kung, Po Chai Pills, CCMG, and Jacobson Medical on Tmall Global, significantly enhancing brand awareness and consumer engagement.

Business Development

Our business development efforts have gained traction, with an expanded presence on cross-border e-commerce platforms and deeper penetration into the growing TCM market in Hong Kong and the Greater Bay Area. At the same time, we are refining our product portfolio to address evolving consumer preferences and strengthening our commercial capabilities to support long-term, sustainable growth.

Continued Expansion of Cross-border E-commerce

The Group's cross-border e-commerce business continued to expand, contributing steadily to profitability, driven by sustained demand for proprietary brands such as Ho Chai Kung and Po Chai Pills, along with robust sales in medical devices and beauty products. In FY2025, we strengthened both our B2B and B2C sales networks and diversified our portfolio with new offerings, such as contact lenses in the vision care category, which further boosted sales and extended our consumer reach.

To boost brand visibility in Mainland China, we launched flagship stores for Ho Chai Kung, Po Chai Pills, CCMG, and Jacobson Medical on Tmall Global. These efforts significantly enhanced brand awareness and consumer engagement. Notably, Ho Chai Kung's flagship product, Ho Chai Kung Tji Thung San, ranked among the top 10 best-selling overseas medicines on JD.com and Alibaba Health during the 2024 Double 11 sales event.

CCMG of the Group, including 57 combo-formula granules, are now available on major platforms such as Tmall Global, JD.com, and Alibaba Health, with further product expansions and cross-border channel development planned for 2025.

To support sustainable growth, our strategy continues to focus on developing flagship stores, expanding multi-channel distribution, launching targeted product categories, and deepening partnerships with e-commerce platforms. Despite anticipated challenges in the domestic Chinese market due to conservative consumer spending in 2025, we are committed to expanding our cross-border e-commerce network by launching a new B2B sales network in the second half of 2025 and exploring new product categories and channels to sustain growth and diversify revenue streams.

Capturing the Growth Potential of Traditional Chinese Medicines

TCM has experienced significant growth in recent years, accompanied by a significant transformation in Hong Kong's TCM industry. Increasing acceptance among younger generations is expanding the market base, while the ageing population is driving stronger demand, particularly as TCM is widely regarded for its advantages in managing chronic illnesses and age-related health conditions. The high level of trust among older adults in TCM therapies also reinforces this strong market demand.

Supportive government policies have been instrumental in driving this growth, with increased investment in practitioner training, healthcare services, and TCM-related research. At the same time, the practitioner landscape is evolving, as a new generation of young professionals brings fresh perspectives to traditional practices. This openness to innovation has contributed to the rising popularity of CCMG, valued for their consistent quality and ease of use. The growing adoption of granule-based formulations signals a broader shift in prescribing habits, positioning our branded TCM business to capitalise on this favourable market trend.

As highlighted earlier, we are actively leveraging opportunities in the granule-based TCM segment by expanding our product portfolio with new herbal granule formulations and health supplements. In addition, we are working to broaden the registration scope of our branded combo-formula products and enhance distribution through our established network of Chinese medicines practitioners.

Also previously mentioned, we are preparing to launch an upgraded e-business platform tailored for Chinese medicines practitioners and clinics. This enhanced system will streamline prescription ordering, improve operational efficiency, and elevate user satisfaction. By integrating online and offline touchpoints, it aims to strengthen customer engagement and reinforce our market leadership in the TCM sector.

In parallel, we are actively tapping into emerging opportunities in the Greater Bay Area through our proprietary Chinese medicines brands, Shiling Oil (十靈油) and Konsodona Medicated Oil (鎮痛霸袪風活絡油). Both products have been successfully introduced in Mainland China and are steadily expanding their presence across this dynamic region. With a focused and strategic approach, we are well-positioned to capture the rising demand for TCM products in the Greater Bay Area, while remaining mindful of the evolving regulatory and market landscape.

Outlook

JBM's performance in FY2025 was shaped by several macroeconomic headwinds. Persistently high global interest rates, coupled with prolonged US-China trade tensions, continued to weigh on consumer sentiment and discretionary spending. In Hong Kong, retail recovery was further moderated by evolving travel patterns among mainland Chinese visitors, who are now making shorter stays, more frequent day trips, and spending less per capita.

We recognise that the retail market is undergoing a period of adjustment following the post-pandemic rebound. A more complex global economic landscape, rising geopolitical tensions, and evolving consumer behaviors are creating new challenges across industries. Nevertheless, Hong Kong's retail sector has demonstrated resilience, adapting to shifting consumer preferences with a growing focus on health, wellness, quality, and trusted brands.

Against this backdrop, we remain cautiously optimistic. The Group is strategically positioned to capture long-term growth, supported by enduring structural drivers: increasingly sedentary lifestyles, rising health awareness driven by improving living standards, and ageing populations. Together, these trends continue to fuel demand in the consumer healthcare market.

Our proprietary Chinese medicines business stands to benefit from growing public trust and broader market acceptance, supported by favorable government policies and a renewed focus on preventive care. These factors, along with our strong portfolio, underpin our confidence in the Group's long-term prospects.

Our strategic priorities are beginning to deliver results. We are expanding our e-commerce presence in cross-border markets, seizing new opportunities in Hong Kong and the Greater Bay Area, and adapting our well-diversified product mix to better meet evolving consumer needs. Backed by established brand management capabilities and disciplined execution, we are well-positioned to deliver consistent performance.

Looking ahead, we remain committed to operational excellence and disciplined growth strategies focused on sharpening our brand management expertise, strengthening the equity of our key brands, expanding our product portfolio, enhancing commercial capabilities, and extending our sales platforms and geographic reach – all with the goal of creating sustainable value for our stakeholders.

Corporate Development

Acquisition of Tin Hee Tong Medicine Factory, Limited

On 21 February 2025, Arrow King Inc., an indirect wholly-owned subsidiary of the Company, entered into a sales and purchase agreement to acquire 90% of the issued share capital of Tin Hee Tong Medicine Factory, Limited ("**Tin Hee Tong**") at a total consideration of HK$171,000,000. The transaction was completed on 3 April 2025.

Tin Hee Tong's flagship product, Tin Hee Tong Tin Hee Pills, is a well-recognised brand in both Hong Kong and mainland China, particularly among female consumers. It is known for its efficacy in regulating the menstrual cycle, supporting reproductive health, and enhancing blood circulation for a radiant complexion.

The Group plans to unlock the growth potential of Tin Hee Tong Tin Hee Pills by leveraging its proven brand management expertise in proprietary Chinese medicine products, such as Po Chai Pills and Flying Eagle Woodlok Oil. A comprehensive marketing campaign will be launched to strengthen brand awareness, enhance customer engagement, and expand distribution networks to reach new consumer segments.

This strategic acquisition also offers opportunities to expand the Group's proprietary Chinese medicine portfolio by aligning Tin Hee Tong Tin Hee Pills with its existing offerings. Significant synergies are expected through the integration of Tin Hee Tong's brand and operations with the Group's manufacturing capabilities.

Further details of the acquisition are set out in the Company's announcements dated 21 February 2025 and 3 April 2025.

Remuneration Policy

As at 31 March 2025, the Group had a total of 279 employees (2024: 279 employees). For the Reporting Period, the total staff cost of the Group was HK$99.5 million, compared to HK$92.8 million of the previous period.

All the employees have signed the standard employment contracts with the Group. Employees' remuneration packages incorporate one or more of the following items: basic salary, sales incentive, productivity-related incentives and discretionary performance bonus. The Group sets out performance attributes for the employees based on their positions and job levels. Performance appraisal is conducted regularly to review employees' performance against the Group's strategic objectives and targets. Management and sales related staff members have their performance measured against key performance indicators ("**KPIs**"). The result of performance appraisal will be taken into consideration when assessing salary adjustments, bonus awards, promotion, staff development plans and training needs. To maintain the competitiveness in the labour market, the Group provides different staff benefits including annual leave entitlement, mandatory provident fund, group medical insurance and group life insurance. The Group did not experience any strike or labour dispute that would have significant impact on the business during the Reporting Period.

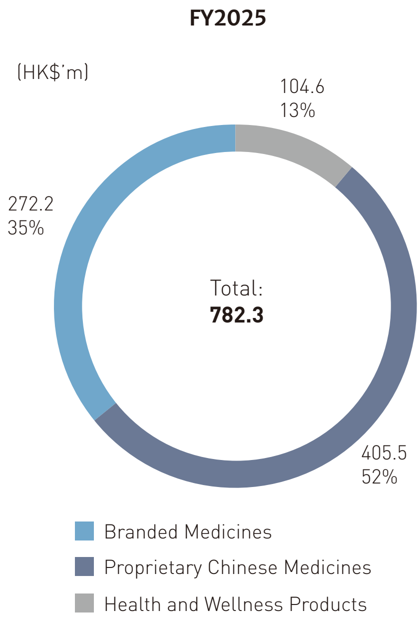
The Company has also adopted the Share Award Scheme and the Share Option Scheme. The purpose of the Share Award Scheme is to recognise and reward the contribution of certain eligible person(s) for the growth and development of the Group and to provide them with incentives in order to retain them for the continual operation, development and long-term growth of the Group. The Share Option Scheme aims to provide incentives to retain participants for the continual operation, development and long-term growth of the Group; and to attract suitable personnel for further development of the Group. For further information of the Share Award Scheme and the Share Option Scheme, please refer to the section headed "Equity-Linked Agreement – Share Award Scheme" and "Equity-Linked Agreement – Share Option Scheme" in the Report of the Directors.

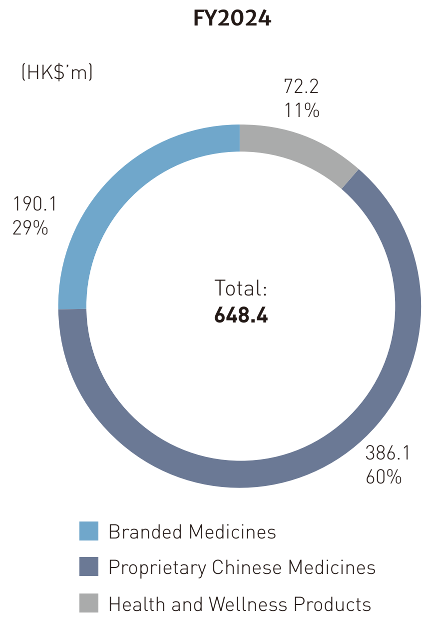
Employees are the most valuable assets to the Group. Therefore, the Group has implemented comprehensive recruitment procedures for selecting the right candidates, provides competitive compensation and benefit packages to attract and retain talents. The Group also emphasises on training and developing employees. Different in-house training programs are conducted to enhance employees' job related skill and knowledge. Besides, the Group has a training sponsorship policy to encourage employees to attend external training programs for promoting their job competencies and personal development.

Financial Review

Revenue

Revenue by Operating Segments





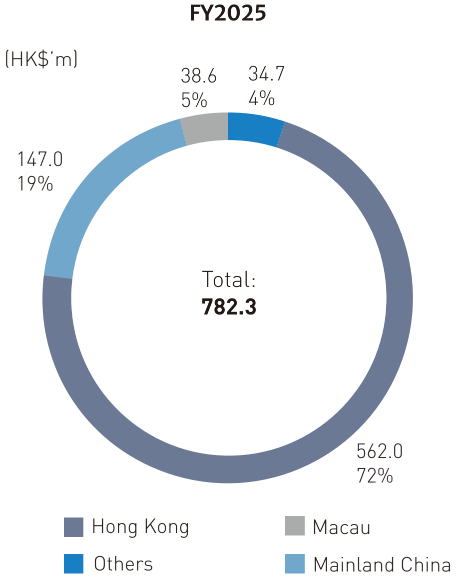
The substantial increase in the Group's total revenue of HK$133.9 million, or 20.7% compared to FY2024, was mainly attributable to the significant increase in revenue of HK$82.1 million in the branded medicines segment, HK$19.4 million in the proprietary Chinese medicines segment and HK$32.4 million in the health and wellness products segment respectively. The revenue split of the three segments was at the ratio of 35%, 52% and 13%.

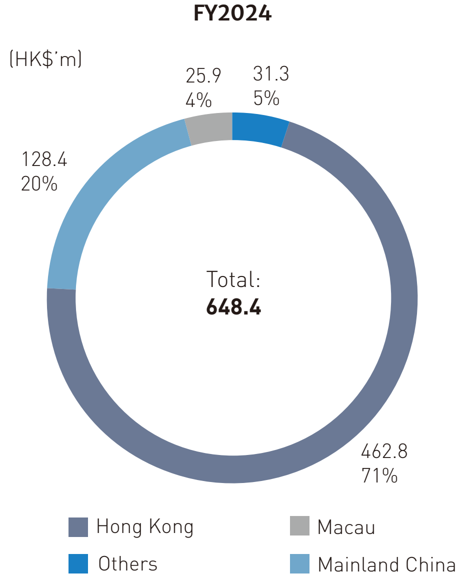
The branded medicines segment delivered a robust growth of 43.2% from FY2024 to FY2025, primarily due to the exceptional performance of Ho Chai Kung brand products supported by the Group's continuous brand marketing and sales development effort.

The proprietary Chinese medicines segment delivered a growth of 5.0% from FY2024 to FY2025, despite a decline in retail sales of Chinese drugs and herbs in Hong Kong in 2024. This growth was driven by the strong growth of Po Chai Pills and Flying Woodlok Oil, boosted by the Group's effective brand marketing and sales strategies, which was partially offset by decrease in revenue from select third-party products from the cross-border ecommerce platforms.

For the health and wellness products segment, the revenue in FY2025 saw a significant increase of 44.9% compared to FY2024. This notable growth was primarily attributed to the expansion of cross-border e-commerce platforms, which introduced popular products across various categories to drive sales.

Revenue by Geographic Location

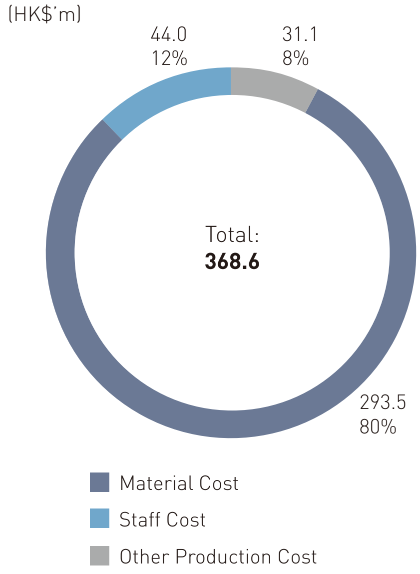




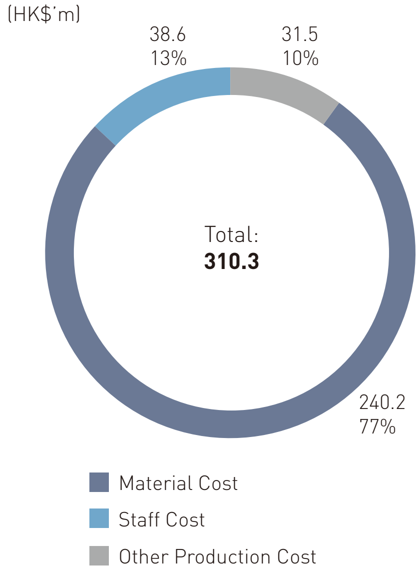
Hong Kong remained the major revenue stream, representing 72% of the total revenue with an increase of HK$99.2 million in the Reporting Period, compared to FY2024, mainly due to the strong performance across all segments. The revenue in Mainland China increased by HK$18.6 million from FY2024 to FY2025, mainly driven by the increase in sales of Flying Eagle Woodlok Oil and the growing momentum through cross-border e-commerce platforms during the Reporting Period. In Macau, revenue rose by HK$12.7 million over the same period last year, largely reflecting the strong demand for Po Chai Pills during the Reporting Period.

Cost of Sales

FY2025



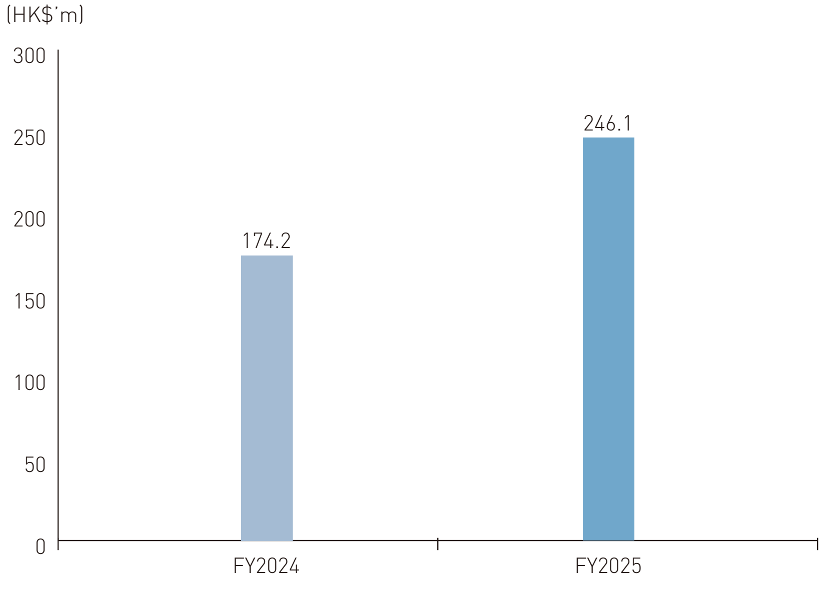
FY2024



Material cost continued to be the major component, constituting approximately 80% of the total cost of sales for FY2025. The increase in material cost of HK$53.3 million or 22.2% from FY2024 to FY2025 was mainly due to the increase in the procurement of select third-party products for sale to various cross-border e-commerce platforms with relatively low margins compared to existing products of the Group.

The staff cost increased by HK$5.4 million or 14.0% from FY2024 to FY2025. It was mainly attributable to the increase in production output of our own brand products to meet the market demand.

Profit from Operations



The profit from operations increased by HK$71.9 million or 41.3% to HK$246.1 million from FY2024 to FY2025, which was mainly attributable to the increase in gross profit during the Reporting Period.

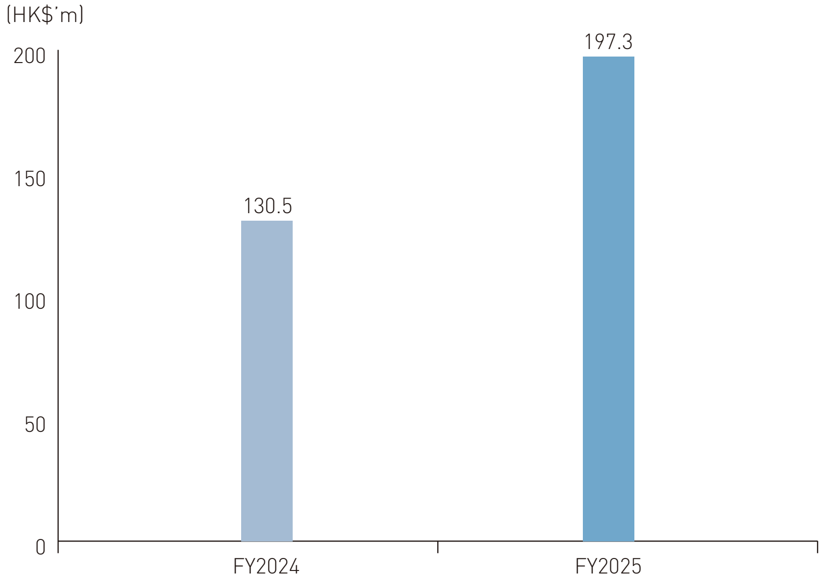
Finance Costs

The finance costs decreased by 47.5% from FY2024 to FY2025 as a result of the reduction in average bank loans during the Reporting Period.

Income Tax

The increase in income tax from FY2024 to FY2025 primarily reflected the higher profit before taxation generated during the Reporting Period.

Profit Attributable to Equity Shareholders



The significant increase in profit attributable to equity shareholders of HK$66.8 million or 51.2% from FY2024 to FY2025 was primarily driven by the rise in profit from operations.

Assets

Property, Plant and Equipment

The decrease in the value of property, plant and equipment as at 31 March 2025, compared with 31 March 2024, principally reflected the depreciation of HK$28.5 million, offset partially by the additions of HK$24.4 million during the Reporting Period.

Intangible Assets

The decrease in intangible assets as at 31 March 2025, compared with 31 March 2024, was principally attributable to the amortisation of HK$23.8 million during the Reporting Period.

For goodwill and intangible assets with indefinite useful lives, the recoverable amount is estimated annually and determined on the basis of value-in-use calculation. The value-in-use is determined based on the discounted cash flow forecasts which is prepared by the management. The key assumptions include gross margins and the discount rate applied. The management of the Group believes that any reasonable and possible change in the key assumptions on which the recoverable amount is based would not cause the carrying amount of cash-generating units of the Group to exceed its recoverable amount.

The estimated recoverable amount of the cash-generating units in proprietary Chinese medicines segment exceeds their carrying amount as at 31 March 2025 by approximately HK$292.2 million (2024: HK$345.5 million), the estimated recoverable amount of the cash-generating unit in branded medicines segment exceeds its carrying amount as at 31 March 2025 by approximately HK$979.7 million (2024: HK$375.8 million) and the estimated recoverable amount of the cash-generating unit in health and wellness products segment exceeds its carrying amount as at 31 March 2025 by approximately HK$11.0 million (2024: HK$12.4 million).

Inventories

As at 31 March 2025, the inventory level decreased by HK$9.3 million, primarily attributable to more sales in the last quarter of FY2025 compared with the same period of FY2024.

Cash and Cash Equivalents

As at 31 March 2025, approximately 96.8% of cash and cash equivalents were denominated in Hong Kong dollars (2024: 93.1%), while the remaining balance was denominated mainly in Euros, United States dollars, Renminbi, Japanese Yen and Singapore dollars.

Liabilities

Bank Loans

The increase in bank loans from HK$115.0 million as at 31 March 2024 to HK$149.8 million as at 31 March 2025 represented the additional drawdown of bank loans during the last quarter of FY2025 for the operation use. As at 31 March 2025, the bank loans of the Group were denominated in Hong Kong dollars.

Liquidity, Capital Resources and Capital Structure

The Group consistently adheres to conservative fund management. The solid capital structure and financial strength continue to provide a solid foundation for the Group's future business development as well as mergers and acquisitions.

The Group's primary uses of cash are to fund working capital and capital expenditures. During the Reporting Period, the Group funded its cash requirements principally from cash generated from operations and bank borrowings.

Charge on Group Assets

The carrying value of assets pledged against bank loans was HK$Nil as at 31 March 2025 (2024: HK$71.3 million).

Net Gearing Ratio

The net gearing ratio of the Group (bank loans less cash and cash equivalents, divided by total equity multiplied by 100%) was Nil as at 31 March 2024 and 2025.

Financial Risk Analysis

Management considered that the Group did not have significant exposure to fluctuation in exchange rates and any related hedges.

Contingent Liabilities

As at 31 March 2025, the Group did not have any significant contingent liabilities.

Significant Events After the Reporting Period

Saved for the completion of the acquisition of 90% of the issued share capital of Tin Hee Tong Medicine Factory, Limited as disclosed in the announcement of the Company dated 3 April 2025, no significant event has taken place subsequent to 31 March 2025 and up to the date of this annual report.

Significant Investment Held, Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

Saved for the connected transactions in relation to the sale of 100,500 shares of Li Chung Shing Tong (Holdings) Limited as disclosed in the announcement of the Company dated 11 November 2024, the Group had no material acquisitions or disposals of subsidiaries, associates and joint ventures during the year ended 31 March 2025. The Group had no significant investments held during the Reporting Period.

Future Plans for Material Investment or Capital Assets

As at the date of this annual report, the Group did not have any plans for material investment and capital assets in the coming financial year.

Corporate Governance Report

Corporate Governance Culture and Strategy

The Company is committed to ensuring that its affairs are conducted in accordance with high ethical standards. This reflects its belief that, in the achievement of its long-term objectives, it is imperative to act with probity, transparency and accountability. By so acting, the Company believes that shareholders' wealth will be maximised in the long term and that its employees, those with whom it does business and the communities in which it operates will all benefit.

Corporate governance is the process by which the Board instructs management of the Group to conduct its affairs with a view to ensuring that its objectives are met. The Board is committed to maintaining and developing robust corporate governance practices that are intended to ensure:

- satisfactory and sustainable returns to shareholders;
- that the stakeholder's interests are safeguarded;
- that overall business risk is understood and managed appropriately;
- safety, efficacy and quality of products; and
- that high standards of ethics are maintained.

Corporate Governance Practices

The Board is committed to maintaining high corporate governance standards.

The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has applied the code provisions as set out in the CG Code as its own code of corporate governance.

For the year ended 31 March 2025, the Company has complied with all the code provisions of the CG Code.

Model Code for Securities Transactions

The Company has adopted the Mode Code as its own code of conduct regarding securities transactions of the Directors. Having made specific enquiries with the Directors, all Directors confirmed that they have complied with the required standard as set out in the Model Code during the year ended 31 March 2025.

The Company has also established written guidelines, the Code for Securities Transactions by Employees (the "**Employees Code**"), with terms no less exacting than the Model Code for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company. No incident of non-compliance of the Employees Code by the employees was noted by the Company during the year ended 31 March 2025.

Board of Directors

The Company is headed by an effective Board which assumes responsibility for its leadership and control and be collectively responsible for promoting the Company's success by directing and supervising the Company's affairs. Directors take decisions objectively in the best interests of the Company.

The Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business and regularly reviews the contribution required from a Director to perform his responsibilities to the Company, and whether the Director is spending sufficient time performing them that are commensurate with their role and the Board responsibilities. The Board includes a balanced composition of executive Directors and non-executive Directors (including independent non-executive Directors) so that there is a strong independent element on the Board, which can effectively exercise independent judgement.

Board of Directors (Continued)

Board Composition

The Board currently comprises eight Directors, consisting of four executive Directors, one non-executive Director and three independent non-executive Directors.

The Board comprised the following Directors during the Reporting Period:

Executive Directors

Mr. Wong Yat Waj, Patrick *(Chief Executive Officer)*
Dr. Cheng Celine Heung Kwan

Non-executive Directors

Mr. Sum Kwong Yip, Derek *(Chairman)* (Note)
Mr. Yim Chun Leung (Note)
Mr. Yeung Kwok Chun, Harry

Independent Non-executive Directors

Mr. Chan Kam Chiu, Simon
Mr. Luk Ting Lung, Alan
Mr. Lau Shut Lee, Tony

Note: Mr. Sum Kwong Yip, Derek and Mr. Yim Chun Leung have been re-designated as executive Directors with effect from 12 June 2025.

The biographical information of the Directors is set out in the section headed "Directors' Biographies" of this annual report.

To the best knowledge of the Company, there is no financial, business or family relationship among the members of the Board.

Chairman and Chief Executive Officer

Code provision C.2.1 of part 2 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

The positions of chairman and the chief executive officer are held by Mr. Sum Kwong Yip, Derek and Mr. Wong Yat Wai, Patrick, respectively. The chairman provides leadership and is responsible for the effective functioning and leadership of the Board. The chief executive officer focuses on the Company's business development and daily management and operations generally.

Independent Non-Executive Directors

During the Reporting Period, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors, representing at least one-third of the Board, with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent.

Board of Directors (Continued)

Board Independence Evaluation

The Company has established a board independence evaluation mechanism (the "**Board Independence Evaluation Mechanism**") during the Reporting Period which sets out the processes and procedures to ensure a strong independent element on the Board, which allows the Board effectively exercises independent judgment to better safeguard shareholders' interests.

The objectives of the evaluation are to improve Board effectiveness, maximise strengths, and identify the areas that need improvement or further development. The evaluation process also clarifies what actions of the Company need to be taken to maintain and improve the Board performance, for instance, addressing individual training and development needs of each Director.

Pursuant to the Board Independence Evaluation Mechanism, the Board will conduct annual review on its independence. The board independence evaluation report will be presented to the Board which will collectively discuss the results and the action plan for improvement, if appropriate.

During the Reporting Period, all Directors has completed the independence evaluation in the form of a questionnaire individually. The board independence evaluation report was presented to the Board and the evaluation results were satisfactory.

During the Reporting Period, the Board reviewed the implementation and effectiveness of the Board Independence Evaluation Mechanism and the results were satisfactory.

Appointment and Re-Election of Directors

The non-executive Directors (including independent non-executive Directors) of the Company are appointed for a specific term of three years, subject to renewal after the expiry of the then current term.

The Company's articles of association provides that all Directors appointed to fill a casual vacancy shall be subject to election by shareholders at the first general meeting after appointment and all Directors appointed as an addition to the Board shall be subject to election by shareholders at the first annual general meeting of the Company after appointment.

Under the articles of association of the Company, at each annual general meeting, one-third of the Directors for the time being, or if their number is not three or 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 by rotation at least once every three years. The retiring Directors shall be eligible for re-election.

In accordance with the Company's articles of association, Mr. Sum Kwong Yip, Derek, Mr. Yim Chun Leung and Mr. Chan Kam Chiu, Simon will retire. They are eligible and will offer themselves to be re-elected at 2025 AGM.

Responsibilities, Accountabilities and Contributions of the Board and Management

The Board should assume responsibility for leadership and control of the Company and is collectively responsible for management and operations of the Company.

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

The Board oversees the Company's strategic development and determines the objectives, strategies and policies of the Group. The Board also monitors and controls operating and financial performance and sets appropriate policies for risk management in pursuit of the Group's strategic objectives. The Board will also be responsible for the formulation of the corporate governance policies of the Group.

All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

All Directors, including non-executive Directors and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations.

Board of Directors (Continued)

Responsibilities, Accountabilities and Contributions of the Board and Management (Continued)

The Directors shall disclose to the Company details of other offices held by them.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant operational matters of the Company.

The Board delegates the implementation of strategies and day-to-day operation of the Group to the management. The management shall exercise all of the powers, authorities and discretions of the Board in so far as they concern the management and day-to-day operation of the Group in accordance with such policies and directions as the Board may from time to time determine with the exception of matters mentioned above which require the prior approval of the Board.

Continuous Professional Development of Directors

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

Every newly appointed Director has received formal, comprehensive and tailored induction to ensure appropriate understanding of the business and operations of the Company and has full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. Regular updates and briefings for Directors would be arranged and reading materials on relevant topics would be provided to Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expenses.

During the Reporting Period, the Company organised a training session conducted by SW Institute of Knowledge Enhancement Limited and attended by the Directors, covering the topics on latest updates on CG Code, new climate requirements, and Listing Rules on treasury shares. Individual Directors have also attended seminars organised by external professional parties on various topics.

All Directors have provided the Company with a record of the training they received during the Reporting Period and such records were maintained by the Company.

During the Reporting Period, all Directors pursued continuous professional development and relevant details are set out below:

Directors	Type of Training
Executive Directors	
Mr. Wong Yat Wai, Patrick	A/B
Dr. Cheng Celine Heung Kwan	A/B
Non-executive Directors	
Mr. Sum Kwong Yip, Derek(2)	A/B
Mr. Yim Chun Leung(2)	A/B
Mr. Yeung Kwok Chun, Harry	A/B
Independent Non-executive Directors	
Mr. Chan Kam Chiu, Simon	A/B
Mr. Luk Ting Lung, Alan	A/B
Mr. Lau Shut Lee, Tony	A/B

Remarks:

(1) A – Attending seminars/conferences/forums
B – Reading journals/updates/articles/materials

(2) Re-designated as an executive Director on 12 June 2025

Board Committees

The Board has established committees, namely, the Audit Committee, Remuneration Committee, Nomination Committee and Executive Committee, for overseeing particular aspects of the Company's corporate governance affairs. All these committees of the Company are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of the Audit Committee, Remuneration Committee and Nomination Committee are posted on the websites of the Company and the Stock Exchange, and are available to shareholders upon request.

Audit Committee

The Audit Committee currently consists of all three independent non-executive Directors, namely Mr. Luk Ting Lung, Alan (chairman of the Audit Committee), Mr. Chan Kam Chiu, Simon and Mr. Lau Shut Lee, Tony, with Mr. Chan Kam Chiu, Simon who possesses the professional qualification and accounting expertise in compliance with the requirements under Rules 3.10(2) and 3.21 of the Listing Rules.

The terms of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code.

The primary duties of the Audit Committee shall be to assist the Board in its oversight of the completeness, accuracy and fairness of the financial statements of the Company, of the effectiveness and adequacy of risk management and internal control systems, of the independence of the external auditor and of the performance of the Company's internal audit and compliance function. The Audit Committee is provided with sufficient resources to discharge its duties and it can seek independent professional advice according to the Company's policy if considered necessary. The major roles and functions of the Audit Committee are included in its terms of reference, which are available on the respective websites of the Stock Exchange and the Company.

The Audit Committee, together with the management of the Company, has reviewed the annual results of the Group for the Reporting Period.

The Audit Committee meets at least twice a year in accordance with its terms of reference. Two Audit Committee meetings were held during the Reporting Period and the attendance of each member is set out in the section headed "Board Meetings" of this report.

The Audit Committee performed the works as summarised below:

(i) reviewed and recommended for the Board's approval of the financial reports for the year ended 31 March 2024 and the six months ended 30 September 2024;

(ii) reviewed the independent auditor's report from the external auditor;

(iii) reviewed the external auditor's independence and objectivity and recommended for the Board's approval on the re-appointment of the auditor;

(iv) reviewed and recommended for the Board's approval of the risk management report discussing, among others, the major internal audit issues, the financial reporting systems, effectiveness of the internal audit function, risk management and the internal control systems of the Group;

(v) reviewed, evaluated and assessed of the effectiveness of the Audit Committee and the adequacy of its terms of reference;

(vi) reviewed the arrangements for the employees to raise concerns about possible improprieties in financial reporting, internal control or other matters; and

(vii) reviewed the continuing connected transactions and their annual caps.

During the Reporting Period, the Audit Committee also met the external auditor twice without the presence of the executive Director.

Board Committees (Continued)

Remuneration Committee

The Remuneration Committee currently consists of four members including three independent non-executive Directors, namely Mr. Luk Ting Lung, Alan (chairman of the Remuneration Committee), Mr. Chan Kam Chiu, Simon and Mr. Lau Shut Lee, Tony and one executive Director, namely Mr. Yim Chun Leung.

The terms of reference of the Remuneration Committee are of no less exacting terms than those set out in the CG Code.

The primary functions of the Remuneration Committee include reviewing and making recommendations to the Board on the remuneration packages of all Directors and senior management with reference to the prevailing market benchmark as well as his/her roles and duties with the Group, the remuneration policy and structure for all Directors and senior management and establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his associates will participate in deciding his own remuneration. The Remuneration Committee is also authorised by the Board to assess the performance of executive Directors and approve the terms of the executive Directors' service contracts.

During the Reporting Period, two meetings of the Remuneration Committee were held to review the remuneration of all Directors, evaluate and assess the effectiveness of the Remuneration Committee and the adequacy of its terms of reference.

Details of the remuneration of the Directors are set out in note 6 to the consolidated financial statements. The emoluments of the Directors and senior management by band for the year ended 31 March 2025 is set out below:

In the band of	Number of individuals
Nil to HK$1,000,000	9
HK$1,000,001 to HK$2,000,000	1
HK$3,000,001 to HK$4,000,000	1
HK$8,000,001 to HK$9,000,000	1

Nomination Committee

The Nomination Committee currently consists of five members, including one executive Director, namely Mr. Sum Kwong Yip, Derek (chairman of the Nomination Committee), one non-executive Director, namely Mr. Yeung Kwok Chun, Harry, and three independent non-executive Directors, namely Mr. Chan Kam Chiu, Simon, Mr. Luk Ting Lung, Alan and Mr. Lau Shut Lee, Tony.

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the CG Code.

The principal duties of the Nomination Committee include reviewing the Board composition, developing and formulating relevant procedures for the nomination and appointment of Directors, making recommendations to the Board on the appointment and succession planning of Directors, and assessing the independence of independent non-executive Directors.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company's board diversity policy (the "**Board Diversity Policy**"), including but not limited to skills, experience and diversity of perspectives that are required to support the execution of its business strategy and to maximise the Board's effectiveness. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

In identifying and selecting suitable candidates for directorships, the Nomination Committee would refer to the policy adopted by the Company for selection of directors (the "**Director Nomination Policy**") and consider candidates against objective criteria, such as candidate's character, integrity, qualifications, experience, independence and other relevant criteria necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board.

During the Reporting Period, one meeting of the Nomination Committee was held to review the structure, size and composition of the Board, the Board Diversity Policy and the Director Nomination Policy. In addition, the Nomination Committee also evaluated and assessed the effectiveness of the Nomination Committee and the adequacy of its terms of reference.

Board Committees (Continued)

Executive Committee

The Executive Committee was established on 12 June 2025 and currently consists of two executive Directors, namely Mr. Sum Kwong Yip, Derek (chairman of the Executive Committee) and Mr. Yim Chun Leung.

The primary duties of the Executive Committee are to assist the Board in facilitating the Group's day-to-day operations and business more efficiently and to handle matters delegated by the Board from time to time.

Board Diversity Policy

The Board Diversity Policy was adopted by the Company on 18 January 2021. The Company is committed to provide equal opportunities in all aspects of its business and not to discriminate on the grounds of race, gender, disability, nationality, religious or philosophical belief, age, sexual orientation, family status or any other factor so as to enable the Company to serve its shareholders and other stakeholders going forward.

The Company would enhance the effectiveness of the Board by maintaining the highest standards of corporate governance and recognising and embracing the benefits of diversity in the boardroom. The Company sees diversity as a wide concept and believes that a diversity of perspectives can be achieved through consideration of a number of factors mentioned above. In forming its perspectives on diversity, the Company will also take into account factors based on its own business model and specific needs from time to time.

The Board endeavors to ensure that its Board has the appropriate balance of skills, experience and diversity of perspectives that are required to support the execution of its business strategies and to maximise the Board's effectiveness.

Board appointments will continue to be made on a merit basis and candidates will be considered against objective criteria, with due regard for the benefits of diversity on the Board. The Board will review the Board Diversity Policy on a regular basis to ensure its continued effectiveness and disclose any measurable objectives it has set in this regard, if any.

For the purpose of implementation of the Board Diversity Policy, the following measurable objectives were adopted:

(A) at least one of members of the Board shall be female;

(B) at least one-third of the members of the Board shall be independent non-executive Directors;

(C) at least one of the members of the Board shall have obtained accounting or other professional qualifications;

(D) at least 75% of the members of the Board shall have more than 5 years of experience in the industry he/she is specialised in; and

(E) at least one of the members of the Board shall have PRC-related working experience.

All the measurable objectives under Board Diversity Policy have been achieved during the Reporting Period.

The Board will continue to monitor the composition of the Board to ensure that Board diversity is maintained.

Board Diversity Policy (Continued)

Gender Diversity

The Company values gender diversity across all levels of the Group. The following table sets out the gender ratio in the workforce of the Group, including the Board and senior management as at the end of Reporting Period:

	Female	Male
Board	12.50% (1)	87.50% (7)
Senior Management	75.00% (3)	25.00% (1)
Other employees	62.92% (168)	37.08% (99)
Overall workforce	61.65% (172)	38.35% (107)

The Board had targeted to achieve and had achieved at least 12.5% (one) female Director of the Company and believes that the present gender diversity is satisfactory.

During the Reporting Period, 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.

Director Nomination Policy

The Director Nomination Policy was adopted by the Company pursuant to the Board resolutions passed on 18 January 2021.

A summary of the Director Nomination Policy is set out below.

Criteria Adopted for Selection and Recommendation for Directorship

In evaluating and selecting any candidate for directorship, the following criteria should be considered:

- Character and integrity.
- Qualifications including professional qualifications, skills, knowledge and experience and diversity aspects under the Board Diversity Policy that are relevant to the Company's business and corporate strategies.
- Any measurable objectives adopted for achieving diversity on the Board.
- Requirement for the Board to have independent directors in accordance with the Listing Rules and whether the candidate would be considered independent with reference to the independence guidelines set out in the Listing Rules.
- Any potential contributions the candidate can bring to the Board in terms of qualifications, skills, experience, independence and gender diversity.
- Willingness and ability to devote adequate time to discharge duties as a member of the Board and/or Board committee(s) of the Company.
- Such other perspectives that are appropriate to the Company's business and succession plan and where applicable, may be adopted and/or amended by the Board and/or the Nomination Committee from time to time for nomination of directors and succession planning.

Director Nomination Policy (Continued)

Nomination Process

(a) Appointment of New Director

(i) The Nomination Committee and/or the Board should, upon receipt of the proposal on appointment of new director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.

(ii) If the process yields one or more desirable candidates, the Nomination Committee and/or the Board should rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable).

(iii) The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship, as applicable.

(iv) For any person that is nominated by a shareholder for election as a director at the general meeting of the Company, the Nomination Committee and/or the Board should evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship. Where appropriate, the Nomination Committee and/or the Board should make recommendation to shareholders in respect of the proposed election of director at the general meeting.

(b) Re-election of Director at General Meeting

(i) The Nomination Committee and/or the Board should review the overall contribution and service to the Company of the retiring director and the level of participation and performance on the Board.

(ii) The Nomination Committee and/or the Board should also review and determine whether the retiring director continues to meet the criteria as set out above.

(iii) The Nomination Committee and/or the Board should then make recommendation to shareholders in respect of the proposed re-election of director at the general meeting.

Where the Board proposes a resolution to elect or re-elect a candidate as director at the general meeting, the relevant information of the candidate will be disclosed in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting in accordance with the Listing Rules and/or applicable laws and regulations.

As delegated by the Board, the Nomination Committee will, in addition to conducting regular review on the structure, size and composition of the Board, conduct regular review on the Director Nomination Policy and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and business needs.

Dividend Policy

Apart from compliance with the applicable legal requirements, a dividend policy was adopted by the Company on 18 January 2021, which sets out the guidelines for the Board to determine whether to pay a dividend and the level of such dividend to be paid. In general, it is the policy of the Company to share with its shareholders in the Company's profits with reasonably stable and consistent dividends whilst retaining adequate reserves and financial resources for future growth drivers such as mergers and acquisitions activities. The Board may propose or declare interim, final and special dividends. The policy also contains a number of factors for which the Board has to consider in determining the frequency, amount and form of any dividend in any financial year/period.

Corporate Governance Functions

The Board is responsible for performing the functions set out in the code provision A.2.1 of part 2 of the CG Code.

The Board reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and the CG Code of the Company, and the disclosure in this Corporate Governance Report during the Reporting Period.

Board Meetings

Attendance Record of Directors and Committee Members

Code provision C.5.1 of part 2 of the CG Code provides that regular Board meetings should be held at least four times a year involving active participation, either in person or through electronic means of communication, of a majority of Directors.

During the Reporting Period, the Board held six meetings. The Company has adopted the practice of holding Board meetings regularly for at least four times a year at approximately quarterly intervals to discuss overall strategy as well as operations and financial performance of the Group.

The attendance record of each Director at the Board meetings, Board Committee meetings and the general meeting of the Company held during the Reporting Period is set out in the table below:

	Attendance/Number of Meeting(s)				
Name of Director	Board	Audit Committee	Remuneration Committee	Nomination Committee	Annual General Meeting
Mr. Sum Kwong Yip, Derek *(Chairman)*	6/6	N/A	N/A	1/1	1/1
Mr. Yim Chun Leung	6/6	N/A	2/2	N/A	1/1
Mr. Wong Yat Wai, Patrick	6/6	N/A	N/A	N/A	1/1
Dr. Cheng Celine Heung Kwan	6/6	N/A	N/A	N/A	1/1
Mr. Yeung Kwok Chun, Harry	6/6	N/A	N/A	1/1	1/1
Mr. Chan Kam Chiu, Simon	6/6	2/2	2/2	1/1	1/1
Mr. Luk Ting Lung, Alan	6/6	2/2	2/2	1/1	1/1
Mr. Lau Shut Lee, Tony	6/6	2/2	2/2	1/1	1/1

Apart from Board meetings, the Chairman also held a meeting with the independent non-executive Directors without the presence of other Directors during the Reporting Period.

Accountability and Audit

Financial Reporting

The Directors acknowledged their responsibility for preparing, with the support from the finance department of the Company, the consolidated financial statements of the Group. In preparing the consolidated financial statements for the year ended 31 March 2025, the requirements of HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance have been complied with. The Directors believe that they have selected suitable accounting policies and applied them consistently, made judgements and estimates that are prudent and reasonable and ensure the consolidated financial statements are prepared on a going concern basis.

The Directors were not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The reporting responsibilities of the Company's external auditor, KPMG, are set out in the Independent Auditor's Report on pages 82 to 85 of this annual report.

Accountability and Audit (Continued)

Risk Management and Internal Control

I. Risk Governance Structure

The Group's risk management framework is guided by the "Three Lines of Defense" model as shown below:

Board of Directors

The Board has overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic business objectives, and ensuring the Group establishes and maintains appropriate and effective risk management and internal controls systems.

The Board acknowledged its responsibility for the risk management and internal control systems of the Group and has reviewed their effectiveness.

Risk Management Function

The Risk Management Function, comprising both the vice president of finance and finance managers, is responsible for overseeing the Group's overall risk management framework and to advise the Audit Committee and the Board on the Group's risk-related matters.

First Line of Defense

At the first line of defense, operating subsidiaries of the Group, as the risk owners, are responsible for identifying, assessing and monitoring risks associated with each business operation.

Second Line of Defense

The Risk Management Function, as the second line of defense, is responsible for assessing relevant risks and carrying out necessary control activities, exercising appropriate supervision to ensure the effectiveness and efficiency of control over activities within and between different departments, and assessing and presenting regular reports to the Audit Committee.

Third Line of Defense

As the third line of defense, the internal audit (which was outsourced to external consultants) performs internal audit work on annual basis and ensures that the first and second lines of defense are effective. It provides independent assurance to the Audit Committee and the Board on the adequacy and effectiveness of internal controls for the Group.

Accountability and Audit (Continued)

Risk Management and Internal Control (Continued)

II. Risk Management Process

During the Reporting Period, the Group uses a blended top-down and bottom-up approach for identifying risks. Sources of risk, areas of impact, events and their potential consequences are identified. A risk universe has been created to ensure the entire spectrum risks are captured. The identified risks are categorised into financial, operational, reputation, legal and regulatory and people risks.

The Group uses a 3-by-3 risk matrix (heat map) to assess risks. The risk rating is scored in terms of the consequence and likelihood of occurrence. Risks are rated according to their residual risk levels. Residual risk levels refer to the scoring of risks which exist, taking into account all existing controls. The result from the risk analysis is evaluated to determine whether or not identified risks are within predefined risk appetite and tolerance levels.

Based on the risk evaluation, risks are transferred, eliminated or effectively controlled through proposed risk mitigation measures. Each proposed risk mitigation measure has a designated risk owner and an expected completion date assigned to ensure accountability for risk mitigation, which is documented in the top risk records of the Group.

III. Risk Monitoring and Reporting

We highlighted below the reporting channel and frequency of our key risk reporting activities:

Bottom-up reporting: From risk owner to Risk Management Function

- Any significant risks identified from operating subsidiaries (semi-annually)
- The remediation status of the proposed risk mitigation measure documented in the top risk records (semi-annually)
- Any risks that exceed the risk appetite of the Group (real time)

From the Risk Management Function to the Audit Committee and the Board

- The remediation status of top risks (semi-annually)
- Any updates to the risk universe (semi-annually)
- Update of risk management policy, including risk assessment criteria (annually)
- Top risk identification including top risk dashboard, risk universe and top risk records (annually)
- Any risks that exceed the risk appetite of the Group (real time)

IV. Annual Confirmation

The Group's risk management and internal control systems are designed to provide reasonable, but not absolute assurance against material misstatement or loss and to manage rather than completely eliminate the risk of failure to achieve business objectives. It has a key role in the management of risks that are significant to the fulfilment of business objectives. The Board, through the Audit Committee and with the assistance of the Company's external consultants, conducted risk management and internal control reviews of the business operations for the year ended 31 March 2025 and considered them to be effective and adequate. The management has provided a confirmation to the Audit Committee (and the Board) on the effectiveness of these systems for the Reporting Period.

Accountability and Audit (Continued)

Internal Audit

The Company's external consultant prepares the internal audit report (the " **Internal Audit Report**") to the Audit Committee.

The internal audit function plays an important role in providing independent appraisal and assurance to the Audit Committee (acting on behalf of the Board) that sound risk management and internal control systems are maintained and operated by the management.

Through Internal Audit Report, significant risks or internal control issues were discussed and addressed to the Audit Committee and the Board. The internal control issues raised in the Internal Audit Report would be addressed and managed promptly by the management, and the Audit Committee and the Board are satisfied that there are adequate risk management and internal control systems in the Company.

Handling and Dissemination of Inside Information

The Company adopted the latest Guidelines on Disclosure of Inside Information issued by Securities and Future Commission on 9 March 2021 for handling and disseminating the inside information of the Company in compliance with the requirements under Part XIVA of the Securities and Futures Ordinance (Cap 571 of the laws of Hong Kong) and the Listing Rules. The policy regulates the handling and dissemination of inside information, which includes:

- designated reporting channel from relevant officers in possession of potential inside information informing such information to the designated persons;

- designated persons to assess the potential inside information and provide advice, and where appropriate, to escalate such information for the attention of the Board to resolve on further actions complying with applicable laws and regulations; and

- restrictive access to inside information to a limited number of employees on a need-to-know basis.

Whistleblowing Policy

To uphold high standards of business ethics and personal conduct of all the directors, officers and staff of the Group, the Company adopted a whistleblowing policy on 25 November 2022 such that employees and those who deal with the Group (e.g. customers, business partners and suppliers) can raise their concerns, in confidence and anonymity at their election, about possible improprieties in any matter related to the Group. Written complaints can be lodged directly to the chairman of the Audit Committee or the chairman of the Board (if the compliant concerns the chairman of the Audit Committee or a member of the Audit Committee). All whistleblowing issues will be dealt with in strict confidence.

Anti-corruption Policy

For details of the anti-corruption policy of the Group, please refer to the section headed "Anti-Corruption" as set out in the "Environmental, Social and Governance Report" of this annual report.

Auditor's Remuneration

The remuneration paid/payable to the external auditor of the Company, KPMG, in respect of audit services and non-audit services for the year ended 31 March 2025 were HK$2,552,000 and HK$763,000 respectively (2024: HK$2,380,000 and HK$730,000, respectively). The non-audit services for the year ended 31 March 2025 mainly consisted of tax consultancy services and other reporting services.

Shareholders' Rights

The Company engages with shareholders through various communication channels and a shareholders communication policy (the "**Shareholders Communication Policy**") is in place to ensure that shareholders' views and concerns are appropriately addressed. The policy is regularly reviewed to ensure its effectiveness.

To safeguard shareholders' interests and rights, separate resolution should be proposed for each substantially separate issue at general meetings, including the election of individual Director.

All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

Shareholders' Rights (Continued)

Procedures for Shareholders to Convene and to Put Forward Proposals at an Extraordinary General Meeting

Article 58 of the Company's articles of association provides that any one or more duly registered shareholder(s) 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 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; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company. Any such written requisition from the shareholders should be marked "Shareholders' Communication" on the envelope.

Procedures for Shareholders to Propose a Person for Election as Director

Shareholders may propose a person for election as Director. For detailed procedures, please refer to the section "Corporate Governance" under "Investor Relations" on the Company's website.

Procedures for Shareholders to Put Forward Enquiries to the Board

For putting forward any enquiries to the Board of the Company, shareholders may send written enquiries to the Company and the Company has an investor relation function to attend to enquiries from the shareholders.

Contact Details

Shareholders may send their enquiries or requests as mentioned above to the following:

Address:	Units 808-811, 8/F C-Bons International Centre 108 Wai Yip Street Kwun Tong, Kowloon Hong Kong
Telephone no.:	(+852) 2267 2178
Email:	enquiry@jbmhealthcare.com.hk
Attention:	Strategic Public Relations Group/Company Secretary

The Company will not normally deal with verbal or anonymous enquiries. For the avoidance of doubt, shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full names, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

Communication with Shareholders and Investors

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company endeavors to maintain an on-going dialogue with shareholders and in particular, through annual general meetings and other general meetings. At the annual general meeting, directors (or their delegates as appropriate) are available to meet shareholders and answer their enquiries. Auditor of the Company is also invited to attend the Company's annual general meeting pursuant to code provision F.2.2 of part 2 of the CG Code.

During the Reporting Period, the Company has not made any changes to its existing amended and restated memorandum and articles of association. An up-to-date version of the Company's second amended and restated memorandum and articles of association is available on the Company's website (http://www.jbmhealthcare.com.hk) and the Stock Exchange's website (http://www.hkex.com.hk).

Shareholders Communication Policy

The Company has in place a Shareholders Communication Policy. The policy aims at providing timely, clear and reliable information the shareholders to allow them to make informed decisions and assessment of the performance and prospect of the Company, and views of the shareholders are communicated to the Company in assistance of the Company's development of appropriate strategies and measures in line with the interests of the shareholders. The Board reviewed the implementation and effectiveness of the Shareholders Communication Policy and the results were satisfactory.

The Company has established a number of channels for maintaining an on-going dialogue with its shareholders as follows:

(a) General Meetings

The Company holds general meetings which offer a valuable forum for dialogue and interaction with management. Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at general meetings for and on their behalf if they are unable to attend the general meetings.

Appropriate arrangements for the annual general meetings and other general meetings shall be in place to encourage shareholders' participation:

(i) the Board members, chairmen or members of respective committees, and external auditor of the Company and such other person as the Board deems appropriate shall attend the general meetings of the Company to respond to questions addressed to the Company. In particular, management of the Company shall ensure the external auditor of the Company attend the annual general meetings to answer questions about the conduct of the audit, the preparation and content of the auditors' report, the accounting policies and auditor independence;

(ii) the chairman of the independent Board committee (if any) shall be available to answer questions at any general meeting to approve a connected transaction or any other transaction that requires independent shareholders' approval;

(iii) the Company shall explain the procedures of voting by poll in detail and answer any questions from the shareholders on voting by poll before voting so as to ensure that each shareholder understands the relevant arrangements;

(iv) for each substantially separate issue at a general meeting, a separate resolution shall be proposed by the chairman of that meeting. The Company shall avoid "bundling" resolutions unless they are interdependent and linked forming one significant proposal. Where the resolutions are "bundled", the Company shall explain the reasons and material implications in the notice of meeting; and

(v) voting results on any resolutions of the general meetings will be released on the Company's website.

Communication with Shareholders and Investors (Continued)

Shareholders Communication Policy (Continued)

(b) Company's Website

The Company maintains a website: www.jbmhealthcare.com.hk containing announcements, annual reports, interim reports, general meeting circulars and other documents such as corporate information and highlight of historical development, etc. Information on the Company's website is updated on a regular basis and information released by the Company to the Stock Exchange is also posted on the Company's website immediately thereafter. To be environmentally friendly, shareholders are encouraged to access the relevant information on the Company's website.

The Company is also permitted to send or otherwise make available its corporate communication (including notices, announcements, circulars, interim reports and annual reports) to the shareholders using electronic means, and to publish corporate communication on its own website, subject to the Company satisfying the procedures set out in Rule 2.07A of the Listing Rules.

(c) Shareholders' Enquiries

Shareholders may at any time make a request for the Company's information to the extent such information is publicly available and the Company has an investor relationship function to attend to enquiries from the shareholders. Details of the contact are set out below:

Strategic Public Relations Group
Email: enquiry@jbmhealthcare.com.hk

Company Secretary

The company secretary of the Company, Mr. Yu Chun Kau ("**Mr. Yu**") is an employee of the Company and reports directly to the chairman of the Board. The Board approves the selection, appointment or dismissal of the company secretary of the Company. All Directors have access to the advice and services of the company secretary of the Company to ensure that board procedures, and all applicable law, rules and regulations, are followed.

Mr. Yu has confirmed that he has taken no less than 15 hours of the relevant professional trainings during the Reporting Period.

Environmental, Social and Governance Report

About This Report

About JBM

We are a leading Hong Kong-based company specialised in the marketing and distribution of branded healthcare products across Greater China, Southeast Asia and other select countries. Our portfolio includes a wide range of quality branded healthcare products spanning two core categories: (i) consumer healthcare, consisting of branded medicines, which are proprietary medicines primarily distributed over-the-counter, and health and wellness products; and (ii) proprietary Chinese medicines, encompassing of over-the-counter proprietary formulations and CCMG products. Professionalism has been at the core of our corporate culture and our reputation is upheld through our persistence in product safety, efficacy and quality.

We pride ourselves as a brand incubator and manager, with a proven track record of introducing well-established overseas branded products to our local markets, as well as rejuvenating heritage household brands to stimulate market demand and broaden their market appeal. We operate a vertically integrated business encompassing brand management and marketing, sourcing and representation of third-party brand products, development and manufacturing of own brand products, and sales and distribution.

Reporting Framework

This environmental, social and governance report (the "**ESG Report**") is prepared by JBM (Healthcare) Limited and together with its subsidiaries in accordance with the ESG Reporting Guide under Appendix C2 of the Listing Rules, meeting the mandatory disclosure requirements and the "comply or explain" provision of the ESG Reporting Guide. This report summarises the initiatives, quantitative data, and approaches that the Group undertakes to manage its material environmental, social and governance issues, as well as discloses environmental quantitative information related to its sustainability performance and involvement which aims to provide transparency and accountability of the Group's actions to stakeholders.

An index that cross-references the disclosures set out in the ESG Reporting Guide and the relevant information contained in the ESG Report is provided in Appendix A.

Reporting Principles

The ESG Report complies with four key principles: materiality, quantitative, balance, and consistency. These principles ensure the report's quality and usefulness for stakeholders.

Materiality: The ESG Report focuses on key ESG issues identified in materiality assessment. By covering all material issues that stakeholders care about, the report provides targeted and important information.

Quantitative: We disclose quantitative environmental and social KPIs in the ESG Report. Along with these KPIs, we also present the relevant standards, methodologies, references, and sources of key factors. This quantitative data allows stakeholders to objectively evaluate our ESG performance.

Balance: The ESG Report presents an unbiased view, including both positive and negative information. This approach enables stakeholders to have a comprehensive and accurate understanding of our ESG efforts and results.

Consistency: To ensure comparability over time, we use consistent reporting and calculation methods. When changes occur in these methods or standards, we explain them in the ESG Report. This helps stakeholders easily understand the information and track our ESG performance trends.

Reporting Period

This report covers JBM's ESG management approach and performance for the period from 1 April 2024 to 31 March 2025.

About This Report (Continued)

Scope of this Report

The scope of this report primarily covers our core business and includes the warehouses, laboratories, offices and manufacturing facilities located in Hong Kong. The Group's manufacturing facilities comprise a PIC/S GMP-accredited manufacturing facility for the production of our Ho Chai Kung branded products and two GMP-accredited manufacturing facilities mainly for the production of Po Chai Pills, Shiling Oil and Flying Eagle Woodlok Oil, and certain other proprietary Chinese medicines. The scope is determined based on whether the Group has operational control over the entity, and whether the entity has a material influence on the Group's performance or assets.

Endorsement and Approval

The Board is responsible for overseeing statutory compliance, stakeholder engagement, ESG performance and risk management. The ESG Report was approved by the Board on 12 June 2025.

Feedback for this Report

We value your feedback as we set the direction for our development and seek to address your concerns wherever possible. Comments and suggestions regarding the Group's ESG performance are also welcome and can be sent to the Company Secretary. Feedback on the ESG Report could also be submitted online at https://www.jbmhealthcare.com.hk/contact.html.

Board ESG Governance

The Group believes that establishing sound ESG principles and practices will help to increase the investment value of an enterprise and provide long-term returns to its stakeholders. The Board is responsible for overseeing the Group's ESG-related issues and monitoring its overall ESG performance. The Board has delegated the management and execution of ESG-related matters to the CEO and senior management of the Group. They are responsible for reviewing the ESG management and strategies as well as informing the Board of the Group's development in ESG performance through board meetings. Also, the content and quality of the annual ESG report are reviewed and discussed by the Board to ensure its content is aligned with the Board's requirements and the Group's strategies.

In addition, the Board has entrusted a third-party consulting firm to conduct a materiality assessment to identify the potential ESG-related issues that may influence the Group's business and our stakeholders. The issues would be prioritised and those with high significance to the Group and stakeholders are considered material. The Board would review the material ESG issues regularly and ensure appropriate ESG management and policies are in place so as to manage the ESG-related risks effectively.

In order to motivate the Group to pursue better ESG performance, the Board will continue to keep track of the latest developments of the ESG reporting requirements in Hong Kong and set various goals for ESG performance. Based on the goals formulated by the Group, the CEO and senior management regularly review relevant work plans and the status of execution, as well as monitor the coordination and management of ESG matters.

Board ESG Governance (Continued)

Stakeholder Engagement

The Group highly values communication with stakeholders and takes their opinions as the basis for its formulation and implementation of short-term and long-term sustainability strategies. During the Reporting Period, stakeholder engagement and materiality assessment were carried out, enabling us to understand the expectations of stakeholders and identify our material ESG topics.

Communication with Stakeholders

The Group has established various communication channels to understand and take corresponding measures to meet stakeholders' requirements and expectations in order to improve our ESG performance and strategies. The following table sets out our key stakeholders, their expectations of the Group's ESG performance, and the corresponding response and communication channels:

Stakeholders	Requirements and Expectations	Means of Communication and Response
Government and Regulators	• Compliance with national policies, laws and regulation • Pay taxes in full and on time • Ensure production safety	• Meet the regulators regularly • Examinations and inspections
Investors and Shareholders	• Financial returns • Transparency in information and effective communication	• Announcements • Annual and interim reports • Annual general meetings • Email, telephone communication and company website
Business Partners	• Operate with integrity • Performance of contracts	• Business communications • Exchanges and discussions • Engagement and cooperation
Customers	• Outstanding products and customer services • Logistic efficiency • Product quality • Supply stability and stock level	• Calling for feedback • Customer service centre and hotlines • E-commerce platforms • Social Media Platforms
Environmental Regulatory Authorities	• Compliant emission • Rational use of water	• Communicate with the local environmental department • Investigations and inspections • Reporting
Employees	• Remunerations and benefits • Career development • Protection of rights	• Business meetings • Briefings • Performance appraisal meetings • Employee mailbox • Training and workshop • Employee activity
Community and the Public	• Improve community environment • Participation in charity • Information transparency	• Company website • Announcements

Board ESG Governance (Continued)

Stakeholder Engagement (Continued)

Materiality Assessment

In order to thoroughly identify ESG issues that are material to the Group's business and its stakeholders, the Group has commissioned third-party ESG professionals to conduct a materiality assessment. The assessment is based on stakeholder surveys, materiality maps provided by well-known external institutions[1], as well as professional opinions from third-party ESG professionals. Through the assessment processes, the Group has identified 13 material ESG issues, which are fully discussed in the report:

Aspects	Material Issues
Environment	• Environmental Protection • Hazardous Waste Management
Employment and Labour Practices	• Employment Compliance • Remuneration and Benefits • Occupational Health and Safety • Training and Development
Operation Practices	• Quality Management • Procurement Practices • Supply Chain Management • Customer Health and Safety • Responsible Sales and Marketing • Intellectual Property Protection • Anti-corruption

Environmental Protection

The Group attaches great importance to environmental protection and strictly abides by the local laws and regulations on environmental protection. We are committed to reducing the environmental impacts through proper environmental management. Due to the Group's business nature, we operate manufacturing facilities for the production of certain of our branded medicines and proprietary Chinese medicines, which are subjected to various environmental regulations in Hong Kong. So, we keep a close watch on relevant laws and regulations concerning the discharge of effluent water, general waste disposal and the controlled use, storage, handling and disposal of hazardous materials and chemicals, including but not limited to the Water Pollution Control Ordinance (Cap. 358 of the Laws of Hong Kong), Waste Disposal Ordinance (Cap. 354 of the Laws of Hong Kong), Waste Disposal (Chemical Waste) (General) Regulation (Cap. 354C of the Laws of Hong Kong) and Dangerous Goods Ordinance (Cap. 295 of the Laws of Hong Kong).

The Group is committed to reducing environmental impacts through proper environmental management. The Group strives to minimise its environmental emissions and resource consumption by adopting environmental-friendly measures in its business operations where practicable. We have incorporated an environmental policy that provides guidance on energy saving and the promotion of waste reduction and recycling.

During the Reporting Period, the Group was neither involved in any significant regulatory non-compliance related to applicable environmental laws and regulations, nor was it involved in any material environmental claims, lawsuits, penalties or administrative sanctions.

Emissions

The air emissions of the Group come from the use of diesel vehicles by our in-house logistic team that distributes its products to various locations, including but not limited to retail outlets and trading companies in Hong Kong. The vehicles we used were mostly EURO V diesel trucks, and the amount of air pollutants emitted was less than that of other types of trucks. The impact of it is immaterial compared to other ESG aspects, but the Group will ensure no idling car vehicles with running engines to minimise the emissions of exhaust gas.

[1] The materiality maps referenced in the materiality assessment are the ESG industry Materiality Map from Morgan Stanley Capital International (MSCI) and the SASB Materiality Map from the Sustainability Accounting Standards Board (SASB).

Environmental Protection (Continued)

Emissions (Continued)

Greenhouse Gas Emissions

The use of diesel vehicles, the consumption of electricity, and water usage and treatment during the production process have all generated Greenhouse Gases (GHGs) either directly or indirectly. The Group understands that GHG emissions will exacerbate climate change. Therefore, the Group has set up a target to reduce GHG emissions as much as practicable by implementing various energy-saving measures in our business operations. For details, please refer to "Use of Energy". The types of GHG emissions in CO_2 equivalent emissions ("**CO_2e**") unit during the Reporting Period were as below:

Types of GHG Emissions	Year ended 31 March 2025	2024
Total GHG emissions (tonnes CO_2e)[2]	**1,883**	1,845
Scope 1 – Direct emissions (tonnes CO_2e)[3]		
Self-owned vehicles	**14**	15
Scope 2 – Energy indirect emissions (tonnes CO_2e)[4]		
Purchased electricity	**1,828**	1,789
Scope 3 – Other indirect emissions (tonnes CO_2e)[5]		
Fresh water & sewage treatment	**17**	17
Waste paper disposal	**15**	16
Outbound business trips	**9**	7
Intensity of greenhouse gas emissions (kgCO_2e/million HKD of revenue)[6]	**2.41**	2.84

Use of Energy

The Group aims to reduce energy consumption as far as practicable by advocating environmental protection and energy conservation in our business and operations. We strive to cultivate energy conservation awareness among our employees to reduce energy use and the associated costs in our daily operations. In the office, employees are encouraged to turn off their computers and monitors after working hours. Also, employees are encouraged to switch off the light when the room or the area is not in use, as independent lighting switches have divided the office area into different light zones. Our printers automatically switch to energy-saving mode when not in use to reduce energy usage. Across its premises, the Group has placed green tips at prominent locations to remind staff members to turn off lights, air-conditioning and all electrical appliances when not in use and to set room temperature at 25°C.

The major energy source the Group relies on for production is electricity. The Group's clean rooms are under stringent and continual temperature and humidity controls, which are the most energy-intensive aspects of its facilities. The Group has adopted various strategies for energy conservation. For example, in some manufacturing sites, we adjust the temperature set points and damper controls on the air-side systems, install monitoring devices to keep track of electricity consumption, and collect data on different ESG aspects for analysis.

[2] Total greenhouse gas emissions are calculated in accordance with Appendix II published by the Stock Exchange and the "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purpose) in Hong Kong" published by the Environmental Protection Department and the Electrical and Mechanical Services Department. The Group's total greenhouse gas emissions include scope 1 direct emissions, scope 2 indirect emissions, and scope 3 other indirect emissions. For ease of reading and understanding, the data on greenhouse gas emissions are presented in tonnes of carbon dioxide equivalent ("**tonnes CO_2e**").

[3] Scope 1 covers emissions from mobile combustion sources. The emission factors used are from Appendix II published by the Stock Exchange and the "Land Transport Enterprises-Guidelines on Greenhouse Gas Emission Accounting and Reporting (Trial)" issued by the NDRC of the PRC.

[4] Scope 2 energy indirect emissions refers to greenhouse gas emissions from purchased electricity. The emission factor used to calculate emissions is provided by CLP Holdings Limited.

[5] Scope 3 other indirect emissions refers to emissions from freshwater & sewage treatment, waste paper disposal and outbound business trips. The data is calculated based on the Carbon Emissions Calculator of the International Civil Aviation Organisation (ICAO) and the "Appendix 2: Reporting Guidance on Environmental KPIs" published by the HKEX.

[6] Intensity figures are calculated by using the Group's revenue of HK$782.3 million and HK$648.4 million in FY2025 and FY2024 respectively.

Environmental Protection (Continued)

Use of Energy (Continued)

Other energy consumption includes fuel used in the diesel vehicles of JBM's in-house logistic team. Compared to other types of trucks, the EURO V diesel trucks enhance fuel consumption efficiency and reduce greenhouse gas emissions. In addition, the Group also implements best routing practices by identifying the most efficient routes for delivery to minimise fuel consumption and delivery time. We believe that good routing practices can save fuel costs, reduce greenhouse gas emissions, reduce labour overtime, and minimise manpower and resources.

Use of Energy	Year ended 31 March 2025	2024
Total energy consumption (MWh)	**4,741**	4,647
Use of electricity (MWh)[7]	**4,686**	4,588
Use of fuel (diesel) (MWh)[8]	**55**	59
Intensity of energy consumption (kWh/million HKD of revenue)[9]	**6.06**	7.17

Water Resource Management

Since water is a valuable resource on Earth, our goal is to reduce water wastage as much as practicable by promoting water conservation and responsible water consumption throughout our operations. Water is an essential element in the Group's production process and its quality is critical. Water is used widely during production such as formulation, rinsing, sanitising and cleaning. The Group has stringent requirements on water quality and purifying water using a water purification system. We maintain a monitoring system to ensure the water quality meets relevant standards. JBM has not encountered any issue in the sourcing of water that is fit for purpose. In addition, we have various monitoring devices to ensure the rigorous water quality requirement is met. Besides, water-saving reminder labels are put up in pantries to remind the employees of the importance of water conservation. In the future, we will continue to practise feasible water conservation measures to reduce water wastage in our operations.

The Group has complied with laws and regulations related to water discharge, including the Water Pollution Control Ordinance (Cap.358 of the Laws of Hong Kong). Wastewater produced at our production facilities in Hong Kong is treated properly at our wastewater treatment facilities to meet the wastewater emissions requirements before discharging into designated sewage network pipelines operated by the Drainage Services Department.

Water Consumption	Year ended 31 March 2025	2024
Water consumption (m^3)[10]	**25,304**	29,534
Intensity of water consumption (m^3/million HKD of revenue)[11]	**32.35**	45.55

Waste Management

Waste from the Production Process

In the course of manufacturing, our collection and disposal of chemical waste is regulated by laws and regulations such as Hong Kong's Waste Disposal Ordinance (Cap. 354 of the Laws of Hong Kong), Waste Disposal (Chemical Waste) (General) Regulation (Cap. 354C of the Laws of Hong Kong), Dangerous Goods Ordinance (Cap. 295 of the Laws of Hong Kong) and Public Cleansing and Prevention of Nuisances Regulation related to the disposal of hazardous waste. The majority of waste generated was from the production and preparation of pharmaceutical products, as well as waste drugs and a small amount of chemical waste generated from the quality control testing of pharmaceutical products. The procedures for properly handling, storing and recording hazardous wastes on-site are detailed in our Goods Destruction policy's standard operating procedures (SOPs), which are implemented throughout the manufacturing process.

7 The calculation is based on the actual electricity consumption record of the Group.
8 The calculation is based on the "Appendix 2: Reporting Guidance on Environmental KPIs" issued by HKEX.
9 Intensity figures are calculated by using the Group's revenue of HK$782.3 million and HK$648.4 million in FY2025 and FY2024 respectively.
10 The calculation is based on the actual water consumption record of the Group.
11 Intensity figures are calculated by using the Group's revenue of HK$782.3 million and HK$648.4 million in FY2025 and FY2024 respectively.

Environmental Protection (Continued)

Waste Management (Continued)

Waste from the Production Process (Continued)

To avoid hazards and protect the health and safety of our employees, all hazardous waste must be disposed of, collected and stored in safe isolated areas with restricted access and only authorised persons are allowed to enter. Those designated personnel handling waste are also equipped with masks and gloves. The quality assurance department of each business unit is responsible for the handling and disposal of hazardous wastes of its business unit. When a reasonable amount of waste has been accumulated, licensed waste collectors are appointed (as appropriate) for its collection, treatment and disposal. In addition, for any 'Part A' chemical wastes, including waste types like Dangerous Drugs, Poison (Part 1) and Antibiotics, a checklist of waste to be disposed of and a notification under Section 17 for 'Part A' chemical wastes shall be filed and endorsed by the Environmental Protection Department (the "**EPD**") according to the Waste Disposal Ordinance (Chapter 354) prior to the disposal by the licensed waste collectors.

Recognising the detrimental impact on the environment brought by the improper handling of hazardous waste, our target is to achieve proper waste collection, handling and disposal by strictly following the Group's waste management policy and appointing licensed waste collection service providers.

General Waste

The Group promotes the recycling of waste to achieve waste reduction. Our general waste mainly consists of office wastepaper and used packaging materials of raw materials purchased, the impact of which is immaterial compared to other ESG aspects. In order to reduce paper consumption, printers are set to default duplex and economical modes and notices are placed next to printers to remind employees of the use of double-sided photocopying. Employees are also encouraged to reuse paper, envelopes, folders and other stationery wherever possible. Non-hazardous wastes are collected by authorised collection service provider for proper processing and disposal according to the Waste Disposal Ordinance (Cap.354 of the Laws of Hong Kong).

During the Reporting Period, all of our general waste and chemical waste generated during our manufacturing process were collected by licensed waste collecting service providers listed by the EPD.

Waste Disposal	Year ended 31 March 2025	2024
Hazardous waste disposed (kg)[12]	5,765	8,805
Intensity of hazardous waste disposed (kg/million HKD of revenue)[13]	7.37	13.58
Non-hazardous waste disposed (kg)[14]	9,481	7,070
Intensity of non-hazardous waste disposed (kg/million HKD of revenue)[15]	12.12	10.90

Environment and Natural Resources

The Group adheres to the production guideline of not using wild endangered species in the production of proprietary medicines. The Group uses artificially propagated Saussurea costus as an ingredient for the manufacturing of one of its proprietary medicines, which is listed in Schedule 1 to the Protection of Endangered Species of Animals and Plants Ordinance (Cap. 586). The Group has also complied with all licensing requirements in accordance with the Protection of Endangered Species of Animals and Plants Ordinance (Cap.586 of the Laws of Hong Kong) and the Import and Export Ordinance (Cap. 60 of the Laws of Hong Kong).

12 The calculation is based on the actual hazardous waste disposal record of the Group, including chemical wastes as well as electronic devices, components and accessories, such as batteries and computers, etc. This year, we optimised the statistical methodology for hazardous waste, effectively enhancing data accuracy.

13 Intensity figures are calculated by using the Group's revenue of HK$782.3 million and HK$648.4 million in FY2025 and FY2024 respectively.

14 The calculation is based on the actual non-hazardous waste disposal record of the Group, including paper, plastic, metals, and general waste (i.e., common office garbage).

15 Intensity figures are calculated by using the Group's revenue of HK$782.3 million and HK$648.4 million in FY2025 and FY2024 respectively.

Environmental Protection (Continued)

Climate Change

Climate change has emerged as a pressing global issue, and the Group is acutely aware of its far-reaching negative implications. In relation to its business operations, the Group has meticulously identified two major categories of risks associated with climate change: physical risks and transitional risks.

Physical risks, manifested in more frequent extreme weather events such as typhoons and heavy rainstorms, pose a direct threat to our operations. To address these, the Group has implemented special work arrangements during such weather conditions. These arrangements are designed to ensure the health and safety of employees, with measures like flexible working hours, remote work options, and evacuation plans. Additionally, we have fortified our assets against physical damage. We maintain comprehensive insurance coverage for assets vulnerable to extreme weather or other climate related physical impacts, minimising potential financial losses.

Transition risks, on the other hand, stem from the global shift towards a low-carbon economy, including changes in policies, regulations, and technological advancements. To manage these risks, the Group actively monitors and reviews policy and regulation updates, technological developments, and market trends in climate related issues. This proactive approach enables us to anticipate potential financial impacts on our business. For example, we assess how new climate regulations might affect our production costs or how emerging clean-energy technologies could disrupt our market position. Once identified, we respond with corresponding measures. This could involve adjusting our business strategies, investing in research and development for sustainable products, or collaborating with partners to adapt to the changing landscape.

Looking ahead, the Group is committed to continuously enhancing its climate change risk management. We will regularly review and update our risk identification and response strategies to stay ahead of the curve in the face of an ever-evolving climate situation.

Social Responsibility

Employment Compliance

The Group relies on our dedicated employees to execute corporate strategies and deliver product and service excellence. The Group is committed to providing equal opportunities in employment, making full use of the talents, skills, experience, and cultural perspectives of different people, and making sure that it is an organisation where employees are respected and valued, and can achieve their full potential, regardless of gender, marital status, family status, disability or race. Our Policy on Equal Opportunities sets out the standard of conduct expected of all employees, the prevention of discrimination behaviour and its handling procedures with regard to any inappropriate discrimination behaviour at a workplace. Employment-related decisions such as recruitment, compensation, promotion, and performance evaluation are conducted solely based on employees' competence and qualifications.

We strictly abide by local legislations such as the Employment Ordinance of Hong Kong (Cap.57 of the Laws of Hong Kong). Our Employee Handbook covers policies related to compensation and benefits, recruitment and employment, work attendance, leave, training and development, equal opportunities, bribery prevention and code of conduct.

To further enhance our human resources management, the Group distributes an Exit Interview Questionnaire to departing employees. The questionnaire covers aspects like reasons for leaving, job evaluation, and details of the new position (if any). By analysing responses on reasons for leaving, we can pinpoint key factors driving turnover. Feedback on job-related evaluations helps us identify management shortcomings. For example, responses regarding workload, promotion prospects, and cooperation can reveal areas in need of improvement. The insights gained are used to refine our human resources processes, policies, and workplace culture, aiming to create a more attractive and engaging workplace.

Social Responsibility (Continued)

Employment Compliance (Continued)

During the Reporting Period, there was no regulatory non-compliance that had a significant impact on the Group related to remuneration and dismissal, recruitment and promotion, working hours, leave and holidays, equal opportunities, anti-discrimination and other matters related to staff benefits.

Employment	Year ended 31 March 2025	2024
Total number of employees	279	279
By employment type		
Contracted and full-time employees	274	270
Non-contracted and part-time employees	5	9
By gender		
Male	107	117
Female	172	162
By age		
18-30	23	25
31-50	99	102
Above 50	157	152
By geographical location		
Hong Kong	279	279
Mainland China	0	0
By employment category		
Management	46	40
Non-management	233	239
Turnover rate (%)[16]	21	52
By gender		
Male	14	26
Female	25	69
By age		
18-30	38	68
31-50	22	67
Above 50	17	38
By geographical location		
Hong Kong	21	50
Mainland China	0	100[17]

Labour Standards

The Group upholds high labour standards and protects the rights and interests of our employees. We firmly oppose employing child labour. In the recruitment process, the human resources department checks applicants' documents such as identity cards, academic certificates and professional qualifications to verify their ages, identities and educational background. All recruited employees are ensured to be above the legal working age to avoid employing child labour. Forced labour is also not tolerated by the Group, in which reasonable arrangements for working hours and sufficient rest time are made, and employees should follow the working hours as stipulated in the employment contract. In case employees are assigned to different work schedules, they will be informed of the exact working hours in advance by the department manager. When employees are instructed to work overtime by their supervisor, overtime work compensation will be provided in accordance with the Group's overtime policy. As stipulated in the employee handbook, when an employee is aware or suspicion of any violation of the Group's code of conduct by another employee, including but not limited to child and forced labour, he or she will have the responsibility to report such incident immediately to the personnel appropriate to the circumstance. The Group would immediately stop his/her work and review the current practices and policies to avoid the occurrence of similar cases of child and forced labour.

During the Reporting Period, the Group was not found with nor involved in any non-compliance in employment and labour or employment of any child labour or forced labour.

16 The formula for employee turnover rate is: Number of employees who left during the year / (Employees at the beginning of the year + Employees at the end of the year) / 2 *100%.

17 At the beginning of FY2024, the Group had 7 emloyees in Mainland China, but all of them resigned during that fiscal year.

Social Responsibility (Continued)

Employment Compliance (Continued)

Remuneration and Benefits

Our employees enjoy a wide range of benefits, including paid leave, maternity and paternity leave, marriage leave, compassionate leave, group medical insurance and group travel insurance. The Group offers competitive remuneration packages comparable to others in the same industry. It regularly reviews the internal remuneration packages at all levels and collects external remuneration information from the labour market. The Group strives to create a fair, reasonable and competitive remuneration system based on position, individual skills and competencies, as well as work performance. Share incentive schemes are also available to employees who make significant contributions to the Group.

Occupational Health and Safety

The well-being of employees is of paramount importance to the Group, and ensuring their health and safety at the workplace is our priority. We are subject to various safety laws and regulations in Hong Kong, including but not limited to the Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong). These regulations stipulate the requirements to maintain safe manufacturing conditions and to protect the occupational health and safety of employees. To ensure occupational health and safety, the design, manufacture, installation, use, inspection and maintenance of manufacturing facilities and equipment are required to conform to applicable national or industrial standards. During the Reporting Period, the Group was not found with or involved in any non-compliance incidents in relation to occupational health and safety.

We have implemented safety measures at our manufacturing facilities to ensure compliance with applicable regulatory requirements and to minimise the risk of injury to employees. Personal protective equipment, including safety helmets, gloves, eye protectors, respiratory protective equipment, ear protectors and safety shoes, have been provided to employees in our manufacturing facilities. All employees should be familiar with safety measures and emergency procedures. Any potential safety risks should be reported to the responsible personnel.

We provide manufacturing safety education and training to our employees to raise safety awareness and minimise the risks of potential hazards at work. For example, laboratory safety training has been provided for new joiners. Other training topics include but not limited to safety regulations, the Group's safety policies, SOPs, chemical storage/waste, general lab housekeeping procedures, emergency procedures, etc. We also conduct periodic inspections of our facilities to ensure our operations comply with existing laws and regulations. A proper system is in place for recording and handling accidents and maintaining health and safety laws and regulations in all material respects. Immediate corrective actions shall be implemented to eliminate potential causes to minimise the occurrence of such accidents.

Despite the evolving situation surrounding COVID-19 and its decreased prominence in recent times, we remain committed to upholding a comprehensive pandemic prevention scheme to prioritise the well-being of our workers. We continue to implement precautionary measures to enforce a hygienic working environment. This includes regular disinfection protocols to ensure cleanliness and sanitation, as well as providing an ample supply of masks and antiseptic hand rubs. Furthermore, we maintain a vigilant approach by closely monitoring the health status of our staff members. Our dedication to disease prevention remains resolute, even as global attention towards COVID-19 diminishes.

	Year ended 31 March		
Occupational Health and Safety	2025	2024	2023
Number of work-related fatalities (cases)	0	0	0
Number of lost days (days)	304	97	287
Number of Injuries (cases)	4	2	3

Social Responsibility (Continued)

Employment Compliance (Continued)

Training and Development

The Group believes that investment in employee training and development can build and retain professional talents and contribute to its success. Tailored on-the-job training programs are held to improve employees' knowledge and skill sets in the industry. The Group offers a wide spectrum of training, including courses in areas such as manufacturing skills, equipment operations, quality management and monitoring, health and safety practices, GMP and PIC/S standards. An orientation program which introduces the general outline of employee benefits, regulations and office practices will be arranged for new hires. They will also be guided and trained by experienced staff. Their training will be considered complete if the trained techniques, operation procedures, and manufacturing process can be performed correctly and independently and approved by the manufacturing supervisor or manufacturing manager.

Besides internal training, the Group also encourages our employees at all levels to acquire professional knowledge or skill sets that are relevant to their job scope by providing sponsorship for external training or education, thereby enhancing their work skills and efficiency. Employees can apply for training sponsorship in accordance with the "Group Sponsorship for External Studies/Training Policy".

Performance management is an on-going process that builds up overall business success. An effective performance assessment mechanism has been adopted. Periodical performance reviews are carried out from time to time as deemed necessary and an overall performance assessment is conducted once a year. This enables the Group to plan relevant training and development programs effectively. Also, the performance review provides an opportunity for all staff members to discuss career planning, identify areas for further development and maximise career potential with their managers or supervisors.

Moreover, the Group also offers job rotation opportunities to potential employees by transferring them to different departments or business units so that their career paths are developed in line with their personal aspirations and capabilities.

Training and Development	Year ended 31 March 2025	2024
Number of employees trained (Percentage of employees trained)		
By gender		
Male	**60 (56%)**	68 (58%)
Female	**87 (51%)**	104 (64%)
By employment category		
Management	**22 (48%)**	24 (60%)
Non-management	**125 (54%)**	148 (62%)
Total training hours (Average training hours per employee)		
By gender		
Male	**767 (7.2)**	778 (6.6)
Female	**990 (5.8)**	1,151 (7.1)
By employment category		
Management	**188 (4.1)**	160 (4.0)
Non-management	**1,569 (6.7)**	1,769 (7.4)

Social Responsibility (Continued)

Product Responsibility

Quality Management

High-quality products and services are the key to business success. For JBM, ensuring the production of effective medicines while minimising product quality risks to safeguard public health and consumer safety is of paramount importance. Our approach to upholding product responsibility enables us to comply with relevant laws and regulations, including but not limited to the Public Health and Municipal Services Ordinance (Chapter 132 of the Laws of Hong Kong), Dangerous Drugs Regulations (Cap. 134 of the Laws of Hong Kong), Pharmacy and Poisons Ordinance (Cap. 138 of the Laws of Hong Kong), and Undesirable Medical Advertisements Ordinance (Cap. 231 of the Laws of Hong Kong). Additionally, the Group has ensured that all products subject to registration requirements are duly registered with the Department of Health (the "**DH**") and the Chinese Medicine Council of Hong Kong (CMCHK), demonstrating full compliance with regulatory obligations.

The Group has established a quality control system in accordance with ISO 9001. When we receive active pharmaceutical ingredients (API), the API manufacturers must include a certificate of analysis confirming that the materials comply with the prescribed specifications. Each lot of raw materials, packaging materials, work-in-progress and finished products are quarantined until they have been sampled, tested and released for use by our quality control personnel. The final release of products from the quarantine area is carried out only when all documents pertaining to the production have been reviewed by the heads of the related departments and approved by the authorised person. Our quality control team is responsible for arranging or carrying out all necessary and relevant tests on raw materials, work in progress, finished products, verification of manufacturing processes, environmental and water monitoring, method and process validation and equipment calibration. We have adopted manufacturing quality control policies that are strictly in accordance with Hong Kong and international standards. These policies are implemented throughout our manufacturing process, including supplier qualification, raw material inspection, manufacturing process control, packaging and product inspections.

As for the finished products, all finished batches are sampled for quality control testing according to finished product specifications after final packaging and become quarantined. Products are released for sale only after confirming compliance with product specifications. The head of the production team reviews and counter-checks the production batch records, packaging records and other related documents.

During the Reporting Period, no products were subject to recall due to safety or health concerns.

Customer Complaint Management

The Group has developed a customer complaint handling procedure. Once a complaint is received, the complaint receiver registers it and sends the details to the quality assurance department. This department assesses the complaint's validity. If it is suspected to be product quality related, a thorough investigation is launched with relevant departments. Based on the investigation, complaints are classified by severity. Corrective and preventive actions are implemented for most complaints. Other actions like product isolation, sales suspension, or recalls may be taken as needed, and the DH will be informed in case of serious issues. The Group keeps the complainant updated during the process. After all actions are done, the complaint file is closed. The quality assurance department reviews complaints annually to spot trends and prevent future problems. We have also established relevant product recall procedures with reference to relevant requirements, including the GMP. Once we identify a branded medicine or proprietary Chinese medicine that is known or suspected to be harmful to users due to defective quality, safety, efficacy, or regulatory status in the market, we will initiate our recall procedure under the recall guidelines issued by the DH. A pharmaceutical product problem report form (including details of products and the nature of the problem) will be submitted to the DH as notification. Once the DH approves the recall, a recall letter and a recall reply form will be sent to all affected parties (which may include retailers, distributors, trading companies, corporate clients, or consumers, depending on the level of recall) according to our distribution records requesting the return of unused stock. Distributors and trading companies shall arrange a systematic recall from their retailers and then return all unused stock to us. All recalled products will be returned to us, and a final report form of recall shall be prepared and submitted to the DH. The report shall record the reconciliation between the delivered and recovered quantities of the product. For regulatory recalls not due to quality issues and recall of our health and wellness products, we will initiate recall procedures internally. Similar procedures will be followed, except for filling out and submitting the pharmaceutical product problem report form and the final report form of recall to the DH, which is unnecessary.

During the Reporting Period, none of our products received material customer complaints that would have caused a significant negative impact on our business.

Social Responsibility (Continued)

Product Responsibility (Continued)

Procurement of Raw Materials

The primary raw materials for our self-manufactured products are menthol, paracetamol, Chinese herbs, chemicals and excipients. The active materials (by type) used in our GMP-accredited manufacturing facilities during the Reporting Period were generally manufactured by GMP-accredited manufacturers, notwithstanding we uniformly apply our quality management procedures and quality control standards for our active materials procured in compliance with our adopted PIC/S or GMP standards (as the case may be), regardless of whether the relevant manufacturers are themselves GMP-accredited. For instance, all product quality-related suppliers for our PIC/S or GMP-accredited manufacturing facilities must undergo our vendor approval process, comprising an on-site audit or audit by questionnaire and other relevant continuous monitoring measures such as requiring relevant active materials to be accompanied by a certificate of analysis and conducting relevant analytical activities including chemical and physical analysis to confirm that they comply with our prescribed specifications.

Third-Party Manufacturing

We have implemented strict quality control procedures to ensure the quality, safety and reliability of our products that are outsourced to third-party manufacturers. We typically conduct site inspections of the manufacturing facilities of potential third-party manufacturers and select them based on a variety of factors, including their compliance with GMP standards and other relevant international safety standards, relevant experience and reputation in the industry, quality control measures, receipt of required certificates, licenses and permits and pricing terms. We also implement stringent product quality requirements on our third-party manufacturers and quality control checks on the final products to ensure that they meet the quality requirements we issue.

The third-party manufacturer is generally required to carry out all necessary quality control measures and keep the manufacturing records well in order to meet our product quality standards and relevant manufacturing requirements. A certificate of analysis is typically attached to the products delivered to us, confirming that the products comply with the specifications and quality standards as required by us or endorsed by the relevant regulatory requirements. We only accept products that meet the prescribed specifications.

Supply Chain Management

The Group has established a comprehensive internal system for supplier management. We actively engage with our suppliers, clearly communicating our standards regarding business ethics, environment, and health and safety in our cooperation agreements. We also require suppliers to undergo regular training to ensure they are well versed in and compliant with these standards.

In terms of the supply chain, our operations adhere to various laws, rules, regulations, and policies in each jurisdiction. Specifically, we have incorporated the requirements of laws such as the Dangerous Goods (General) Regulations (Cap.295B of the laws of Hong Kong), Import and Export Ordinance (Cap.60 of the laws of Hong Kong), and related regulations into our supplier management processes. For example, during the supplier audit, we check whether they meet the legal requirements regarding product quality, import and export procedures, etc.

When selecting suppliers of raw materials, including active pharmaceutical ingredients, we follow strict procedures. We collect their certificates, accreditations, and organisation charts, and use our "Active Pharmaceutical Ingredient Vendor Approval Questionnaire" and "Raw Material Vendor Assessment Form" to comprehensively assess their regulatory compliance, premise and facility conditions, quality assurance and control capabilities, and personnel qualifications. In addition to product quality, we also focus on environmental and social risks. For environmental risks, we evaluate their performance in environmental monitoring programs and facility sanitisation, and for social risks, we assess the existence of supplier auditing programs, corrective and preventive actions, and employee training programs. We conduct on-site audits of suppliers when necessary. During the audit, in addition to traditional quality related checks, we also pay attention to environmental protection facilities and employee welfare conditions. Supplier performance is regularly reviewed. We routinely monitor suppliers for any incidents or regulatory warnings related to their product quality, environmental protection, and social responsibility. Those who fail to meet the standard and show no improvement after remedial actions are communicated will be terminated.

Social Responsibility (Continued)

Product Responsibility (Continued)

Supply Chain Management (Continued)

Our Procurement SOP not only defines the framework, responsibilities, and processes for purchasing goods and services to ensure compliance with relevant regulatory requirements but also includes specific provisions for purchasing environmentally friendly office equipment. For example, we prioritise products with energy-efficiency labels and specific environmental certifications during procurement. To reduce our carbon footprint derived from the logistics operations of our supply chains, we have added a geographical factor to our supplier selection criteria. We predominantly source raw materials from suppliers who are located close to our facilities, provided that their product quality and service levels meet our requirements.

During the Reporting Period, the Group sourced raw materials from 76 suppliers, most of them located in Asia. The supplier breakdowns by geographical regions are as follows.

Number of Suppliers by Geographical Regions	Year ended 31 March 2025	 2024
East Asia	52	62
South Asia	7	5
Europe	13	12
North America	4	2

Responsible Sales and Marketing

The sales and marketing of branded healthcare products require more stringent promotional information than ordinary commodities. In light of this, the Group strictly complies with the laws and regulations relating to advertising and promotion, including but not limited to Trade Descriptions Ordinance (Cap. 362 of the Laws of Hong Kong) and Undesirable Medical Advertisements Ordinance (Cap. 231 of the Laws of Hong Kong), Advertising Law of the People's Republic of China and Law of the People's Republic of China on the Protection of Consumer Rights and Interests, in order to regulate the distribution and promotion of branded healthcare products. We ensure that the product advertisement is in an objective manner without making exaggerated statements or misrepresentations regarding its quality and functions. Our engaged advertising and promotion vendors are selected based on their reputation and work performance. Advertisements are released only after comprehensive reviews by different departments and vendors' compliance teams to ensure objectivity and avoid any non-compliance with laws and regulations. With the aim to achieve a consistent level of professionalism among staff and provide our customers with the highest quality services, we provide our frontline sales with various trainings on how to promote the products appropriately. Personnel involved are trained to understand the method of usage, functions and ingredients of the products to provide customers with accurate information. They are also trained to answer customers' enquiries and provide them with professional feedback.

Intellectual Property Rights

The formulations and manufacturing processes of primarily all of our own brand branded health care products are not confidential or patentable. In particular, our own brand branded medicines and proprietary Chinese medicines are based on long-established proprietary formulations based on ancient prescriptions, pharmacopeia prescriptions, or customary Chinese prescriptions which are common to the public domain. These products are generally not eligible for a patent grant as they are not patentable, new and inventive innovations capable of industrial applications.

Although the Group does not possess any patent on our own-brand healthcare products, we have implemented different measures to protect our intellectual property rights. First of all, trademark registration of our own brands is the most critical protection of our own-brand healthcare products. Due to the proprietary or branded nature of branded healthcare brands and consumer recognition of branded healthcare products by their brands, the most valuable intellectual property protection associated with these products is their widely recognisable brand names, product names and logos, which are protected by trademarks. Besides, our confidential proprietary technologies, processes and know-how are protected by intellectual property, confidentiality, or non-competition clauses in the employment contracts of relevant employees and distribution agreements. We have also applied certain anti-counterfeit protection to the packaging of our products to differentiate them from fake or counterfeit products, such as anti-counterfeit ultraviolet marks to our Po Chai Pills (including Puji Pills for sales in China) and Flying Eagle Woodlok Oil and unique identification numbers to certain Ho Chai Kung branded products that correspond with our internal record of product batch list. In addition, our sales team regularly visits retail outlets in Hong Kong that carry our products to observe their general end-market responses and incidents of fake or counterfeit products.

Social Responsibility (Continued)

Intellectual Property Rights (Continued)

We have designated personnel who work with external lawyers and consultants to handle our intellectual property matters, such as registering and maintaining our intellectual property rights, coordinating to obtain or grant intellectual property licenses, and litigation of any infringement or misappropriation actions. We identify potential infringement incidents by regularly conducting intellectual property searches (such as patent infringement searches) and reviewing competitors' trademarks conducted or obtained by our designated personnel.

During the Reporting Period, the Group complied with the laws and regulations that have a significant impact on it relating to advertising, labelling, and privacy matters relating to products and services provided and methods of redress.

Data Protection

We use information systems in our business' daily operations. Our information systems record various operational data, including but not limited to sales information, payment records as well as inventory records, which allow us to analyse our business performance and make timely business and financial decisions. We also collect employees' personal data and information for employment-related or business-related matters.

Anti-Corruption

The Group regards honesty, integrity and fairness as core values that all employees must always uphold. The Group's Policy on Bribery Prevention is in place, which sets out the basic standard of conduct expected of all staff, reports acceptance of advantage, and declares conflict of interest when dealing with the Group's business. In conducting all business or affairs of the Group, all staff members must comply with the Prevention of Bribery Ordinance of Hong Kong.

Our Code of Conduct also includes whistle-blowing channels for employees to report any sub-standard behaviour or fraudulent activity. Any employee having information or knowledge of any potential, suspected, or actual violation of, or conduct inconsistent with, the Policy on Bribery Prevention must promptly report such matter to the Department Manager or the Vice President, Human Resources or the Vice President, Administration. Upon receipt of the report, the Group will leverage internal and/or external resources to investigate promptly in a manner intended to protect confidentiality as much as practicable.

During the Reporting Period, the Group has not recorded any misconduct, regulatory non-compliance, or lawsuit related to bribery, extortion, fraud and money laundering. In order to create a corporate integrity culture, the Group launched the Anti-corruption Programme and organised two integrity training workshops in collaboration with the Independent Commission Against Corruption (ICAC) of Hong Kong. The primary objective of the workshops was to raise staff awareness regarding the vulnerability and risks of corruption in the workplace, deepen their understanding of legal requirements, and equip them with the necessary skills to effectively address ethical dilemmas. Employees from various categories, including management, clerical, and non-clerical staff, actively participated in the workshops. We firmly believe that the workshops have significantly enhanced our employees' ethical decision-making abilities and fostered a culture of integrity throughout our organisation.

Community Investment

The Group is deeply committed to fulfilling its social responsibilities within the communities we operate in. Employee volunteering remains a crucial part of our community service efforts, with employees actively engaging in various initiatives to make a positive impact. The Group continues to collaborate with non-profit organisations on diverse sponsorship and donation programs, focusing on enhancing the well-being of different groups.

The Group's charity efforts covered multiple aspects during the year. For community building and environmental activities, we sponsored the Xuelong 2 icebreaker's inaugural visit to Hong Kong in April 2024 through the Green Future Foundation. This sponsorship likely contributed to promoting environmental awareness and cross-regional cultural exchanges. We also supported "A Drop of Life" in the "Walk For Water 2024" in Discovery Bay, Lantau Island. This not only helped raise funds to provide water resources for people in water-scarce areas but also enhanced community spirit through the participation of 2,500 people in the walking event.

Social Responsibility (Continued)

Community Investment (Continued)

Regarding initiatives for the elderly, the Group sponsored numerous activities. We donated 400 bottles of Tong Tai Chung Woodlok Oil in the "Caring for Wan Chai to Celebrate the Reunification" event in July 2024. In the same month, we provided support to the Kwun Tong Resident Association's 50th anniversary dinner, and to the Scout Association of Hong Kong New Territories East Region's "Caring Scout Walk" event. During festivals, we sponsored multiple organisations. For example, in August 2024, we donated to the Christian And Missionary Alliance Riviera Gardens Elderly Learning Centre for their Mid-Autumn celebration event. In September 2024, we contributed to the "A Drop of Life" Mid-Autumn Goodie Bag distribution for the disabled, elderly, and poor families. Around Christmas and New Year, we sponsored the Christmas elderly activities of the Chai Wan Baptist Church, the 35th anniversary activities of the Hong Kong Sheng Kung Hui Kei Oi Neighbourhood Elderly Centre, and the New Year's events of many organisations, providing items like Tong Tai Chung Woodlok Oil, Po Chai Pills, and calendars.

The Group also supported medical and health-related activities. In September 2024, we sponsored the Hong Kong Chinese Medicine and Healthcare Industry Union's free Chinese medicine clinic day in Yau Tsim Mong, donating Flying Eagle Woodlok Oil to assist in promoting Chinese medicine healthcare concepts. In October 2024, we sponsored the Shatin Hospital Chaplaincy Ministry's walking fundraiser and the Sik Sik Yuen's health census day, providing products to support the activities. In collaboration with the HKBCF, the Group has long been committed to advancing breast health initiatives. This includes launching support programmes for the Oncotype DX, a genomic tool that evaluates breast cancer patients' likelihood of benefiting from chemotherapy. The initiatives including financial subsidies and full reimbursement for eligible public hospital patients have significantly enhanced the accessibility of breast cancer screening and treatment assessment. In November 2024, the Group served as the Silver Sponsor for HKBCF's "Pink Walk 2024", an annual charity event raising funds for patient care, education, and research. These efforts exemplify the Group's dedication to integrating medical public welfare with community well-being through strategic partnerships.

In addition, the Group's support extended to other areas. A standout initiative was our sponsorship of the "Hong Kong Streetathon 2024", where we demonstrated our commitment to community wellness by contributing sponsorship fund and Flying Eagle Woodlok Oil products. Beyond this, in 2024, we sponsored DL Media Ltd's music school tour in 13 secondary schools, which might have contributed to promoting music education or cultural exchanges among students. We also sponsored the Hong Kong Fijian Chamber of Commerce and the Hong Kong Civic Association's National Day celebration in Mong Kok. We supported the Hong Kong Chinese Medicine Manufacturers' Association's "Evolution of Chinese Patent Medicine Exhibition" in Central, which was beneficial for promoting Chinese medicine culture. In addition to the above initiatives, the Group also supported the "SO Charity Walk 2025" by the SideBySide in Sai Kung, the New Year's events in Macau by the Macau Panyu Hometown Association, the "Health Open Day" in Lu Plaza in Kwun Tong and the "City Run" in Tseung Kwan O. These sponsorships not only brought practical help to the communities but also strengthened the Group's positive influence in society.

Appendix A: HKEX ESG Reporting Guide Index

Aspect		Corresponding Content
A.	**Environmental**	
A1	**Emissions** Policies relating to air and greenhouse gas emissions, discharges into water and land and generation of hazardous and non-hazardous waste. Compliance with relevant laws and regulations that have a significant impact on the issuer.	Emission
A1.1	The types of emissions and respective emissions data.	Our in-house logistics EURO V diesel vehicles are the main contributor to air emissions during the Reporting Period. Data for air emission was not collected since the impact of it is immaterial compared to other ESG aspects.
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Greenhouse Gas Emission
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate intensity (e.g. per unit of production volume, per facility).	Waste Management
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management
A1.5	Description of emissions target(s) set and steps taken to achieve them.	Greenhouse Gas Emission
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Waste Management
A2	**Use of Resources** Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Energy Water Resource Management Environment and Natural Resource
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in' 000s) and intensity (e.g. per unit of production volume, per facility).	Use of Energy
A2.2	Water consumption in total and intensity (e.g. unit of production volume, per facility).	Water Resource Management
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Energy
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Water Resource Management
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Data for packaging material was not collected since the impact of it is immaterial compared to other ESG aspects.

Appendix A: HKEX ESG Reporting Guide Index (Continued)

Aspect		Corresponding Content
A3	**The Environment and Natural Resources** Policies on minimising the issuer's significant impact on the environment and natural resources.	Environment and Natural Resources
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environment and Natural Resources
A4	**Climate Change** Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change
B.	**Social**	
B1	**Employment** Policies on employment and compliance with local laws and regulations that have a significant impact on the issuer regarding the following: • Compensation and dismissal • Recruitment and promotion • Working hours and rest periods • Equal opportunity and anti-discrimination • Diversity • Other benefits and welfare	Employment Compliance Remuneration and Benefits
B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Employment Compliance
B1.2	Employee turnover rate by gender, age group and geographical region.	Employment Compliance
B2	**Health and Safety** Policies on providing a safe working environment and protecting employees from occupational hazards and compliance with relevant laws and regulations.	Occupational Health and Safety
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Occupational Health and Safety
B2.2	Lost days due to work injury.	Occupational Health and Safety
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Occupational Health and Safety
B3	**Development and Training** Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Training and Development
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Training and Development
B3.2	The average training hours completed per employee by gender and employee category.	Training and Development
B4	**Labour Standards** Policies and compliance with laws and regulations on preventing child and forced labour.	Labour Standards
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards

Appendix A: HKEX ESG Reporting Guide Index (Continued)

Aspect		Corresponding Content
B5	**Supply Chain Management** Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
B5.1	Number of suppliers by geographical region.	Supply Chain Management
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management
B6	**Product Responsibility** Policies and compliance with relevant laws and regulations on health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility Intellectual Property Rights Data Protection
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility
B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibility
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual Property Rights
B6.4	Description of quality assurance process and recall procedures.	Product Responsibility
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Data Protection
B7	**Anti-corruption** Policies and compliance with relevant laws and regulations relating to bribery, extortion, fraud and money laundering.	Anti-Corruption
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	Anti-Corruption
B7.2	Description of preventive measures and whistle-blowing procedures and how they are implemented and monitored.	Anti-Corruption
B7.3	Description of anti-corruption training provided to directors and staff.	Anti-Corruption
B8	**Community Investment** Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment
B8.1	Focus areas or contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment

Report of the Directors

The Directors are pleased to present their report and the audited financial statements of the Group for the year ended 31 March 2025.

Principal Activity

The principal activity of the Company is investment holding. The subsidiaries of the Company are principally engaged in manufacturing and trading of branded medicines, health and wellness products and proprietary Chinese medicines. Details of the principal subsidiaries of the Company are set out in note 12 to the consolidated financial statements.

Business Review

A fair review of the Group's business, the performance of the Group for the Reporting Period with reference to key financial performance indicators, the particulars of important events and indications of likely future development in the Group's business have been included in the "CEO's Statement" and "Management Discussion and Analysis" sections of this annual report which form part of this report.

Principal Risks and Uncertainties

The following is a summary of the principal risks and uncertainties identified by the Company which may have material and adverse impact on its business or operation, and how the Company endeavours to manage the risks involved. There may be other principal risks and uncertainties in addition to those shown below which are not known to the Company or which may not be material now but could turn out to be material in the future.

- Our success is attributable to the well-established brands of our products and our ability to manage the brands effectively. We devoted significant resources in brand marketing, promotion and management to enhance their appeal and recognition. However, the marketing and promotional initiatives may not always be successful. Furthermore, our business could be negatively impacted if any of our products suffers substantial harm to its brand reputation due to product recall, defects, product misuse, negative or inaccurate reports, postings on social media etc.

- Our branded healthcare products typically compete in three market segments, namely the branded medicines, health and wellness and proprietary Chinese medicine markets, which are highly competitive and rapidly evolving with frequent introduction of new brands and products and high consumer expectations on quality and value. We face intense competition from existing competitors and new entrants, including multinational companies, as well as domestic manufacturers and distributors of products that have competing market positioning or similar efficacies that can be used as substitutes for our products.

- The nature of our business exposes us to the risk of product liability, personal injury or wrongful death claims that are inherent in the development, manufacture and sales of consumer products. Manufacturers or vendors of defective products could be subject to civil liability for loss or physical injury to any affected person. In Hong Kong, manufacturers of defective products could also be subject to criminal liability and have their business licenses revoked. In the event a lawsuit is brought against us, we may have to incur substantial costs to defend the lawsuit or be held liable for significant damages, and we may be unable to seek full indemnification from our suppliers, third-party manufacturers or third-party brand owners or be fully covered by our insurance for our liability and costs.

The Company believes that risk management is essential to the Group's efficient and effective operation. The Company's management assists the Board in evaluating material risk exposure in the Group's business, participating in formulating appropriate risk management and internal control measures, and ensuring its implementation in the daily operational management. Further details on "Risk Management and Internal Control" are set out in the Corporate Governance Report of this annual report.

Environmental Policies and Performance

The Group is primarily engaged in production, sales and distribution of consumer healthcare products and proprietary Chinese medicines which does not have any material impact on the environment. The key environmental impacts from the Group's operation are related to electricity, water and paper consumption. The Group is fully aware of the importance of sustainable environmental development, and has implemented a number of measures to encourage environmental protection and energy conservation.

During the Reporting Period, there was no significant regulatory non-compliance with applicable environmental laws and regulations. Further details are set out in the "Environmental, Social and Governance Report" of this annual report.

Compliance with Laws and Regulations

During the Reporting Period, the Group was in compliance with the applicable laws and regulations which have significant impacts on the Group in all material respects.

Key Relationships

Customers

To ensure our products are safe, effective and of high quality to our customers, we have GMP-accredited manufacturing facilities for proprietary Chinese medicines and a PIC/S GMP-accredited manufacturing facility for branded medicines in Hong Kong. We are required to comply with the respective standards, which contain minimum requirements for quality controls used in manufacturing, processing and packaging, when producing the relevant products. Furthermore, product registration is generally required for our branded medicines and proprietary Chinese medicines before they can be sold and supplied in Hong Kong, China and other select overseas markets. We have a dedicated team that closely monitors applicable regulatory regimes to ensure the successful and timely registration of our products in various countries and the continuous compliance with relevant product registration and product license requirements.

Employees

Human resources are crucial to the continued success of the Group. The Group has provided staff with different kinds of benefit and staff compensation. For the personal training and development of our employees, the Group nominates employees to participate in internal and external training and development programs. Employees can also initiate application for training sponsorship for attending different courses to enhance their professional and management skills and knowledge. When new employees join, they will be closely monitored by experienced staff, and their training will be deemed complete if the trained techniques, operation procedures, manufacturing process can be performed correctly and independently and with the approval of the manufacturing supervisor or manufacturing manager. Details of our remuneration policy are set out in the "Remuneration Policy" section in the "Management Discussion and Analysis" section of this annual report.

Suppliers

Our quality control personnel are responsible for arranging or carrying out all necessary and relevant tests on raw materials, work in progress, finished products, verification of manufacturing processes, environmental and water monitoring, method and process validation and equipment calibration. We have adopted manufacturing quality control policies strictly in accordance with Hong Kong and international standards. These policies are implemented throughout our manufacturing process, including supplier qualification, raw material inspection, manufacturing process control, packaging and product inspections. Our quality control personnel are responsible for the preparation of analytical procedures, establishing raw materials and product specifications and arranging or carrying out sampling and analysis. Analytical activities include chemical and physical analysis of raw materials, work in progress and finished products, setting up stability program, performing microbiological testing to prevent biological hazards for branded medicines and carrying out stability studies to determine storage condition and product shelf life.

Further details are set out in the "Environmental, Social and Governance Report" of this annual report.

Results and Dividends

The Group's profits for the Reporting Period and the Group's financial position at the end of Reporting Period are set out in the financial statements on pages 86 to 87 of this annual report.

The Board recommends to declare a final dividend of HK11.5 cents per Share for FY2025 (FY2024: HK4.05 cents per Share), subject to the approval of shareholders of the Company at the 2025 AGM to be held on 28 July 2025 (Monday), which is expected to be paid on 28 August 2025 (Thursday) to shareholders whose names appear on the register of members of the Company on 14 August 2025 (Thursday), being the record date for determining shareholders' entitlement to the proposed final dividend. Including the interim dividend of HK5.5 cents per Share paid on 15 January 2025 (Wednesday), the total dividend for FY2025 amounts to HK17.0 cents per Share (FY2024: HK7.5 cents per Share). The details of final dividend of the Company are set out in note 9 to the consolidated financial statements.

Summary Financial Information

A summary of the results and of the assets and liabilities of the Group for the last five financial years, is set out on page 136. This summary does not form part of the audited financial statements.

Share Capital and Shares Issued

Details of the movements in the share capital of the Company are set in note 23 to the consolidated financial statements.

Distributable Reserves

The reserves available for distribution to the shareholders by the Company at 31 March 2025 consisted of share premium, distributable reserve and retained earnings totaling HK$806,599,000 (2024: HK$774,242,000). Movements in the reserves of the Company and the Group during the Reporting Period are set out in note 24 to the consolidated financial statements on page 126 and the Consolidated Statement of Changes in Equity on page 88 respectively.

Borrowings

Particulars of borrowings of the Group as at 31 March 2025 are set out in note 20 to the consolidated financial statements.

Purchase, Sale or Redemption of Listed Securities

During the Reporting Period, the Company repurchased a total of 12,148,000 Shares on the Stock Exchange for an aggregate consideration of approximately HK$11.9 million before expenses. A total of 12,160,000 Shares (including 12,000 Shares which was repurchased in March 2024) were cancelled during the Reporting Period and the aggregate consideration incurred for the cancelled Shares, excluding expenses, was approximately HK$11.9 million. The repurchase was effected for the enhancement of shareholder value in the long term. Details of the Shares repurchased are as follows:

Month of Shares repurchased	Number of Shares repurchased	Purchase consideration per Share Highest price paid HK$	Lowest price paid HK$	Aggregate consideration paid (excluding expenses) HK$'000
April 2024	338,000	0.92	0.89	302
July 2024	7,000,000	1.00	0.98	6,988
August 2024	4,810,000	0.95	0.90	4,562
	12,148,000			**11,852**

Save as disclosed above and in the note 23 to the consolidated financial statements, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the Reporting Period. As at 31 March 2025, the Company did not hold any treasury shares.

Directors

The directors of the Company during the Reporting Period and up to the date of this report were:

Mr. Sum Kwong Yip, Derek* *(Chairman)* (Re-designated on 12 June 2025)
Mr. Yim Chun Leung* (Re-designated on 12 June 2025)
Mr. Wong Yat Wai, Patrick* *(Chief Executive Officer)*
Dr. Cheng Celine Heung Kwan*
Mr. Yeung Kwok Chun, Harry^
Mr. Chan Kam Chiu, Simon**
Mr. Luk Ting Lung, Alan**
Mr. Lau Shut Lee, Tony**

* Executive Director
^ Non-executive Director
** Independent non-executive Director

In accordance with the provisions of the Company's 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 (3), 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. The retiring Directors shall then be eligible for re-election. The Company's articles of association also provides that any Director appointed to fill a casual vacancy on the Board or as an addition to the existing Board shall hold office only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election. At the 2025 AGM, Mr. Sum Kwong Yip, Derek, Mr. Yim Chun Leung and Mr. Chan Kam Chiu, Simon will retire and, being eligible, will offer themselves for re-election.

During the Reporting Period, there was no Director tendering resignation, refusing to stand for re-election to office, nor has the Company received any notice in writing from any Director specifying that the resignation or refusal is due to reasons relating to the affairs of the Company.

Pursuant to Rule 3.13 of the Listing Rules, the Company has received a written annual confirmation of independence from each of the existing independent non-executive Directors confirming that they had met the independence guidelines set out in Rule 3.13 of the Listing Rules during the Reporting Period, and as such the Company considered them to be independent.

Change of Information on Directors

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes and updated information regarding the Directors since the Company's last published interim report and up to the date of this annual report are set out below:

(1) Mr. Sum Kwong Yip, Derek, Chairman and non-executive Director, has been appointed as a member of the Chinese Medicines Industry Subcommittee under the Chinese Medicine Development Committee a term of two years with effect for the period from 1 February 2025. Furthermore, Mr. Sum has been re-designated from non-executive Director to executive Director with effect from 12 June 2025.

(2) Mr. Yim Chun Leung, non-executive Director, has been re-designated as an executive Director with effect from 12 June 2025.

(3) Dr. Cheng Celine Heung Kwan, executive Director, ceased to be a member of the Expert Panel on the Designation of Designated Local Research Institutions at the Innovation and Technology Commission of the Government of the HKSAR in December 2024.

(4) Mr. Yeung Kwok Chun, Harry, non-executive Director, was appointed as a member of Advisory Committee on Chinese Medicine Development Fund for a term of two years with effect from 1 March 2025. He also ceased to be a member of the Chinese Medicines Industry Subcommittee under the Chinese Medicine Development Committee at the Health Bureau of the Government of the HKSAR with effect from February 2025.

(5) Mr. Luk Ting Lung, Alan, independent non-executive Director, ceased as the chief investment officer of Winner Zone Asset Management Limited with effect from 1 May 2025.

(6) The directors' fees of the following directors have been changed to HK$220,000 per annum each, effective from 1 December 2024:

- Executive Directors: Mr. Sum Kwong Yip, Derek and Mr. Yim Chun Leung
- Non-executive Director: Mr. Yeung Kwok Chun, Harry
- Independent Non-executive Directors: Mr. Chan Kam Chiu, Simon; Mr. Luk Ting Lung, Alan; and Mr. Lau Shut Lee, Tony

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Directors' Biographies

(A) Executive Directors

Mr. Sum Kwong Yip, Derek ("Mr. Sum"), aged 62, was appointed as a non-executive Director and Chairman on 22 September 2020 and was re-designated as an executive Director on 12 June 2025. He has served as the Chairman, the chairman of the Nomination Committee since 4 February 2021, and the chairman of the executive committee of the Company since 12 June 2025. He is also a director of substantial shareholder and controlling shareholder of the Company, namely Lincoln's Hill Development Limited. With extensive experience in the pharmaceutical industry, Mr. Sum is responsible for overall strategic planning and direction of the Group. He has over 37 years of sales and corporate management experience in the pharmaceutical industry.

Mr. Sum has been serving as the chairman of the board of directors, the chief executive officer and an executive director of Jacobson Pharma (listed on the Stock Exchange) (stock code: 2633) since 1 April 2016.

Mr. Sum founded Jacobson Pharma Group in September 1998, he was mainly responsible for business management and strategic development. Prior to founding Jacobson Pharma Group, Mr. Sum held various management positions with several multi-national corporations. He started his career in the pharmaceutical industry with Sandoz Division of Edward Keller Limited in April 1988 and moved on to take up a management position with Watsons Pharmaceutical Limited under Hutchison Whampoa Limited in December 1988. In 1990, Watsons Pharmaceutical Limited was renamed as JDH Pharmaceutical Limited. Since then, Mr. Sum had worked in the Inchcape Group and he was the chief executive of the pharmaceutical division under Inchcape JDH Limited in 1998 before he embarked upon his entrepreneurial pursuit with Jacobson Pharma Group. Since June 2007, Mr. Sum has also been a member of the advisory board at the School of Pharmacy of the Chinese University of Hong Kong. He has also been appointed as a member of Chinese Medicines Industry Subcommittee under the Chinese Medicine Development Committee for a term of two years with effect from 1 February 2025.

Mr. Sum graduated from Cardiff University (formerly known as the University of Wales) in the United Kingdom ("**UK**") with an honorary bachelor's degree in Pharmacy in July 1986 and was registered as a pharmaceutical chemist and accredited as a member of The Royal Pharmaceutical Society of Great Britain (formerly known as the Pharmaceutical Society of Great Britain) in August 1987. He was admitted into the registrar as a registered pharmacist under the Pharmacy and Poisons Board of Hong Kong in October 1987.

Mr. Yim Chun Leung ("Mr. Yim"), aged 63, was appointed as a non-executive Director on 22 September 2020 and was re-designated as an executive Director on 12 June 2025. He has served as a member of the Remuneration Committee since 4 February 2021 and a member of the executive committee of the Company since 12 June 2025. Mr. Yim has over 40 years of experience in the auditing, accounting and corporate finance fields. He is responsible for advising on corporate strategies and operation management of the Group as a member of the Board.

Mr. Yim has been appointed as an executive director of Jacobson Pharma since 1 April 2016.

Mr. Yim has served in numerous companies listed on the Main Board. From May 2014 to February 2023, he served as an independent non-executive director of China New City Commercial Development Limited (currently known as China New City Group Limited, stock code: 1321). Mr. Yim served as an executive director of LVGEM (China) Real Estate Investment Company Limited (stock code: 95) from December 2004 and its chief executive officer from July 2014, respectively until he resigned in March 2016. From May 2002 to June 2004, Mr. Yim served as the financial controller of Soundwill Holdings Limited (stock code: 878). From December 2000 to February 2002, Mr. Yim served as the chief financial officer of Sinolink Worldwide Holdings Limited (stock code: 1168). From January 1998 to April 1999, Mr. Yim served as an executive director of NPH International Holdings Limited (currently known as Concord New Energy Group Limited, stock code: 182). From January 1994 to January 1998, Mr. Yim served as the finance director of Tysan Holdings Limited (stock code: 687). From June 1987 to December 1993, Mr. Yim worked at GPI International Limited (a subsidiary of Gold Peak Technology Group Limited, stock code: 40) and his last position was assistant financial controller.

Mr. Yim obtained a master of Business Administration degree from the University of Manchester, UK in June 2008. He has been a non-practising member of the Hong Kong Institute of Certified Public Accountants since January 1991 and a fellow of the Association of Chartered Certified Accountants (formerly the Chartered Association of Certified Accountants) since October 1995.

Directors' Biographies (Continued)

(A) Executive Directors (Continued)

Mr. Wong Yat Wai, Patrick ("Mr. Wong"), aged 62, was appointed as a Director on 7 January 2020 and has been re-designated as an executive Director and the chief executive officer of the Company since 22 September 2020. He is responsible for the commercial operations of our Group and for overseeing our local and overseas business and the strategic development of our consumer healthcare products. Mr. Wong joined Jacobson Pharma Group in October 2017. He has over 35 years of experience in the healthcare business sector, with 18 years in the pharmaceutical industry and another 14 years in the medical devices sector.

Prior to joining us, Mr. Wong served as a senior business consultant and was later promoted to the executive director heading up the global medical devices business for Daewoong Pharmaceuticals Co., Ltd., a South Korean company, from September 2014 to July 2017, where he was based in Hong Kong and was responsible for business development covering markets in Asia, the Middle East and South America. From March 2014 to August 2014, he worked at KCI Hong Kong Holding Limited as vice president of medical and science affairs – Asia PAC. From October 2003 to September 2013, he held various roles at Coloplast (Hong Kong) Limited, including acting as the Asia export manager, the market director since April 2004, the general manager for Asian emerging markets since October 2008 until he took on the role as regional marketing director of China and Japan in 2009. Between July 1996 and September 2003, he worked at Ferring Pharmaceuticals Limited as marketing manager – Hong Kong. From March 1993 to April 1995, he was the OTC generic department marketing manager at Mekim Limited. Mr. Wong worked at Fandasy Co., Ltd., where the last position he held was sales manager, from August 1987 to February 1993.

Mr. Wong graduated from the Hong Kong Polytechnic University in November 1987, where he received his professional diploma in Occupational Therapy. He subsequently obtained a master's degree in Medical Sciences from the University of Hong Kong in November 2000.

Dr. Cheng Celine Heung Kwan ("Dr. Cheng"), aged 63, has been appointed as an executive Director on 9 March 2024. Dr. Cheng has around 30 years of experience in sterile and non-sterile manufacturing, quality assurance and Good Manufacturing Practice, specialising in quality management system and reengineering for pharmaceutical and biological products. She currently serves as the Chief Compliance & Technology Officer of Jacobson Pharma (listed on the Stock Exchange) (stock code: 2633). Dr. Cheng is primarily responsible for overseeing the quality system integrity, driving technological development and advancing the manufacturing know-how of Jacobson Pharma Group.

She earned a Bachelor's degree in Pharmacy (with honours) and her Ph.D. in pharmacology from the University of Bradford, UK in 1986 and 1990 respectively, and subsequently served as a post-doctoral research fellow at the University of Bradford. She also obtained a Master of Business Administration degree (with distinction) from the City University of Hong Kong in 2006.

Dr. Cheng is a registered pharmacist in both Hong Kong and the UK and is a fellow of the College of Pharmacy Practice of Hong Kong. She is a registered authorised person with the Pharmacy and Poison Board of Hong Kong (the "**PPBHK**") and served as a member of its various committees. She is currently a member of the Postgraduate Pharmacy Training and Development Committee and the Expert Advisory Group on Bioavailability and Bioequivalence Studies of the PPBHK. Dr. Cheng has been appointed as a member of the Advisory Board for Pharmacy Education of the Department of Pharmacology and Pharmacy of HKUMed LKS Faculty of Medicine for the period from 1 September 2024 to 31 August 2027. She was a member of the Expert Panel on the Designation of Designated Local Research Institutions at the Innovation and Technology Commission of the Government of HKSAR (term concluded in December 2024).

Dr. Cheng has extensive teaching experience. She was an Adjunct Associate Professor at the School of Professional and Continuing Education of the University of Hong Kong from July 2005 to June 2008 and has been an Adjunct Associate Professor at the School of Pharmacy of The Chinese University of Hong Kong since July 2001.

Directors' Biographies (Continued)

(B) Non-Executive Director

Mr. Yeung Kwok Chun, Harry ("Mr. Yeung"), aged 66, has been appointed as a non-executive Director of the Company with effect from 22 September 2020 and a member of the Nomination Committee since 9 March 2024. Mr. Yeung has over 40 years of experience in the pharmaceutical and Chinese medicinal herbal industry. He is responsible for advising on corporate strategies and business plans in relation to our Group's business in China.

Prior to joining us, Mr. Yeung held various managerial positions in both local and international pharmaceutical companies, covering areas such as strategic planning, research and development, marketing and corporate affairs. He had worked at LKK Health Products Group for over 24 years, where he held various positions such as senior vice president from March 2007 to December 2018, and his last held position was senior advisor to the chairman of LKK Health Products Group Limited from January 2018 to December 2018. Mr. Yeung's roles in LKK Health Products Group also included serving as senior vice president of Infinitus (China) Limited, where he led his team in successfully applying for the direct selling license for such company, implementing brand internationalisation strategy, brand equity management, strengthening the company's research and development excellence, scientific collaborations and product development, and implementation of corporate social responsibility strategies. He was appointed as the director of corporate development of LKK Health Products Group Limited in April 2001. He was also a general manager of Caring International Group Limited from October 1995 to March 2001, during which he was responsible for the management of its direct selling business whilst concurrently acting as the managing director of the Hong Kong Traditional Chinese Medicine Research Centre, a collaborative research venture and research facility established jointly by LKK Group Limited and The Hong Kong University of Science & Technology, where his term of office commenced in July 1996. He joined Lee Kum Kee Pharmaceutical Company Limited as a general manager in December 1994, where he was responsible for developing and executing business plans. From July 1990 to October 1994, Mr. Yeung was general manager of the Glaxo Laboratories Division of Glaxo Hong Kong Limited, where he was responsible for the overall management, including sales and marketing, training and strategic planning. In July 1978, he started his career in the pharmaceutical industry as a medical representative at Glaxo Hong Kong Limited.

Mr. Yeung received a diploma in Management Studies and a master's degree in Business Administration from Hong Kong Polytechnic University in November 1986 and November 1993, respectively. He also obtained a diploma in Marketing from The Institute of Marketing, UK in November 1985. Mr. Yeung also held various public roles in government and Chinese medicine professional associations in Mainland China and Hong Kong. In Mainland China, he was a member of the twelfth Jilin Provincial Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議吉林省第十二屆委員會) from January 2018 to January 2023. In Hong Kong, Mr. Yeung has been a founding member of Modernized Chinese Medicine International Association Limited since 2000, a chairman and company secretary of MCMIA Foundation Limited since June 2014 and March 2022 respectively. He was a member of the Chinese Medicines Industry Subcommittee under the Chinese Medicine Development Committee at the Health Bureau of the Government of the HKSAR from March 2019 to February 2025 and the Regulatory Committee of Chinese Medicines Traders at the Chinese Medicine Council of Hong Kong from July 2015 to July 2021. Mr. Yeung was appointed to act as the adviser of School of Chinese Medicine of the Chinese University of Hong Kong for a term of three years from 1 September 2022 onwards. With effect from 19 October 2022, he also serves as the member of steering committee of Research Centre for Chinese Medicine Innovation (RCMI) under The Hong Kong Polytechnic University, for a term until 30 September 2027. He was also appointed as the council and court member of the Hong Kong Baptist University with effect from 1 January 2023 for a term of three years. Mr. Yeung was appointed as member of Advisory Committee on Chinese Medicine Development Fund with effect from 1 March 2025 for a term of two years.

Mr. Yeung is a founding member of Hong Kong Asthma Society, which is a non-profit charitable organisation established in 1989 to provide information and services about asthma.

(C) Independent Non-Executive Directors

Mr. Chan Kam Chiu, Simon ("Mr. Chan"), aged 76, has been appointed as an independent non-executive Director of the Company since 18 January 2021, the chairman of the Audit Committee and a member of the Remuneration Committee and Nomination Committee since 4 February 2021. Mr. Chan has ceased to be the chairman of the Audit Committee and remained a member of the Audit Committee since 9 March 2024. Mr. Chan has over 37 years of experience in financial management and integrated supply chain management in the consumer healthcare industry. He is responsible for providing independent advice and judgment to our Board. Prior to joining our Group, Mr. Chan held various positions at Fung Group (formerly known as Li & Fung Group) for over 16 years between January 2000 to June 2016. From January 2011 to June 2016, he served as the chief operating officer of LF Asia (a wholly-owned subsidiary of Li & Fung Limited, the shares of which were listed on the Stock Exchange (stock code: 494) until its privatisation in May 2020). LF Asia, primarily engaging in providing supply chain services to multinational brands of consumer healthcare products, was acquired by Dah Chong Hong Holdings Limited in 2016. He facilitated the business transfer and continued his role until January 2018.

From July 1989 to December 1999, Mr. Chan held various roles at Inchcape Pacific Limited, including acting as its regional finance director for its consumer and healthcare business in North Asia prior to Li & Fung Group's acquisition of the business in 1999. Prior to joining Inchcape Pacific Limited, Mr. Chan served as a senior manager of Touché Ross & Co. CPA. from January 1981 to June 1984, and worked at Johnson & Johnson (HK) Limited from July 1984 to July 1989 where his last position was financial director.

Directors' Biographies (Continued)

(C) Independent Non-Executive Directors (Continued)

Mr. Chan graduated from the University of San Francisco, California, U.S., with a bachelor's degree in Science in the college of Business Administration in December 1972, and subsequently received his master of Business Administration degree in Accounting from Golden Gate University, California, U.S. in June 1976. He also obtained a master's degree in Buddhist Studies from the University of Hong Kong in November 2015.

Mr. Chan obtained his qualification as a member of the Institute of Chartered Accountants of Ontario, Canada in September 1980, and has been a member of the Hong Kong Institute of Certified Public Accountants since October 1981.

Mr. Chan is the co-founder and director of Lang Qing Charity Limited, which is a non-profit organisation established to facilitate and enhance the education on environmental protection and sustainable development in Hong Kong and Mainland China.

Mr. Luk Ting Lung, Alan ("Mr. Luk"), aged 63, has been appointed as an independent non-executive Director of the Company since 18 January 2021, the chairman of the Remuneration Committee and member of the Audit Committee and the Nomination Committee since 4 February 2021, and the chairman of Audit Committee since 9 March 2024. Mr. Luk has over 38 years of experience in the financial services industry. He is responsible for providing independent advice and judgment to our Board.

Since 12 August 2022, Mr. Luk served as the responsible officer and managing director of Winner Zone Family Office Limited, a licensed insurance broker company. With effect from December 2021, Mr. Luk served as the responsible officer, chief executive officer and chief investment officer of Winner Zone Asset Management Limited, a company licensed to conduct type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO. He ceased as the chief investment officer of Winner Zone Asset Management Limited with effect from 1 May 2025.

From November 2010 to September 2021, Mr. Luk has been the head of private banking and trust services at Hang Seng Bank Ltd., a company whose shares are listed on the Stock Exchange (stock code: 0011), where he is primarily responsible for the overall management of the private banking and trust services. He also previously served as the head of investment advisory at Hang Seng Bank Ltd. from November 2008 to October 2010.

From November 1999 to October 2008, Mr. Luk had held various roles at American Express Bank Ltd., Hong Kong, including serving as its alternate chief executive. His responsibilities included balance sheet management, investment product sales and development, the establishment of risk management systems and internal controls over the bank's activities and operations. Before that, Mr. Luk had worked at Schroders Asia Ltd., Hong Kong from June 1990 to November 1999, with his last held position there as assistant director, during which he was involved in managing its dealing and trading activities. Previously, Mr. Luk had worked at HSBC Investment Bank Asia Limited (formerly known as Wardley Limited) from March 1984 to June 1990, with his last held position there as a bond trader.

Mr. Luk received his master's degree in Business Administration from Murdoch University, Perth, Australia in July 1999 through distance learning. He then obtained his master of science degree in Global Finance jointly conferred by the Hong Kong University of Science and Technology and the New York University Leonard N. Stern School of Business, U.S. in May 2009.

Mr. Lau Shut Lee, Tony ("Mr. Lau"), aged 56, has been appointed as an independent non-executive Director of the Company since 18 January 2021, a member of the Audit Committee, the Remuneration Committee and the Nomination Committee since 4 February 2021. Mr. Lau has over 17 years of experience in the e-commerce and technology industries. He is responsible for providing independent advice and judgment to our Board.

Since March 2015, Mr. Lau has served as the managing director of Maersk E-Commerce (HK) Limited (formerly known as Fung Omni Services (HK) Limited), where the principal business is to provide e-commerce and omni-channel commerce services. For this role, Mr. Lau has been primarily responsible for the overall management of the e-commerce marketing services and technology innovation. Before joining Maersk E-Commerce (HK) Limited, Mr. Lau also held multiple positions at Fireswirl Technologies Inc., previously known as Redstone Capital Corp., including acting as chief executive officer from December 2008 to September 2015, chairman of the board of directors from October 2007 to March 2015 and chief technology officer from August 2006 to September 2015. Mr. Lau's responsibilities at Fireswirl Technologies Inc. included technology development, product strategy, and business development.

Mr. Lau obtained his bachelor's degree in Electronics Systems and Microcomputer Engineering from the University of Glasgow, UK, in July 1990.

Senior Management's Biographies

Mr. Lam Kau Lap ("Mr. Lam"), aged 38, is the Vice President of Finance of the Company and is mainly responsible for the management of the finance and accounting of the Group. He has over 10 years of experience in auditing, accounting and finance fields. He joined Jacobson Pharma Group, in January 2015 as the finance manager, and was later promoted to deputy financial controller in May 2019. He was re-designated as the Group Financial Controller of the Group in July 2020 and resigned in April 2021. He then re-joined the Group in February 2022. Mr. Lam was a company secretary of the Company from 19 March 2022 to 23 November 2023. Mr. Lam obtained a bachelor's degree in Business Administration in Accounting and Finance from the University of Hong Kong in June 2008. He has been a member of the Hong Kong Institute of Certified Public Accountants since September 2011.

Ms. Wang Lin ("Ms. Wang"), aged 60, is the General Manager for the proprietary Chinese medicine business segment of our Group. She has over 30 years of experience in traditional Chinese medicines industry, with extensive experiences in GMP quality management and operational practices for different traditional Chinese medicines manufacturing facilities, as well as substantial experience in medical product registration. Ms. Wang joined Jacobson Pharma Group as a traditional Chinese medicines quality assurance manager & operation manager at Europharm Laboratoires Co. Ltd. from March 2008 to March 2017, before she was promoted to an assistant general manager of Chinese medicine in April 2017. Starting from April 2021, she was promoted to General Manager at Europharm Laboratoires (HK) Co. Ltd. where she is responsible for the quality management of the manufacturing process, product regulatory affairs and daily operations of traditional Chinese medicines. In September 2023, she was promoted to General Manager at Li Chung Shing Tong (Holdings) Limited.

Before joining Jacobson Pharma Group, Ms. Wang worked in Shenzhen Huakang Medicine Co., Ltd from August 2003 to February 2008 as the quality assurance manager and assistant general manager, in charge of quality management, GSP implementation and authentication, product registration as well as daily operations. From May 2001 to July 2003, she worked at the Guangning pharmaceutical manufacturing plant of Million King Group. From May 1999 to June 2001, Ms. Wang was employed as a manager of the software department at Anhui Fengyang Keyuan Pharmaceutical Co., Ltd. (安徽鳳陽科苑藥業有限公司). Prior to that, she worked as a pharmaceutical manufacturing engineer at Huainan Shuangyin Pharmaceutical Co., Ltd. (淮南市雙銀藥業有限公司) (formerly known as Huainan First Pharmaceutical Manufacturing Factory (淮南市第一製藥廠)), Anhui province, the PRC, from July 1985 to April 1999, where she was responsible for production engineering, product research & development and product registration.

Ms. Wang obtained a diploma majoring in Chinese Medicine at Anhui University of Traditional Chinese Medicine (安徽中醫藥大學) (formerly known as Anhui College of Traditional Chinese Medicine (安徽中醫學院)) in China in July 1991 through distance-learning. She became a licensed pharmacist in China since October 2002. She was awarded with the Anhui Province certificate of scientific and technological research achievement (安徽省科學技術研究成果證書) from the Anhui Province science and technology committee in August 1999.

Ms. Lo Chui Yee ("Ms. Lo"), aged 57, is the Marketing Director of our Group. She is responsible for the brand building and marketing of our proprietary Chinese medicine products. She has over 20 years of industry experience in the sales and marketing of fast-moving consumer goods, health supplements and Chinese medicines in Hong Kong.

Ms. Lo joined our Group in November 2013 as a marketing manager at Li Chung Shing Tong (Holdings) Limited and was subsequently promoted as its senior marketing manager in February 2019 and marketing director in September 2023, mainly in charge of brand building and marketing of products.

Prior to joining Jacobson Pharma Group, Ms. Lo was employed as a marketing consultant at KADOSH Health & Beauty Co. Ltd. from October 2012 to February 2013. From October 2010 to October 2012, she worked as a senior product manager at Green Science International Limited. Prior to that, Ms. Lo served various positions at The Kowloon Dairy Ltd and was assistant marketing manager, senior product manager, product manager and marketing assistant between July 1991 and March 2010. Ms. Lo left Kowloon Dairy in August 1998 to pursue a master's degree in Middlesex University. Before Ms. Lo re-joined The Kowloon Dairy Ltd in August 2001, she was employed as a brand manager at Sims Trading Company Limited from March 2000 to August 2001. Ms. Lo began her marketing career as a marketing assistant at Giant Sky Limited (Premier Travel), from November 1990 to March 1991.

Ms. Lo received a diploma in Business Administration from Hong Kong Shue Yan University (formerly known as Hong Kong Shue Yan College) in July 1990. She then obtained a master's degree in Marketing Management from Middlesex University, UK in February 2000. She has become a member and a chartered marketer of The Chartered Institute of Marketing, UK since February 2012 and July 2013, respectively.

Ms. Leung Hoi Ki ("Ms. Leung"), aged 43, is the Operation Manager, proprietary Chinese Medicine of our Group. She is responsible for production and operation, new product development and proprietary Chinese medicine quality assurance. She has over 15 years of experience in the Chinese medicine industry in Hong Kong and has worked in a number of pharmaceutical companies in Hong Kong.

Ms. Leung joined our Group in December 2014 as an operation manager at Jetstar Company Limited, where she is responsible for overseeing the production, operation, product development and quality assurance affairs of our proprietary Chinese medicine products. Prior to this, Ms. Leung was employed as a quality assurance manager at Hong Kong Zihua Pharmaceutical Limited from April 2011 to December 2014, during which she was the quality assurance manager with the responsibility of establishing good manufacturing practice (GMP) for proprietary Chinese medicines. From January 2010 to April 2011, Ms. Leung was a factory manager at Po Wo Tong Medicines (HK) Limited. From June 2006 to January 2010, Ms. Leung was also employed at Wai Yuen Tong Medicine Co. Ltd. as a quality assurance officer.

Ms. Leung graduated from Hong Kong Baptist University in November 2006 with a bachelor of pharmacy degree in Chinese Medicine. She subsequently received her master's degree in Nutrition, Food Science and Technology from The Chinese University of Hong Kong in December 2010.

Directors' Emoluments

The Directors' remuneration is determined by the Board with reference to Directors' duties, responsibilities and performance and the results of the Group, and reviewed by the Remuneration Committee. Particulars of the duties and responsibilities of the Remuneration Committee are set out in "Corporate Governance Report" of this annual report.

Details of the emoluments of the Directors on a named basis are set out in note 6 to the consolidated financial statements.

Directors' Material Interests in Transactions, Arrangements and Contracts

Other than the transactions under the sections headed "Connected Transactions" and "Continuing Connected Transactions" of this report, no transactions, arrangements and contracts that were significant in relation to the Company's business to which the Company or any of its subsidiaries was a party and in which any Director or the Director's connected entity had a material interest, whether directly or indirectly, subsisted as at 31 March 2025 or at any time during the FY2025.

Contracts of Significance

Other than disclosed in the sections headed "Connected Transaction", "Continuing Connected Transactions" and note 28 to the consolidated financial statements contained in this annual report, no contract of significance was entered into between the Company or any of its subsidiaries and the Controlling Shareholders or any of its subsidiaries during the year ended 31 March 2025 or subsisted as at 31 March 2025 and no contract of significance for the provision of services to the Company or any of its subsidiaries by a Controlling Shareholder or any of its subsidiaries was entered into during the year ended 31 March 2025 or subsisted as at 31 March 2025.

Interests in Competing Business

As at 31 March 2025, none of the Directors or Controlling Shareholders is interested in any business apart from the Group's business, which competes or is likely to compete, either directly or indirectly, with the Group's business.

Directors' Service Contracts

The executive Director has entered into a service agreement with the Company for a renewed term commencing from 22 September 2023 to 31 March 2026, except Dr. Cheng, whose term is for three years from 9 March 2024, all of which may be terminated by either party giving to the other party not less than three months' notice in writing. The non-executive Director, has entered into a letter of appointment with the Company for a renewed term commencing from 22 September 2023 to 31 March 2026, which may be terminated earlier by either party serving on the other party not less than one month's notice in writing. Each of the independent non-executive Directors, has entered into a letter of appointment with the Company for a renewed term commencing from 19 January 2024 to 31 March 2026, all of which may be terminated earlier by either party serving on the other party not less than one month's notice in writing.

None of the Directors proposed for re-election at the 2025 AGM is a party to any service contract with the Company which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group, which were not a contract of service with any Director or any person engaged in the full-time employment of our Company, were entered into or in existence during the Reporting Period.

Equity-Linked Agreement

Share Option Scheme

The Share Option Scheme was approved and adopted by the shareholders of the Company on 6 August 2024 to recognise and reward the contributions of the participants for the growth and development of the Group. The Share Option Scheme became effective following the grant of a listing approval by the Stock Exchange on 8 August 2024. The Share Option Scheme shall remain in force for a period of ten years commencing from 8 August 2024.

The Share Option Scheme aims to provide incentives to retain participants for the continual operation, development and long-term growth of the Group; and to attract suitable personnel for further development of the Group.

The eligible participants shall be any director and employee of the Company or of any of its subsidiaries from time to time (the "**Eligible Participants**").

The Eligible Participant shall pay HK$1.00 (or such other nominal sum in any currency as the Board may determine) in favour of the Company as consideration for the grant of options. The offer of a grant of options should be accepted within 28 days from the date of offer. The exercise period of the options granted is determinable by the Board or such committee, save that such period shall not be more than ten years from the date of grant.

The exercise price in respect of any particular option shall be a price determined by the Board, and shall be at least the higher of: (a) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer; (b) the average closing price of the shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of the offer; and (c) if applicable, the nominal value of the shares on the date of the offer.

Where any grant of option to an Eligible Participant would result in the shares issued and to be issued in respect of all options and awards granted under the Share Option Scheme and other schemes of the Company involving grant of award or options over shares of the Company (the "**Other Scheme**") to such Eligible Participant (excluding any options and awards lapsed in accordance with the terms of the Share Option Scheme and Other Schemes) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the shares in issue as at the date of such grant (excluding any treasury shares), such grant shall be subject approval of the Shareholders in general meeting.

For any grant of options to a director, chief executive or substantial shareholder of the Company, or any of their respective associates shall be approved by the independent non-executive director (excluding any independent non-executive director who is the proposed grantee of such options); and where any grant of options to an independent non-executive director or a substantial shareholder of the Company or any of their respective associates would result in the shares issued and to be issued in respect of all options and awards granted under the Share Option Scheme or Other Schemes (excluding any options lapsed in accordance with the terms of the Share Option Scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the shares in issue (excluding any treasury shares), such further grant of options shall be approved by the Shareholders in general meeting.

The vesting period of any particular option shall not be less than 12 months except in the following circumstances: (a) grants of "make-whole" options to new joiners to replace the share awards or share options they forfeited when leaving their previous employers; (b) grants that are made in batches during a year for administrative and compliance reasons; or (c) grants of options with a mixed or accelerated vesting schedule such as where the options may vest evenly over a period of 12 months.

During the Reporting Period, no share option lapsed or was granted, exercised or cancelled under the Share Option Scheme.

As at the date of this annual report, the total number of shares available for issue under the share Option Scheme is 83,381,000, representing approximately 10.14% of the issued Shares (excluding any treasury shares) as at the date of the annual report. The number of shares available for grant under the Share Option Scheme as at 1 April 2024 and 31 March 2025 was nil (as the Share Option Scheme has not yet been adopted) and 83,381,000, respectively, representing 10% of the issued share capital of the Company as of the adoption date on 6 August 2024 (excluding any treasury shares).

Equity-Linked Agreement (Continued)

Share Award Scheme

The Share Award Scheme of the Company was adopted by the Board on 18 January 2021 and amended on 21 September 2023. The purpose of the Share Award Scheme is to recognise and reward the contribution of certain eligible person(s) for the growth and development of the Group and to provide them with incentives in order to retain them for the continual operation, development and long-term growth of the Group and to attract suitable personnel for further development of the Group.

The eligible person(s) for the Share Award Scheme includes any individual who is an employee (whether full time or part time), director, officer, consultant or advisor of any member of the Group or any entity in which any member of the Group holds any equity interest who is considered by the Board, in its sole discretion, to have contributed to or will contribute to the Group, and is selected by the Board for achieving the purposes of the Share Award Scheme.

On 18 January 2021, an Award Committee was established for the purpose of the Share Award Scheme, and delegated with the power and authority by the Board to administer the Share Award Scheme. An Independent Third Party has been appointed as a trustee (the "**Trustee**") under the Share Award Scheme.

Unless otherwise terminated or altered, the Share Award Scheme should be valid and effective for a period of ten years commencing from 18 January 2021. Pursuant to the Share Award Scheme, the Trustee will purchase existing shares of the Company from the market out of the money contributed by the Group, and such shares will be held on trust for selected participants of the scheme until such awarded shares are vested with the relevant selected participants. At no point in time shall the Trustee be holding more than 5% of the total number of shares of the Company in issue under the Share Award Scheme. In addition, unless approved by the Board, the Award Committee shall not grant any awarded shares to any selected participant if the granting of such awarded shares would result in the total number of shares vested or to be vested in the relevant selected participant during any 12-month period exceeding 1% of the total issued shares of the Company (save and except that any grant of awarded shares to an independent non-executive Director should not result in the total number of shares vested or to be vested in that person (under the Share Award Scheme or otherwise) during any 12-month period exceeding 0.1% of the total issued shares of the Company). The Share Award Scheme does not specify a minimum vesting period. The Award Committee may, at its discretion, determine the vesting criteria and conditions or periods for the share award to be vested. No payment by the selected participant is required for acceptance of the share award granted under the Share Award Scheme. Details of the rules of the Share Award Scheme were set out in the Prospectus. On 21 September 2023, the Share Award Scheme was amended such that the scheme will be funded by existing shares of the Company only.

During the Reporting Period, the Trustee has purchased 10,500,000 shares for the Share Award Scheme through purchases on the open market. As at the date of this annual report, the Trustee held 10,500,000 shares for the Share Award Scheme, representing approximately 1.28% of the issued shares of Company (excluding treasury shares, if any). The Company has granted a total of 5,400,000 shares to an eligible grantee on 2 July 2024 and the said 5,400,000 awarded shares were vested to the said eligible grantee on 14 August 2024 at nil consideration.

Details of the movements of the share award under the Share Award Scheme during the Reporting Period are as follows:

			Number of awarded shares				
Grantee	Date of grant	Balance of unvested awarded shares as at 1 April 2024	Grant during the Reporting Period	Vested during the Reporting Period (2)	Lapsed/ Cancelled during the Reporting Period	Balance of unvested awarded shares as at 31 March 2025	Vesting date
Director							
Mr. Sum	2 July 2024 (1)	–	5,400,000	(5,400,000)	–	–	14 August 2024

Notes:

(1) The closing price of the shares of the Company immediately before the date on which the share award was granted was HK$1.05 per share on 28 June 2024. The fair value of the share award granted was approximately HK$1.04 per share which was determined based on the published closing price of the shares at the date of grant. The share award was not subject to any performance target and was vested in full on 14 August 2024 at nil consideration.

(2) During the Reporting Period, 5,400,000 awarded shares were vested and the weighted average closing price of the vested shares immediately before the vesting date was HK$0.95 per share.

Equity-Linked Agreement (Continued)

Arrangement to Purchase Shares or Debentures

Other than the Share Option Scheme and the Share Award Scheme, during the Reporting Period, none of the Company nor any of its subsidiaries was a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debt securities including debentures of, the Company or any other body corporate.

Continuing Disclosure Obligations Pursuant to the Listing Rules

Save as disclosed in this annual report, the Company does not have any other disclosure obligations under Rules 13.21 and 13.22 of the Listing Rules.

Permitted Indemnity Provision

Save for the Directors' and officers' liability insurance and the public offering of securities insurance coverages for the Directors and officers of the Group, no other permitted indemnity provision for the benefit of any Director or who had been a Director of the Company, or of its subsidiaries, where applicable, is in force during the Reporting Period.

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

As at 31 March 2025, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or 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, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to section 347 of the SFO and the Model Code were as follows:

Interests in Shares of the Company

Name of Director	Capacity/Nature of Interest	Number of shares	Approximate percentage of issued share capital of the Company	Long position/ Short position/ Lending pool
Mr. Sum [(1)]	Beneficial owner Interests in controlled corporation Settlor of trusts Beneficiary of trusts	512,823,346	62.39%	Long position
Mr. Yim Chun Leung	Beneficial owner	12,996,390	1.58%	Long position
Mr. Wong Yat Wai, Patrick	Beneficial owner	620,862	0.08%	Long position
Mr. Yeung Kwok Chun, Harry	Beneficial owner	379,500	0.05%	Long position
Mr. Chan Kam Chiu, Simon	Beneficial owner	37,950	0.01%	Long position

Note:

(1) Mr. Sum is the registered and beneficial owner of 65,426,550 shares in the Company. Queenshill, a company wholly-owned by Mr. Sum, also holds 120,951,318 shares of our Company. Lincoln's Hill (a fellow subsidiary of Trust Co) holds 322,834,578 shares of our Company, for the purpose of trust asset management of The Kingshill Trust. Furthermore, the trustee of The Queenshill Trust, a discretionary trust established by Mr. Sum (as the settlor) with Mr. Sum and his family members as discretionary beneficiaries, holds 3,610,900 shares in the Company through the wholly-owned company under The Queenshill Trust.

Lincoln's Hill is wholly-owned by Trust Co under The Kingshill Trust, a discretionary trust established by Mr. Sum (as the settlor) with Mr. Sum and his family members as the discretionary beneficiaries. Trust Co is in turn wholly-owned by UBS Trustees (B.V.I.) Limited (the trustee of The Kingshill Trust) through its nominee, UBS Nominees Limited.

By virtue of the SFO, Mr. Sum is deemed to be interested in the shares of the Company in which Lincoln's Hill, Queenshill and The Queenshill Trust are interested.

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures (Continued)

Interests in Shares of the Company (Continued)

Save as disclosed above, so far as known to any Directors as at 31 March 2025, none of the Directors or chief executive of the Company or any of their close associates had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) 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 and 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 to be kept by the Company pursuant to section 352 of the SFO, or which were required, pursuant to section 347 of the SFO and the Model Code, to be notified to the Company and the Stock Exchange.

Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares

As at 31 March 2025, within the knowledge of the Directors, the following persons or corporations had or deemed or taken to have an interest or a short position in the shares or underlying shares of the Company which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Interests in Shares of the Company

Name of Shareholder	Capacity/Nature of Interest	Number of shares	Approximate percentage of issued share capital of the Company	Long position/ Short position/ Lending pool
Lincoln's Hill (1)	Beneficial owner	322,834,578	39.27%	Long position
Trust Co (1)	Interests in controlled corporation	322,834,578	39.27%	Long position
UBS Trustees (B.V.I.) Limited (1)	Interests in controlled corporation Trustee	322,834,578	39.27%	Long position
Queenshill (3)	Beneficial owner	120,951,318	14.71%	Long position
Mr. Sum (1)(2)(3)(4)	Beneficial owner Interests in controlled corporation Settlor of trusts Beneficiary of trusts	512,823,346	62.39%	Long position
Yunnan Baiyao Group	Beneficial owner	75,900,000	9.23%	Long position

Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares (Continued)

Interests in Shares of the Company (Continued)

Notes:

(1) Lincoln's Hill holds 322,834,578 shares in our Company.

Lincoln's Hill is wholly-owned by Trust Co under The Kingshill Trust, a discretionary trust established by Mr. Sum (as the settlor) with Mr. Sum and his family members as the discretionary beneficiaries. Trust Co is in turn wholly-owned by UBS Trustees (B.V.I.) Limited (the trustee of The Kingshill Trust) through its nominee, UBS Nominees Limited. By virtue of the SFO, each of Trust Co, UBS Trustees (B.V.I.) Limited and Mr. Sum is deemed to be interested in the Shares in which Lincoln's Hill is interested.

(2) Mr. Sum is the registered and beneficial owner of 65,426,550 shares in our Company.

(3) Mr. Sum is the sole shareholder of Queenshill. By virtue of the SFO, Mr. Sum is deemed to be interested in the 120,951,318 shares held by Queenshill.

(4) The trustee of The Queenshill Trust, a discretionary trust established by Mr. Sum (as the settlor) with Mr. Sum and his family members as discretionary beneficiaries, through the wholly-owned company under The Queenshill Trust, holds 3,610,900 shares in the Company. By virtue of the SFO, Mr. Sum, as the settlor and a discretionary beneficiary of The Queenshill Trust, is deemed to be interested in the 3,610,900 shares of the Company held by the wholly-owned company under The Queenshill Trust.

Connected Transactions

On 11 November 2024, Po Chai Herbal Technology Limited ("**Po Chai Herbal**") (an indirect wholly-owned subsidiary of the Company) and PCHT Herbal Sciences Limited ("**PCHT**") (an indirect wholly-owned subsidiary of the Company) as sellers and Europharm Laboratoires Company Limited ("**Europharm**") (an indirect wholly-owned subsidiary of Jacobson Pharma) as purchaser entered an agreement (the "**LCSTH SPA**"), pursuant to which Po Chai Herbal and PCHT agreed to sell 56,500 and 44,000 shares of Li Chung Shing Tong (Holdings) Limited ("**LCSTH**") respectively, and Europharm agreed to acquire the shares, at a total cash consideration of HK$46,230,000. LCSTH is a company with limited liability incorporated under the laws of Hong Kong and is principally engaged in the manufacturing and sale of proprietary Chinese medicines. The transaction made LCSTH an associate company of Europharm and, therefore, a permitted entity under the lease of Europharm with Hong Kong Science and Technology Parks Corporation for use certain land and buildings at Tai Po InnoPark (the "**Factory**"). As at 11 November 2024, (i) Mr. Sum, a director and the controlling shareholder of the Company, is interested in approximately 59.58% of the issued shares of Jacobson Pharma, and therefore Europharm is an associate of Mr. Sum and a connected person of the Company; and (ii) Mr. Sum, a director and the controlling shareholder of Jacobson Pharma, is interested in approximately 62.39% of the issued shares of the Company, and therefore Po Chai Herbal and PCHT are associates of Mr. Sum and connected persons of Jacobson Pharma. Accordingly, the transaction contemplated under the LCSTH SPA constitute a connected transaction of both Jacobson Pharma and the Company under Chapter 14A of the Listing Rules.

Details of the sales and purchase of shares in LCSTH were set out in the joint announcement of the Company and Jacobson Pharma dated 11 November 2024.

On 28 February 2025, Europharm and LCSTH entered into a license agreement (the "**2025 License Agreement**") pursuant to which Europharm agreed to grant a license to LCSTH to use a portion of the Factory for a period from 28 January 2025 to 27 January 2028 (both days inclusive) at a monthly license fee of HK$218,000 pursuant to the terms and conditions of the 2025 License Agreement. On 1 December 2020, Europharm and Europharm Laboratoires (Hong Kong) Company Limited ("**Europharm HK**") (an indirect wholly-owned subsidiary of the Company) entered into a license agreement (the "**2020 License Agreement**", together with the 2025 Licence Agreement, the "**License Agreements**") pursuant to which Europharm agreed to grant a license to Europharm HK to use a separate portion of the Factory from 1 December 2020 to 30 November 2025 (both days inclusive) at a monthly license fee of HK$247,000 pursuant to the terms and conditions of the 2020 License Agreement. The license fee under the License Agreements shall be payable by LCSTH and Europharm HK on the first day of each calendar month during the term of the relevant license agreement. As at 28 February 2025, (i) Mr. Sum, a director and a controlling shareholder of the Company, is interested in approximately 59.92% of the issued shares of Jacobson Pharma, and therefore Europharm is an associate of Mr. Sum and a connected person of the Company; and (ii) Mr. Sum, a director and a controlling shareholder of Jacobson Pharma, is interested in approximately 62.39% of the issued shares of the Company, and therefore LCSTH is an associate of Mr. Sum and a connected person of Jacobson Pharma. Accordingly, the transaction contemplated under the 2025 License Agreement constitute a connected transaction of the Company and a continuing connected transaction of Jacobson Pharma under Chapter 14A of the Listing Rules.

Details of the 2025 License Agreement were set out in the joint announcement of the Company and Jacobson Pharma dated 28 February 2025.

The transactions above benefit LCSTH by providing a suitable manufacturing location and save cost and time to relocate LCTSH's existing GMP-accredited facility to another location, so the transactions allowed LCSTH to continue its operations without disruption and avoid relocation expenses.

Continuing Connected Transactions

As at 31 March 2025, Mr. Sum is interested in approximately 59.92% of the issued shares of Jacobson Pharma, and therefore, Mr. Sum is the controlling shareholder of Jacobson Pharma.

Accordingly, Jacobson Pharma and its associates are our connected persons by virtue of Rule 14A.07 of the Listing Rules and for the purposes of connected transactions under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.76(2)(a) of the Listing Rules, each of the following transactions were exempt from the circular and independent shareholders' approval requirements but subject to the announcement, reporting, and annual review requirements under Chapter 14A of the Listing Rules.

1. Logistics Services Agreement

On 3 March 2023, our Company (on behalf of our subsidiaries) and Jacobson Pharma (on behalf of its subsidiaries excluding our Group) entered into an agreement to renew the logistics service agreement to govern the provision of logistics services by the Jacobson Connected Persons to us (the "**2023 Logistics Services Agreement**"). The term of the 2023 Logistics Services Agreement is three years, commencing from 1 April 2023 to 31 March 2026 and the relevant annual cap for each of the three financial years ended 31 March 2024 and 31 March 2025 and ending 31 March 2026 was set at HK$5,000,000, HK$6,000,000 and HK$7,000,000 respectively. The payment term is 30 days from the invoice date. Details of the 2023 Logistics Services Agreement were disclosed in the joint announcement of the Company and Jacobson Pharma dated 3 March 2023.

For the year ended 31 March 2025, the provision of logistics services fee payable by us was HK$4,554,000 (2024: HK$4,077,000).

2. Manufacturing Services Agreement

On 3 March 2023, our Company (on behalf of our subsidiaries) and Jacobson Pharma (on behalf of its subsidiaries excluding our Group) entered into an agreement to renew the manufacturing services agreement to govern (i) the provision of manufacturing services of selected generic drugs (being primarily non-branded and non-proprietary cough syrup and capsules for cough and nasal congestion (the "**Selected Generic Drugs**")) by us to the Jacobson Connected Persons and (ii) the provision of manufacturing services of branded healthcare products such as antiseptic hand rubs, antiseptic alcohol, lotion and mouthwash, cough syrup and capsules for cough and nasal congestion by the Jacobson Connected Persons to us (the "**2023 Manufacturing Services Agreement**"). The term of the 2023 Manufacturing Services Agreement is three years commencing from 1 April 2023 to 31 March 2026. Pursuant to the 2023 Manufacturing Services Agreement, the relevant annual cap for each of the three financial years ended 31 March 2024 and 31 March 2025 and ending 31 March 2026 in respect of the provision of manufacturing services of the Selected Generic Drugs to the Jacobson Connected Persons was set at HK$3,500,000, HK$3,500,000 and HK$3,500,000 respectively, whereas the relevant annual cap for each of the three financial years ended 31 March 2024 and 31 March 2025 and ending 31 March 2026 in respect of the provision of manufacturing services of branded healthcare products such as antiseptic hand rubs, antiseptic alcohol, lotion and mouthwash, cough syrup and capsules for cough and nasal congestion by Jacobson Connected Persons was set at HK$3,000,000, HK$4,000,000 and HK$5,000,000 respectively. The payment term is 30 days from the invoice date. Details of the 2023 Manufacturing Services Agreement were disclosed in the joint announcement of the Company and Jacobson Pharma dated 3 March 2023.

On 2 April 2024, in anticipation of the increase in orders for the Selected Generic Drugs, the Company and Jacobson Pharma envisaged that the annual caps in respect of the services fees for the manufacturing of Selected Generic Drugs for the year ended 31 March 2025 and ending 31 March 2026 as contemplated under the 2023 Manufacturing Services Agreement (the "**Existing Annual Caps**") will not be sufficient. Therefore, with effect from 2 April 2024, the Existing Annual Caps have been revised and increased to HK$5,000,000 and HK$6,500,000 for the year ended 31 March 2025 and ending 31 March 2026 respectively. Details of the revision of the Existing Annual Caps under the 2023 Manufacturing Services Agreement were disclosed in the joint announcement of the Company and Jacobson Pharma dated 2 April 2024.

The amount for provision of manufacturing services of the Selected Generic Drugs to Jacobson Pharma Group for the year ended 31 March 2025 was HK$4,189,000 (2024: HK$3,390,000) while the amount for provision of manufacturing services of the branded healthcare products such as antiseptic hand rubs, antiseptic alcohol, lotion and mouthwash, cough syrup and capsules for cough and nasal congestion by Jacobson Pharma Group for the year ended 31 March 2025 was HK$209,000 (2024: HK$112,000).

Continuing Connected Transactions (Continued)

3. Overseas Sales Administrative Services Agreement

On 3 March 2023, our Company (on behalf of our subsidiaries) and Jacobson Pharma (on behalf of its subsidiaries excluding our Group) entered into an agreement to renew the overseas sales administrative services agreement to govern the provision of the Jacobson Connected Persons' overseas sales administrative services (the "**2023 Overseas Sales Administrative Services Agreement**"). The term of the 2023 Overseas Sales Administrative Services Agreement is three years commencing from 1 April 2024 to 31 March 2026 and the relevant annual cap for each of the three financial years ended 31 March 2024 and 31 March 2025 and ending 31 March 2026 was set at HK$3,000,000, HK$3,500,000 and HK$4,000,000 respectively. The payment term is 30 days from the invoice date. Details of the 2023 Overseas Sales Administrative Services Agreement were disclosed in the joint announcement of the Company and Jacobson Pharma dated 3 March 2023.

For the year ended 31 March 2025, the provision of overseas sales administrative services fee payable by us was HK$624,000 (2024: HK$658,000).

The transactions contemplated under each of (1) Logistics Services Agreement; (2) Manufacturing Services Agreement; and (3) Overseas Sales Administrative Services Agreement as mentioned above (collectively known as the "**CCT Agreements**") constitutes continuing connected transactions of the Group under Chapter 14A of the Listing Rules.

For further details of the above continuing connected transactions, please refer to the joint announcements of the Company and Jacobson Pharma dated 3 March 2023 and 2 April 2024.

Details of the Group's related party transactions are set out in note 28 to the consolidated financial statements in accordance with the applicable HKFRS Accounting Standards for preparing these financial statements. Save as disclosed above, none of the related party transactions constitutes a discloseable connected transaction or a continuing connected transaction under Chapter 14A of the Listing Rules. It is confirmed that the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.55 of the Listing Rules, the independent non-executive Directors have reviewed the CCT Agreements, and confirmed the CCT Agreements have been entered into (a) in the ordinary and usual course of business of the Group; (b) on normal commercial terms or better; and (c) according to the agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

KPMG, the auditor of the Company, was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. KPMG has issued its unqualified letter containing its findings and conclusions in respect of the continuing connected transactions disclosed above and confirming that nothing has come to its attention that causes them to bring to the attention of the Board in accordance with Rule 14A.56 of the Listing Rules.

Major Customers and Suppliers

For the Reporting Period, the aggregate revenue attributable to the Group's five largest customers was 42.7% (2024: 40.3%) of the total revenue. The largest customer accounted for 27.1% (2024: 18.0%) of the Group's revenue.

For the Reporting Period, the aggregate purchases attributable to the Group's five largest suppliers accounted for 59.9% (2024: 66.0%) of the total purchases for the year. The largest supplier accounted for 27.6% (2024: 28.4%) of the Group's purchase.

To the best knowledge of the Directors, neither the Directors, their close associates, nor any shareholders who own more than 5% of the Company's issued shares (excluding treasury share, if any), had any beneficial interest in the Group's five largest customers or suppliers during the Reporting Period.

Retirement Benefit Schemes

Details of the Company's retirement benefit schemes are set out in note 4(B) to the consolidated financial statements.

Pre-Emptive Rights

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders of the Company.

Sufficiency of Public Float

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued shares was held by the public as at the date of this annual report.

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 Shares.

Charitable Donation

During the Reporting Period, the Group does not make any charitable donations (2024: Nil).

Auditor

KPMG retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of KPMG as auditor of the Company is to be proposed at the 2025 AGM. There has been no change of auditor in the past three years.

On behalf of the Board

Sum Kwong Yip, Derek
Executive Director and Chairman
12 June 2025

Independent Auditor's Report

To the Shareholders of JBM (Healthcare) Limited
(Incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of JBM (Healthcare) Limited ("**the Company**") and its subsidiaries ("**the Group**") set out on pages 86 to 136, which comprise the consolidated statement of financial position as at 31 March 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes, comprising material accounting policy information and other explanatory information.

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 2025 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.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") 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 are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("**the Code**") together with any ethical requirements that are relevant to our audit of the consolidated financial statements in the Cayman Islands, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matter

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the consolidated financial statements of the current period. This matter was 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 this matter.

ASSESSING POTENTIAL IMPAIRMENT OF INTANGIBLE ASSETS

Refer to note 11 to the consolidated financial statements and the accounting policies in note 1(N)(ii).

The Key Audit Matter	How the matter was addressed in our audit
The carrying value of the Group's intangible assets as at 31 March 2025 totalled HK$817.1 million, which included goodwill of HK$266.8 million and trademarks with indefinite useful life of HK$386.7 million. Management allocates intangible assets, including goodwill, to separately identifiable cash generating units ("**CGUs**"). For goodwill and intangible assets with indefinite useful lives, the recoverable amount is estimated annually whether or not there are any indications of impairment. For intangible assets with useful lives, management assesses if there are any indications of impairment of these CGUs. If any indications of impairment are identified, management will estimate the recoverable amounts of the CGUs. Recoverable amount of a CGU is the higher of value-in-use and fair value less costs of disposals of the related assets. Value-in-use is determined based on the discounted cash flow forecasts. Management exercises significant judgement in determining certain key assumptions, including revenue growth rates, gross margins and the discount rates applied, when preparing the discounted cash flow forecasts. We identified assessing potential impairment of intangible assets as a key audit matter because of the significance of intangible assets to the Group's total assets and because the assessment of potential impairment of intangible assets requires significant management judgement, particularly in estimating the future cash flows, which may be inherently uncertain, and in determining an appropriate discount rate, which could be subject to management bias.	Our audit procedures to assess the potential impairment of intangible assets included the following: • evaluating management's identification of CGUs and the allocation of assets to each relevant CGU and with the assistance of our internal valuation specialists, assessing the methodology applied by management in its impairment assessments with reference to the requirements of the prevailing accounting standards; • challenging the revenue growth rates and gross margins adopted by management in its preparation of the discounted cash flow forecasts by referring to industry and other available third party information, the recent financial performance of each relevant CGU subject to impairment assessment and management's plans for future operations; • with the assistance of our internal valuation specialists, assessing the discount rates used in the discounted cash flow forecasts by benchmarking against other comparable companies and considering the risks specific to each relevant CGU subject to impairment assessment; • obtaining from management sensitivity analyses of the key assumptions, including revenue growth rates, gross margins and the discount rates, adopted in the discounted cash flow forecasts to evaluate the impact on the headroom for each relevant CGU subject to impairment assessment and assessing the impact of changes in the key assumptions to the conclusions reached and whether there are any indicators of management bias; • comparing the key assumptions included in the discounted cash flow forecasts prepared in the prior year with the current year's performance of each relevant CGU subject to impairment assessment and making enquiries of management as to the reasons for any significant variations identified, to assess whether the judgement made by management in the preparation of the discounted cash flow forecasts in the prior year indicated possible management bias; and • assessing the reasonableness of the disclosures in the consolidated financial statements in respect of management's impairment assessment with reference to the requirements of the prevailing accounting standards.

Information other than the consolidated financial statements and auditor's report thereon

The directors are responsible for the other information. The other information comprises all 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 the directors for the consolidated financial statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards 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 directors are assisted by the Audit Committee in discharging their responsibilities 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. This report is made 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.

As part of an audit in accordance with HKSAs, we exercise professional judgement 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.

Auditor's responsibilities for the audit of the consolidated financial statements (Continued)

- 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 Group 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.

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 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 Lee Ka Nang (practising certificate number: P05456).

KPMG
Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
12 June 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2025 (Expressed in Hong Kong Dollars)

	Note	2025 HK$'000	2024 HK$'000
Revenue	2	782,292	648,415
Cost of sales		(368,585)	(310,334)
Gross profit		413,707	338,081
Other net income	3	18,098	16,336
Selling and distribution expenses		(122,462)	(138,527)
Administrative and other operating expenses		(63,279)	(41,685)
Profit from operations		246,064	174,205
Finance costs	4(A)	(4,464)	(8,498)
Share of loss of an associate		–	(981)
Share of profits of joint ventures		66	164
Profit before taxation	4	241,666	164,890
Income tax	5(A)	(38,978)	(27,680)
Profit for the year		202,688	137,210
Other comprehensive income for the year			
Item that will not be reclassified subsequently to profit or loss, net of nil tax:			
Revaluation of financial assets at fair value through other comprehensive income		(10,189)	(6,000)
Item that may be reclassified subsequently to profit or loss, net of nil tax:			
Exchange differences on translation of financial statements of operations outside Hong Kong		129	(256)
Other comprehensive income for the year		(10,060)	(6,256)
Total comprehensive income for the year		192,628	130,954
Profit attributable to:			
Equity shareholders of the Company		197,261	130,463
Non-controlling interests		5,427	6,747
Total profit for the year		202,688	137,210
Total comprehensive income attributable to:			
Equity shareholders of the Company		187,201	124,207
Non-controlling interests		5,427	6,747
Total comprehensive income for the year		192,628	130,954
		HK cents	HK cents
Earnings per share:	8		
Basic and diluted		24.08	14.76

The notes on pages 90 to 136 form part of these financial statements.

Consolidated Statement of Financial Position

At 31 March 2025 (Expressed in Hong Kong dollars)

	Note	2025 HK$'000	2024 HK$'000
Non-current assets			
Property, plant and equipment	10	142,209	146,394
Intangible assets	11	817,149	838,816
Interests in joint ventures	13	3,215	3,780
Other non-current assets	14	127,998	20,160
Other financial assets	17	-	10,103
Deferred tax assets	22	2,195	1,900
		1,092,766	1,021,153
Current assets			
Inventories	15	82,241	91,585
Trade and other receivables	16	163,970	135,153
Current tax recoverable		294	–
Cash and cash equivalents	18	205,847	140,806
		452,352	367,544
Current liabilities			
Trade and other payables and contract liabilities	19	98,870	118,448
Bank loans	20	149,800	71,200
Lease liabilities	21	13,118	11,308
Current tax payable		19,223	20,614
		281,011	221,570
Net current assets		171,341	145,974
Total assets less current liabilities		1,264,107	1,167,127
Non-current liabilities			
Bank loans	20	–	43,800
Lease liabilities	21	8,829	7,099
Deferred tax liabilities	22	91,320	94,284
		100,149	145,183
NET ASSETS		1,163,958	1,021,944
CAPITAL AND RESERVES			
Share capital	23	8,140	8,312
Reserves	25	1,073,879	962,364
Total equity attributable to equity shareholders of the Company		1,082,019	970,676
Non-controlling interests		81,939	51,268
TOTAL EQUITY		1,163,958	1,021,944

Approved and authorised for issue by the board of directors on 12 June 2025.

Mr. Sum Kwong Yip, Derek
Director

Mr. Yim Chun Leung
Director

The notes on pages 90 to 136 form part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2025 (Expressed in Hong Kong dollars)

	Attributable to equity shareholders of the Company									
	Share capital HK$'000	Share premium HK$'000	Shares held for Share Award Scheme HK$'000	Capital reserve HK$'000	Exchange reserve HK$'000	Fair value reserve (non-recycling) HK$'000	Retained earnings HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 April 2023	9,076	722,540	(5,287)	(985)	(231)	(20,761)	281,157	985,509	45,481	1,030,990
Profit for the year	–	–	–	–	–	–	130,463	130,463	6,747	137,210
Other comprehensive income	–	–	–	–	(256)	(6,000)	–	(6,256)	–	(6,256)
Total comprehensive income for the year	–	–	–	–	(256)	(6,000)	130,463	124,207	6,747	130,954
Dividend declared and paid in respect of the previous year	–	–	–	–	–	–	(22,842)	(22,842)	–	(22,842)
Dividend declared in respect of the current year (note 9)	–	–	–	–	–	–	(29,871)	(29,871)	–	(29,871)
Dividends declared by subsidiaries attributable to non-controlling interests	–	–	–	–	–	–	–	–	(960)	(960)
Employee share award scheme – value of employee services	–	–	–	9,031	–	–	–	9,031	–	9,031
Shares acquired for Share Award Scheme (note 23(A))	(57)	–	(6,243)	–	–	–	–	(6,300)	–	(6,300)
Shares vested for the Share Award Scheme (note 23(A))	89	–	8,333	(9,284)	–	–	862	–	–	–
Purchase of own shares (note 23(B))	(796)	(88,262)	–	–	–	–	–	(89,058)	–	(89,058)
	(764)	(88,262)	2,090	(253)	(256)	(6,000)	78,612	(14,833)	5,787	(9,046)
At 31 March 2024 and 1 April 2024	8,312	634,278	(3,197)	(1,238)	(487)	(26,761)	359,769	970,676	51,268	1,021,944
Profit for the year	–	–	–	–	–	–	197,261	197,261	5,427	202,688
Other comprehensive income	–	–	–	–	129	(10,189)	–	(10,060)	–	(10,060)
Total comprehensive income for the year	–	–	–	–	129	(10,189)	197,261	187,201	5,427	192,628
Dividend declared and paid in respect of the previous year	–	–	–	–	–	–	(33,486)	(33,486)	–	(33,486)
Dividend declared in respect of the current year (note 9)	–	–	–	–	–	–	(45,210)	(45,210)	–	(45,210)
Dividends declared by subsidiaries attributable to non-controlling interests	–	–	–	–	–	–	–	–	(1,360)	(1,360)
Employee share award scheme – value of employee services	–	–	–	5,616	–	–	–	5,616	–	5,616
Shares acquired for Share Award Scheme (note 23(A))	(105)	–	(10,447)	–	–	–	–	(10,552)	–	(10,552)
Shares vested for the Share Award Scheme (note 23(A))	54	–	5,795	(5,616)	–	–	(233)	–	–	–
Purchase of own shares (note 23(B))	(121)	(11,731)	–	–	–	–	–	(11,852)	–	(11,852)
Disposal of partial ownership interest in a subsidiary without a loss of control	–	–	–	19,626	–	–	–	19,626	26,604	46,230
Realised loss on disposal of financial assets at fair value through other comprehensive income	–	–	–	–	–	36,950	(36,950)	–	–	–
	(172)	(11,731)	(4,652)	19,626	129	26,761	81,382	111,341	30,671	142,012
At 31 March 2025	8,140	622,547	(7,849)	18,388	(358)	–	441,151	1,082,019	81,939	1,163,958

The notes on pages 90 to 136 form part of these financial statements.

Consolidated Cash Flow Statement

For the year ended 31 March 2025 (Expressed in Hong Kong dollars)

	Note	2025 HK$'000	2024 HK$'000
Operating activities			
Cash generated from operations	18(B)	270,859	211,772
Income tax paid		(43,922)	(20,556)
Net cash generated from operating activities		226,937	191,216
Investing activities			
Payment for purchase of property, plant and equipment and intangible assets		(21,014)	(10,214)
Proceeds from disposals of property, plant and equipment		–	163
Payment for other financial assets		(369)	–
Proceeds from disposals of other financial assets		283	–
Payment for investments in joint venture		(20)	–
Proceeds from disposal of an associate		–	17,599
Proceeds from disposal of equity interests in a joint venture		1,667	–
Prepayment of acquisition of a subsidiary		(102,600)	–
Interest received		1,570	762
Net cash (used in)/generated from investing activities		(120,483)	8,310
Financing activities			
Capital element of lease rentals paid	18(C)	(15,648)	(13,194)
Interest element of lease rentals paid	18(C)	(895)	(669)
Proceeds from bank loans and other borrowings	18(C)	279,800	64,000
Repayment of bank loans and other borrowings	18(C)	(245,000)	(104,000)
Other borrowing costs paid	18(C)	(3,569)	(7,829)
Payment for shares held for Share Award Scheme	23(A)	(10,552)	(6,300)
Payment for purchase of own shares	23(B)	(11,852)	(89,058)
Dividends paid		(78,696)	(52,713)
Dividends paid to non-controlling interests		(1,360)	(960)
Proceeds from disposal of partial ownership interest in a subsidiary without a loss of control		46,230	–
Net cash used in financing activities		(41,542)	(210,723)
Net increase/(decrease) in cash and cash equivalents		64,912	(11,197)
Cash and cash equivalents at the beginning of the year		140,806	152,266
Effect of foreign exchange rate changes		129	(263)
Cash and cash equivalents at the end of the year	18(A)	205,847	140,806

The notes on pages 90 to 136 form part of these financial statements.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

1 Material Accounting Policies

(A) STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with HKFRS Accounting Standards ("**HKFRSs**"), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Listing Rules. Material Accounting Policies adopted by the Group are disclosed below.

The HKICPA has issued certain new and amended HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 1(E) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(B) BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31 March 2025 comprise the Company and its subsidiaries and the Group's interests in joint ventures.

Intra-group balances and transactions are eliminated in full in preparing the consolidated financial statements.

(C) ACCOUNTING JUDGEMENTS AND ESTIMATES

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

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

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 31.

(D) BASIS OF MEASUREMENT

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**") and prepared on the historical cost basis, except that the investments measured as financial assets at fair value through other comprehensive income ("**FVOCI**") (see note 1(J)) is stated at its fair value.

(E) CHANGE IN ACCOUNTING POLICIES

The Group has applied the following amendments to HKFRSs issued by the HKICPA to these consolidated financial statements for the current accounting period:

- Amendments to HKAS 1, *Presentation of financial statements – Classification of liabilities as current or non-current* ("**2020 amendments**") and amendments to HKAS 1, *Presentation of financial statements – Non-current liabilities with covenants* ("**2022 amendments**")

- Amendments to HKFRS 16, *Leases – Lease liability in a sale and leaseback*

- Amendments to HKAS 7, *Statement of cash flows* and HKFRS 7, *Financial instruments: Disclosures – Supplier finance arrangements*

1 Material Accounting Policies (Continued)

(E) CHANGE IN ACCOUNTING POLICIES (Continued)

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended HKFRSs are discussed below:

Amendments to HKAS 1, *Presentation of financial statements* (the 2020 and 2022 amendments, collectively the "HKAS 1 amendments")

The HKAS 1 amendments impact the classification of a liability as current or non-current, and have been applied retrospectively as a package.

The 2020 amendments primarily clarify the classification of a liability that can be settled in its own equity instruments. If the terms of a liability could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments and that conversion option is accounted for as an equity instrument, these terms do not affect the classification of the liability as current or non-current. Otherwise, the transfer of equity instruments would constitute settlement of the liability and impact classification.

The 2022 amendments specify that conditions with which an entity must comply after the reporting date do not affect the classification of a liability as current or non-current. However, the entity is required to disclose information about non-current liabilities subject to such conditions.

The HKAS 1 amendments do not have a material impact on the Group's financial statements.

Amendments to HKFRS 16, *Leases – Lease liability in a sale and leaseback*

The amendments clarify how an entity accounts for a sale and leaseback after the date of the transaction. The amendments require the seller-lessee to apply the general requirements for subsequent accounting of the lease liability in such a way that it does not recognise any gain or loss relating to the right of use it retains. A seller-lessee is required to apply the amendments retrospectively to sale and leaseback transactions entered into after the date of initial application. The amendments do not have a material impact on these financial statements as the Group has not entered into any sale and leaseback transactions.

Amendments to HKAS 7, *Statement of cash flows* and HKFRS 7, *Financial instruments: disclosures – Supplier finance arrangements*

The amendments introduce new disclosure requirements to enhance transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The amendments do not have a material impact on these financial statements as the Group does not have any supplier finance arrangement.

(F) SUBSIDIARIES AND NON-CONTROLLING INTERESTS

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has the rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parities) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the shareholders of the Company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with notes 1(Q) or 1(R) depending on the nature of the liability.

1 Material Accounting Policies (Continued)

(F) SUBSIDIARIES AND NON-CONTROLLING INTERESTS (Continued)

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 1(J)) or, when appropriate, the cost on initial recognition of an investment in a joint venture (see note 1(G)).

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 1(N)(ii)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(G) JOINT VENTURES

A joint venture is an arrangement whereby the Group or Company and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

An investment in a joint venture is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see note 1(N)(ii)). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in other comprehensive income.

When the Group's share of losses exceeds its interest in the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the joint venture, after applying the expected credit loss ("**ECL**") model to such other long-term interests where applicable (see note 1(N)(i)).

Unrealised profits and losses resulting from transactions between the Group and its joint venture are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

If an investment in a joint venture becomes an investment in an associate, retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

In all other cases, when the Group ceases to have joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 1(J)).

(H) BUSINESS COMBINATIONS

The Group accounts for business combinations using the acquisition method when control is transferred to the Group (see note 1(F)). The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment (see note 1(N)(ii)). Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. Contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

1 Material Accounting Policies (Continued)

(I) GOODWILL

Goodwill represents the excess of

(i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over

(ii) the net fair value of the acquiree's identifiable assets and liabilities measured as of the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to cash generating units, or groups of cash generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see note 1(N)(ii)).

On disposal of a cash generating unit, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

(J) OTHER INVESTMENTS IN EQUITY SECURITIES

The Group's policies for investments in equity securities, other than investments in subsidiaries and joint ventures, are set out below.

Investments in equity securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss ("**FVPL**") for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see note 26(E). The investment is subsequently accounted for as follows, depending on their classification.

Equity Investments

An investment in equity securities is classified as FVPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified at FVPL or FVOCI, are recognised in profit or loss as other income in accordance with the policy set out in note 1(W)(iv).

(K) PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 1(N)(ii)).

Items may be produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management. The proceeds from selling any such items and the related costs are recognised in profit or loss.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

1 Material Accounting Policies (Continued)

(K) PROPERTY, PLANT AND EQUIPMENT (Continued)

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

– Leasehold land is depreciated over the unexpired term of lease.

– Buildings situated on leasehold land are depreciated over the shorter of the unexpired term of lease and their estimated useful lives, being no more than 50 years after the date of completion.

– Machinery and equipment	5-20 years
– Furniture, fixtures and office equipment	4-20 years
– Motor vehicles	5 years
– Leasehold improvements	Shorter of the lease term or 10-20 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

(L) INTANGIBLE ASSETS (OTHER THAN GOODWILL)

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see note 1(N)(ii)). Amortisation of intangible assets with finite lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

– Unpatented drugs	30 years
– Customer relationship	15-20 years
– Distribution rights	Over the distribution agreement term of 3-15 years
– Technology knowhow	25 years

Both the period and method of amortisation are reviewed annually.

Club memberships and trademarks which useful lives are assessed to be indefinite, are not amortised and are stated at cost less impairment losses (see note 1(N)(ii)). Any conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and in accordance with the policy for amortisation of intangible assets with finite lives as set out above.

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Expenditure on development activities is capitalised if it can be demonstrated that the product or process is technically and commercially feasible and the Group has sufficient resources and the intention to complete development. Other development expenditure is recognised as an expense in the period in which it is incurred.

1 Material Accounting Policies (Continued)

(M) LEASED ASSETS

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

As a Lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-to-use asset and a lease liability, except for leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 1(K) and 1(N)(ii)).

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("**lease modification**") that is not accounted for as a separate lease. In this case 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.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

1 Material Accounting Policies (Continued)

(N) CREDIT LOSSES AND IMPAIRMENT OF ASSETS

(i) Credit losses from financial instruments

The Group recognises a loss allowance for ECLs on the financial assets measured at amortised cost (including cash and cash equivalents and trade and other receivables).

Financial assets measured at fair value are not subject to the ECL assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The expected cash shortfalls for trade and other receivables are discounted using the effective interest rate determined at initial recognition or an approximation thereof where the effect of discounting is material.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

– 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and

– lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

1 Material Accounting Policies (Continued)

(N) CREDIT LOSSES AND IMPAIRMENT OF ASSETS (Continued)

(i) Credit losses from financial instruments (Continued)

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making the assessment, the Group considers that a default event occurs when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held). The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Basis of calculation of interest income

Interest income recognised in accordance with note 1(W)(iii) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

1 Material Accounting Policies (Continued)

(N) CREDIT LOSSES AND IMPAIRMENT OF ASSETS (Continued)

(i) Credit losses from financial instruments (Continued)

Write-off policy

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Impairment of other non-current assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

– property, plant and equipment, including right-of-use assets;

– intangible assets;

– goodwill; and

– investment in a subsidiary in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

– Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

– Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

– Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favorable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

1 Material Accounting Policies (Continued)

(N) CREDIT LOSSES AND IMPAIRMENT OF ASSETS (Continued)

(iii) Interim financial reporting and impairment

Under the Listing Rules, the Group is required to prepare an interim financial report in compliance with HKAS 34, *Interim financial reporting*, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see notes 1(N)(i) and (ii)).

Impairment losses recognised in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

(O) INVENTORIES

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the first in first out basis and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When the inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(P) TRADE AND OTHER RECEIVABLES

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost, using the effective interest method and including allowance for credit losses (see note 1(N)(i)).

(Q) INTEREST-BEARING BORROWINGS

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with the Group's accounting policy for borrowing costs (see note 1(Y)).

(R) TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES

(i) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(ii) Contract liabilities

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see note 1(W)). A contract liability would also be recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (see note 1(P)).

1 Material Accounting Policies (Continued)

(S) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement. Cash and cash equivalents are assessed for ECL in accordance with the policy set out in note 1(N)(i).

(T) EMPLOYEE BENEFITS

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, staff welfare costs and contributions to defined contribution retirement schemes are accrued in the year in which the associated services are rendered by employees of the Group. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values. The employee benefits are recognised as an expense in profit or loss as incurred, except to the extent that they are included in the cost of inventories not yet recognised as an expense.

(ii) Share-based payment arrangements

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

(U) INCOME TAX

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities and all deferred tax assets, to the extent that it is probable that future taxable profits will be available against which the asset can be utilise, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilise.

1 Material Accounting Policies (Continued)

(U) INCOME TAX (Continued)

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination) and does not give rise to equal taxable and deductible temporary differences, and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the related tax benefit to be utilise. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
  - the same taxable entity; or
  - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(V) PROVISIONS, CONTINGENT LIABILITIES AND ONEROUS CONTRACT

(i) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

(ii) Onerous contracts

An onerous contract exists when the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. Provisions for onerous contracts are measured at the present value of the lower of the expected cost of terminating the contract and the net cost of fulfilling the contract. The cost of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling that contract.

1 Material Accounting Policies (Continued)

(W) REVENUE AND OTHER INCOME

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Revenue is recognised when control over a product or service is transferred to the customer, or the lessee has the right to use the asset, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Sales of goods

Revenue is recognised when the customer takes possession of and accepts the products. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts and sales returns. Accumulated experience is used to estimate and provide for sales returns at time of sales.

(ii) Commission income

Commission income is recognised in profit or loss when the services are rendered.

(iii) Interest income

Interest income is recognised as it accrues under the effective interest method. For financial assets measured at amortised cost, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset (see note 1(N)(i)).

(iv) Dividends

Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.

(v) Government grants

Government grants are recognised in the consolidated statements of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

(X) TRANSLATION OF FOREIGN CURRENCIES

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the Group initially recognises such non-monetary assets or liabilities. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

The results of operations outside Hong Kong are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into Hong Kong dollars at the closing foreign exchange rates ruling at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of an operation outside Hong Kong, the cumulative amount of the exchange differences relating to that operation outside Hong Kong is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

1 Material Accounting Policies (Continued)

(Y) BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(Z) RELATED PARTIES

(1) A person, or a close member of that person's family, is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or the Group's parent.

(2) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or a joint venture of the other entity (or an associate or a joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (1).
- (vii) A person identified in (1)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(AA) SEGMENT REPORTING

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial statements provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

2 Revenue and Segment Reporting

(A) REVENUE

The principal activities of the Group are manufacturing and trading of proprietary medicines and distributing health and wellness products. All the revenue for the years ended 31 March 2025 and 2024 was recognised in accordance with HKFRS 15, *Revenue from contracts with customers* ("**HKFRS 15**"). The Group has applied practical expedient in paragraph 121 of HKFRS 15 to its sales contracts and does not disclose information about remaining performance obligations that have original expected duration of one year or less.

Revenue represents the sales value of goods supplied to customers less returns and sales rebates and is after deduction of any trade discounts.

(B) SEGMENT REPORTING

The Group manages its businesses by divisions, which are organised by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following three reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Branded medicines: This segment develops, manufactures and distributes branded medicines with chemical compounds as active ingredients. Currently the activities in this regard are primarily carried out in Hong Kong.

- Proprietary Chinese medicines: This segment develops, manufactures and distributes registered Chinese medicines composed solely of any Chinese herbal medicines specified in the Chinese Medicine Ordinance, or any materials of herbal, animal or mineral origin customarily or widely used by the Chinese. Currently the activities in this regard are primarily carried out in Hong Kong.

- Health and wellness products: This segment distributes and sells supplements, medical consumables and other non-pharmaceutical products for the general health and wellness of consumers. Currently the activities in this regard are primarily carried out in Hong Kong.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit is gross profit.

Segment assets and liabilities of the Group are not reported to the Group's chief operating decision makers regularly. As a result, reportable assets and liabilities have not been presented in these financial statements.

No inter-segment sales have occurred during the years ended 31 March 2025 and 2024.

(i) Segment revenue and results

Information regarding the Group's reportable segments as provided to the Group's chief operating decision makers for the purposes of resource allocation and assessment of segment performance is set out below.

	Branded medicines		Proprietary Chinese medicines		Health and wellness products		Total	
	Year ended 31 March		Year ended 31 March		Year ended 31 March		Year ended 31 March	
	2025 HK$'000	2024 HK$'000	**2025 HK$'000**	2024 HK$'000	**2025 HK$'000**	2024 HK$'000	**2025 HK$'000**	2024 HK$'000
Revenue from external customers and reportable segment revenue recognised at a point in time	**272,231**	190,108	**405,448**	386,122	**104,613**	72,185	**782,292**	648,415
Reportable segment gross profit	**214,539**	137,548	**175,036**	171,014	**24,132**	29,519	**413,707**	338,081

2 Revenue and Segment Reporting (Continued)

(B) SEGMENT REPORTING (Continued)

(ii) Reconciliations of reportable segment revenue and profit or loss

	Year ended 31 March	
	2025 HK$'000	2024 HK$'000
Revenue		
Reportable segment revenue and consolidated revenue	782,292	648,415
Profit		
Reportable segment gross profit	413,707	338,081
Other net income	18,098	16,336
Selling and distribution expenses	(122,462)	(138,527)
Administrative and other operating expenses	(63,279)	(41,685)
Finance costs	(4,464)	(8,498)
Share of loss of an associate	–	(981)
Share of profits of joint ventures	66	164
Consolidated profit before taxation	241,666	164,890
Interest income from bank deposits	(1,570)	(762)
Finance costs	4,464	8,498
Depreciation and amortisation	52,284	46,521
Gain on disposal of an associate	–	(4,468)
Gain on disposal of equity interest in a joint venture	(1,016)	–
Share of loss of an associate	–	981
Share of profits of joint ventures	(66)	(164)
Adjusted EBITDA*	295,762	215,496

* Represents "adjusted earnings before interest, taxes, depreciation and amortisation", where "interest" is regarded as including interest income from bank deposits and finance costs. To arrive at adjusted EBITDA, the Group's earnings are further adjusted for gain on disposal of an associate and equity interest in a joint venture, share of loss of an associate and share of profits of joint ventures.

(iii) Geographic information

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the goods are distributed to the distributors or the ultimate customers by the Group or the consignees.

	Year ended 31 March	
	2025 HK$'000	2024 HK$'000
Revenue from external customers		
Hong Kong (place of domicile)	562,006	462,829
Mainland China	146,980	128,426
Macau	38,644	25,851
Singapore	15,563	12,507
Others	19,099	18,802
	782,292	648,415

2 Revenue and Segment Reporting (Continued)

(B) SEGMENT REPORTING (Continued)

(iii) Geographic information (Continued)

The following table sets out information about the geographical location of the Group's property, plant and equipment, intangible assets, other non-current assets, interests in joint ventures ("**specified non-current assets**"). The geographical location of the specified non-current assets is based on the physical location of the assets, in the case of property, plant and equipment and non-current prepayments for property, plant and equipment and the location of the operations to which they are allocated, in the case of intangible assets, non-current prepayments for acquisition of a subsidiary, non-current prepayments for distribution rights and other non-current prepayments and the location of operations, in the case of interests in joint ventures.

	As at 31 March	
	2025	2024
	HK$'000	HK$'000
Specified non-current assets		
Hong Kong (place of domicile)	**1,089,871**	1,009,115
Mainland China	**700**	35
	1,090,571	1,009,150

(iv) Information about major customers

For the year ended 31 March 2025, the Group's customer base includes one (2024: two) customer of proprietary Chinese medicines, branded medicines and health and wellness products segments with whom transactions have exceeded 10% of the Group's revenue. Revenue from sales of proprietary Chinese medicines, branded medicines and health and wellness products to the customer amounted to approximately HK$212,331,000 (2024: HK$116,698,000 and HK$73,812,000 respectively).

3 Other Net Income

	Year ended 31 March	
	2025	2024
	HK$'000	HK$'000
Net foreign exchange gain	**9,188**	6,744
Commission income	**2,383**	2,494
Interest income from bank deposits	**1,570**	762
Gain on disposal of equity interest in a joint venture	**1,016**	–
Government grants (Note)	**830**	–
Net loss on disposals of property, plant and equipment	**(118)**	(5)
Gain on disposal of an associate	**–**	4,468
Others	**3,229**	1,873
	18,098	16,336

Note: The amount included the support for product development in Hong Kong from local government.

4 Profit Before Taxation

Profit before taxation is arrived at after charging:

(A) FINANCE COSTS

	Year ended 31 March 2025 HK$'000	2024 HK$'000
Interest on bank loans (note 18(C))	**3,569**	7,829
Interest on lease liabilities to (note 18(C))		
– third parties	**551**	216
– fellow subsidiaries	**–**	172
– related parties	**344**	281
	895	669
	4,464	8,498

(B) STAFF COSTS

	Year ended 31 March 2025 HK$'000	2024 HK$'000
Salaries, wages and other benefits	**90,645**	80,335
Contributions to defined contribution retirement schemes	**3,195**	3,395
Equity-settled share-based payment expenses (note 23(A))	**5,616**	9,031
	99,456	92,761

The Group operates a Mandatory Provident Fund Scheme (the "**MPF Scheme**") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK$30,000. Contributions to the plan vest immediately. No forfeited contribution under the MPF Scheme is available to reduce the contribution payable in future years.

The Group has no other material obligation for the payment of pension benefits associated with those schemes beyond the annual contributions described above.

(C) OTHER ITEMS

	Year ended 31 March 2025 HK$'000	2024 HK$'000
Depreciation (note 10)		
– owned property, plant and equipment	**13,170**	13,160
– right-of-use assets	**15,307**	13,282
	28,477	26,442
Amortisation cost of intangible assets (note 11)	**23,807**	20,079
Auditors' remuneration		
– audit services	**2,552**	2,380
– other services	**763**	730
Cost of inventories#	**368,585**	310,334

Cost of inventories includes 59,878,000 (2024: HK$54,290,000) for the year ended 31 March 2025, relating to staff costs and depreciation and amortisation expenses, which amount is also included in the respective total amounts disclosed separately above or in note 4(B) for each of these types of expenses.

5 Income Tax

(A) INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME REPRESENTS:

	Year ended 31 March 2025 HK$'000	2024 HK$'000
Current tax		
Provision for the year	**43,034**	33,207
Over-provision in respect of prior years	**(797)**	(582)
	42,237	32,625
Deferred tax		
Origination and reversal of temporary differences (note 22(A))	**(3,259)**	(4,945)
	38,978	27,680

(B) RECONCILIATION BETWEEN TAX EXPENSE AND ACCOUNTING PROFIT AT APPLICABLE TAX RATES:

	Year ended 31 March 2025 HK$'000	2024 HK$'000
Profit before taxation	**241,666**	164,890
Notional tax on profit before taxation calculated at the rate applicable to profits in the tax jurisdiction concerned	**39,880**	27,170
Effect of non-deductible expenses	**1,286**	1,435
Effect of non-taxable income	**(701)**	(1,223)
Effect of temporary differences not recognised	**(679)**	745
Profits and losses attributable to an associate and joint ventures	**(11)**	135
Over-provision in respect of prior years	**(797)**	(582)
Actual tax expense	**38,978**	27,680

Notes:

(i) The provision for Hong Kong Profits Tax for the year is calculated at 16.5% (2024: 16.5%) of the estimated assessable profits for the year.

(ii) Income tax for entities incorporated in other jurisdictions is charged at the appropriate rates of taxation ruling in the relevant jurisdictions.

6 Directors' Emoluments

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	Year ended 31 March 2025					
	Directors' fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Discretionary bonuses HK$'000	Retirement scheme contributions HK$'000	Share-based payment (Note) HK$'000	Total HK$'000
Executive directors						
Mr. Wong Yat Wai, Patrick	–	2,244	750	18	–	3,012
Dr. Cheng Celine Heung Kwan	–	200	–	–	–	200
Non-executive directors						
Mr. Sum Kwong Yip, Derek	207	1,601	1,300	26	5,616	8,750
Mr. Yim Chun Leung	207	–	–	–	–	207
Mr. Yeung Kwok Chun, Harry	207	–	–	–	–	207
Independent non-executive directors						
Mr. Chan Kam Chiu, Simon	207	–	–	–	–	207
Mr. Luk Ting Lung, Alan	207	–	–	–	–	207
Mr. Lau Shut Lee, Tony	207	–	–	–	–	207
	1,242	4,045	2,050	44	5,616	12,997

	Year ended 31 March 2024					
	Directors' fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Discretionary bonuses HK$'000	Retirement scheme contributions HK$'000	Share-based payment (Note) HK$'000	Total HK$'000
Executive directors						
Mr. Wong Yat Wai, Patrick	–	2,187	181	18	–	2,386
Dr. Cheng Celine Heung Kwan	–	12	–	–	–	12
Non-executive directors						
Mr. Sum Kwong Yip, Derek	162	745	900	18	9,031	10,856
Mr. Yim Chun Leung	162	191	–	–	–	353
Mr. Yeung Kwok Chun, Harry	196	–	–	–	–	196
Independent non-executive directors						
Mr. Chan Kam Chiu, Simon	196	–	–	–	–	196
Mr. Luk Ting Lung, Alan	196	–	–	–	–	196
Mr. Lau Shut Lee, Tony	196	–	–	–	–	196
	1,108	3,135	1,081	36	9,031	14,391

Note: Share-based payments represent the value of shares granted to the directors under the Company's Share Award Scheme, which are accounted for according to the Group's accounting policies for share-based payment transactions as set out in note 1(T). The details of these shares granted are disclosed in note 23(A).

6 Directors' Emoluments (Continued)

The directors of the Company were appointed on the following dates:

Executive directors	Date of appointment
Mr. Wong Yat Wai, Patrick	7 January 2020
Dr. Cheng Celine Heung Kwan	9 March 2024

Non-executive directors	Date of appointment
Mr. Sum Kwong Yip, Derek (Note)	22 September 2020
Mr. Yim Chun Leung (Note)	22 September 2020
Mr. Yeung Kwok Chun, Harry	22 September 2020

Independent non-executive directors	Date of appointment
Mr. Chan Kam Chiu, Simon	18 January 2021
Mr. Luk Ting Lung, Alan	18 January 2021
Mr. Lau Shut Lee, Tony	18 January 2021

Note: Mr. Sum Kwong Yip, Derek and Mr. Yim Chun Leung have been redesignated as executive directors with effective from 12 June 2025.

During the year, there was no amount paid or payable by the Group to the directors or any of the five highest paid individuals as set out in note 7 below as an inducement to join or upon joining the Group or as compensation for loss of office. There was no arrangement under which a director has waived or agreed to waive remuneration during the year ended 31 March 2025 (2024: Nil).

7 Individuals with Highest Emoluments

Of the five individuals with the highest emoluments, 2 are directors for the year ended 31 March 2025 (2024: 2) whose emoluments are disclosed in note 6. The aggregate of the emoluments in respect of the remaining individuals are as follows:

	Year ended 31 March	
	2025	2024
	HK$'000	HK$'000
Salaries and other emoluments	**3,006**	3,848
Discretionary bonuses	**157**	294
Retirement scheme contributions	**54**	54
	3,217	4,196

The emoluments of the above individuals with the highest emoluments are within the following bands:

	Year ended 31 March	
	2025	2024
	HK$'000	HK$'000
HK$500,001 – HK$1,000,000	**2**	–
HK$1,000,001 – HK$1,500,000	**1**	3

8 Earnings Per Share

(A) BASIC EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of HK$197,261,000 for the year ended 31 March 2025 (2024: HK$130,463,000), and the weighted average ordinary shares in issue, calculated as follows:

	Year ended 31 March 2025 '000	2024 '000
Weighted average number of ordinary shares:		
Shares of the Company issued at the beginning of the year	831,248	907,586
Effect of ordinary shares held for Share Award Scheme (note 23(A))	(4,131)	3,367
Effect of ordinary shares repurchased and cancelled (note 23(B))	(7,925)	(27,257)
Weighted average number of ordinary shares in issue during the year	819,192	883,696

(B) DILUTED EARNINGS PER SHARE

Diluted earnings per share for the years ended 31 March 2025 and 2024 were the same as the basic earnings per share as there were no potential dilutive ordinary shares in existence during both years.

9 Dividends

(A) DIVIDENDS PAYABLE TO EQUITY SHAREHOLDERS OF THE COMPANY ATTRIBUTABLE TO THE YEAR

	Year ended 31 March 2025 HK$'000	2024 HK$'000
Interim dividend declared and paid of HK5.5 cents per share (2024: HK3.45 cents per share)	45,210	29,871
Final dividend proposed after the end of the Reporting Period of HK11.5 cents per share (2024: HK4.05 cents per share) (Note)	94,530	33,769
	139,740	63,640

Note: The final dividend proposed after the end of the Reporting Period has not been recognised as a liability at the end of the Reporting Period.

(B) DIVIDEND PAYABLE TO EQUITY SHAREHOLDERS OF THE COMPANY ATTRIBUTABLE TO THE PREVIOUS FINANCIAL YEAR, APPROVED AND PAID DURING THE YEAR

	Year ended 31 March 2025 HK$'000	2024 HK$'000
Final dividend in respect of the previous financial year, approved and paid during the year of HK4.05 cents per share (2024: HK2.5 cents per share)	33,486	22,842
Less: Dividend of ordinary shares held by Share Award Scheme	(105)	(3)
	33,381	22,839

On 6 November 2024, Li Chung Shing Tong (Holdings) Limited ("**LCSTH**"), an indirect non-wholly owned subsidiary of the Company, declared dividends of HK$360,000 to its non-controlling interests. On 19 December 2024, Orizen Capital Limited ("**Orizen**"), an indirect non-wholly owned subsidiary of the Company, declared dividends of HK$1,000,000 to its non-controlling interests.

On 9 November 2023, LCSTH declared dividends of HK$360,000 to its non-controlling interests. On 16 November 2023, Orizen declared dividends of HK$600,000 to its non-controlling interests.

10 Property, Plant and Equipment

(A) RECONCILIATION OF CARRYING AMOUNT

	Leasehold land HK$'000	Buildings HK$'000	Machinery and equipment HK$'000	Furniture, fixtures and office equipment HK$'000	Motor vehicles HK$'000	Leasehold improvements HK$'000	Total HK$'000
Cost:							
At 1 April 2024	3,399	151,998	60,638	58,642	740	9,181	284,598
Additions	–	19,188	2,899	956	–	1,367	24,410
Disposals	–	(10,745)	(1,107)	(1,403)	–	(392)	(13,647)
At 31 March 2025	3,399	160,441	62,430	58,195	740	10,156	295,361
Accumulated depreciation:							
At 1 April 2024	1,455	61,666	40,644	29,775	740	3,924	138,204
Charge for the year	90	17,900	5,613	3,841	–	1,033	28,477
Written back on disposals	–	(10,745)	(1,107)	(1,403)	–	(274)	(13,529)
At 31 March 2025	1,545	68,821	45,150	32,213	740	4,683	153,152
Net book value:							
At 31 March 2025	1,854	91,620	17,280	25,982	–	5,473	142,209

	Leasehold land HK$'000	Buildings HK$'000	Machinery and equipment HK$'000	Furniture, fixtures and office equipment HK$'000	Motor vehicles HK$'000	Leasehold improvements HK$'000	Total HK$'000
Cost:							
At 1 April 2023	3,399	150,435	61,006	60,531	740	10,092	286,203
Additions	–	6,504	1,658	302	–	210	8,674
Disposals	–	(4,941)	(2,026)	(2,191)	–	(1,121)	(10,279)
At 31 March 2024	3,399	151,998	60,638	58,642	740	9,181	284,598
Accumulated depreciation:							
At 1 April 2023	1,365	50,731	37,067	27,775	740	4,195	121,873
Charge for the year	90	15,876	5,444	4,182	–	850	26,442
Written back on disposals	–	(4,941)	(1,867)	(2,182)	–	(1,121)	(10,111)
At 31 March 2024	1,455	61,666	40,644	29,775	740	3,924	138,204
Net book value:							
At 31 March 2024	1,944	90,332	19,994	28,867	–	5,257	146,394

At 31 March 2024, certain leasehold land and buildings were pledged against bank loans granted to the Group disclosed in note 20.

10 Property, Plant and Equipment (Continued)

(B) RIGHT-OF-USE ASSETS

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

	Note	As at 31 March 2025 HK$'000	2024 HK$'000
Ownership interests in leasehold land with remaining lease term between 10 and 50 years	(i)	**1,854**	1,944
Buildings leased for own use, carried at depreciated cost	(ii)	**21,278**	17,307
		23,132	19,251

The analysis of expense items in relation to leases recognised in the consolidated statement of profit or loss and other comprehensive income is as follows:

	Year ended 31 March 2025 HK$'000	2024 HK$'000
Depreciation charge of right-of-use assets by class of underlying asset:		
Ownership interests in leasehold land	**90**	90
Buildings leased for own use	**15,217**	13,192
	15,307	13,282
Interest on lease liabilities (note 4(A))	**895**	669
Expense relating to short-term leases	**42**	749

Additions to right-of-use assets were HK$19,188,000 (2024: HK$6,504,000) during the year ended 31 March 2025 which primarily related to the capitalised lease payments payable under new tenancy agreements.

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in notes 18(D) and 21 respectively.

(i) Ownership interests in leasehold land held for own use

The Group holds a piece of leasehold land where its manufacturing facilities are primarily located. The Group is the registered owner of the land. Lump sum payments were made upfront to acquire these land interests from their previous registered owners, and there are no ongoing payments to be made under the terms of the land lease, other than payments based on rateable values set by the relevant government authorities. These payments vary from time to time and are payable to the relevant government authorities.

(ii) Buildings leased for own use

The Group has obtained the right to use other properties as its offices, production building housing and warehouses through tenancy agreements. The leases typically run for an initial period of 1 to 5 years (2024: 1 to 8 years).

11 Intangible Assets

	Goodwill HK$'000	Club memberships HK$'000	Trademarks HK$'000	Unpatented drugs HK$'000	Customer relationship HK$'000	Distribution rights HK$'000	Technology knowhow HK$'000	Total HK$'000
Cost:								
At 1 April 2024	266,843	1,220	387,107	34,145	223,921	18,676	20,447	952,359
Additions	–	–	–	–	–	2,140	–	2,140
At 31 March 2025	266,843	1,220	387,107	34,145	223,921	20,816	20,447	954,499
Accumulated amortisation and impairment:								
At 1 April 2024	–	–	370	10,889	93,204	8,845	235	113,543
Amortisation charged for the year	–	–	–	1,178	14,978	5,800	1,851	23,807
At 31 March 2025	–	–	370	12,067	108,182	14,645	2,086	137,350
Net book value:								
At 31 March 2025	266,843	1,220	386,737	22,078	115,739	6,171	18,361	817,149

	Goodwill HK$'000	Club memberships HK$'000	Trademarks HK$'000	Unpatented drugs HK$'000	Customer relationship HK$'000	Distribution rights HK$'000	Technology knowhow HK$'000	Total HK$'000
Cost:								
At 1 April 2023	266,843	1,220	387,107	34,145	223,921	17,696	20,447	951,379
Additions	–	–	–	–	–	980	–	980
At 31 March 2024	266,843	1,220	387,107	34,145	223,921	18,676	20,447	952,359
Accumulated amortisation and impairment:								
At 1 April 2023	–	–	370	9,710	78,226	5,158	–	93,464
Amortisation charged for the year	–	–	–	1,179	14,978	3,687	235	20,079
At 31 March 2024	–	–	370	10,889	93,204	8,845	235	113,543
Net book value:								
At 31 March 2024	266,843	1,220	386,737	23,256	130,717	9,831	20,212	838,816

The amortisation charge of unpatented drugs, customer relationship and distribution rights is included in "Cost of sales", "Selling and distribution expenses" and "Administrative and other operating expenses" in the consolidated statement of profit or loss and other comprehensive income for the years ended 31 March 2025 and 2024.

In assessing the useful life of club memberships, management considered the Group has the contractual right to control over the asset and legal rights with indefinite period and therefore, the club membership has been assessed as having an indefinite useful life.

11 Intangible Assets (Continued)

In assessing the useful life of trademarks, management considered trademarks are renewable upon their expiry and the Group will not incur significant costs to renew the registration of trademarks which is a routine administrative procedure. In addition, due consideration is given to the existing longevity of trademarks, the indefinite life cycle of the industry in which the Group operates and the expected usage of the trademarks in the future the trademarks have been assessed as having an indefinite useful life.

IMPAIRMENT TESTS FOR CASH GENERATING UNITS CONTAINING GOODWILL AND TRADEMARKS

Goodwill and trademarks are allocated to the Group's cash-generating units ("**CGU**") in the following business segments:

	As at 31 March	
	2025	2024
	HK$'000	HK$'000
Goodwill		
Proprietary Chinese medicines	**67,918**	67,918
Branded medicines	**192,620**	192,620
Health and wellness products	**6,305**	6,305
	266,843	266,843
Trademarks		
Proprietary Chinese medicines	**158,674**	158,674
Branded medicines	**208,080**	208,080
Health and wellness products	**19,983**	19,983
	386,737	386,737

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial forecasts prepared by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

Key assumptions used for value-in-use calculations:

	As at 31 March	
	2025	2024
Gross margin	**30% – 84%**	30% – 79%
Growth rate	**3%**	3%
Discount rate	**13% – 15%**	13% – 16%

Management determined forecasted gross margin based on past performance and its expectations for market development. The discount rates used are pre-tax and reflect specific risks relating to the relevant CGUs. As at 31 March 2025 and 2024, the management believes that any reasonably foreseeable change in any of the above key assumptions could not cause the carrying amounts of the CGUs including goodwill to exceed the recoverable amounts of CGUs.

For club memberships, the directors consider that the recoverable amount of the intangible assets exceeds the carrying amount and therefore no impairment is necessary. The recoverable amount of such intangible assets is estimated by reference to the current open market value less cost of disposal as of the end of each reporting period.

12 Investment in Subsidiaries

Details of the principal subsidiaries at 31 March 2025 are as follows:

			Proportion of ownership interest		
Company name	Place of incorporation and business	Particulars of issued and paid-up capital	Held by the Company	Held by a subsidiary	Principal activities
BoDorDor Limited	Hong Kong	10,000 ordinary shares	–	60%	Trading of healthcare products and Chinese medicines
Carewell Pharma Limited	Hong Kong	10,000 ordinary shares	–	100%	Sales of healthcare and herbal products
Europharm Laboratoires (Hong Kong) Company Limited	Hong Kong	10,000 ordinary shares	–	100%	Manufacturing and sales of Chinese medicines
Five Ocean Inc.	British Virgin Islands	2,000 ordinary shares	–	100%	Sales of healthcare products
Ho Chai Kung Medicine Manufactory Limited	Hong Kong	10,000 ordinary shares	–	100%	Sales of Chinese medicines
Hong Kong Premier Concentrated Chinese Herbs Limited	Hong Kong	100 ordinary shares	–	98%	Trading, wholesaling and retailing of Chinese medicines
Jacobson Medical (Hong Kong) Limited	Hong Kong	26,628,000 ordinary shares	–	100%	Trading of medical supplies and pharmaceutical products
Jetstar Company Limited	Hong Kong	10,000 ordinary shares	–	100%	Sales of Chinese medicines
Karen Pharmaceutical Company Limited	Hong Kong	100,000 ordinary shares	–	100%	Manufacturing and sales of pharmaceutical products
Li Chung Shing Tong (Holdings) Limited (Note)	Hong Kong	500,000 ordinary shares	–	43.9%	Manufacturing and sales of Chinese medicines
Li Chung Shing Tong (S) Pre Ltd	Singapore	50,000 ordinary shares	–	100%	Trading of Chinese medicines
Ling Chi Medicine (H.K.) Limited	Hong Kong	10,000 ordinary shares	–	100%	License holding
Singmalay Company Limited	Hong Kong	10,000 ordinary shares	–	100%	Sales of Chinese medicines
廣東雅各臣藥業有限公司 (Jacobson Medical (Guangdong) Company Limited)*	The People's Republic of China (the "**PRC**" or "**China**")	RMB3,999,987	–	100%	Sales of healthcare products

* The official name of the entity is in Chinese. The English name is for identification purpose only. The company was registered as a wholly foreign-owned enterprise under the PRC law.

Note: During the Reporting Period, the Group disposed 20.1% equity interests in LCSTH at a consideration of HK$46,230,000 to Europharm Laboratoires Company Limited, an entity under Jacobson Pharma Group controlled by a controlling shareholder of the Company. HK$26,604,000 and HK$19,626,000 have been recognised under non-controlling interests and capital reserve upon completion, respectively. The effective proportion of ownership interested in LCSTH had decreased from 64% to 43.9%. The Group retains control over LCSTH as it has the majority vote over the board.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

13 Interest in Joint Ventures

	As at 31 March 2025 HK$'000	2024 HK$'000
Share of net assets	3,215	3,780

The joint ventures are accounted for using the equity method in the consolidated financial statements.

Aggregate Information of the joint ventures that is not individually material:

	Year ended 31 March 2025 HK$'000	2024 HK$'000
Aggregate carrying amount of the immaterial joint ventures in the consolidated financial statements	3,215	3,780
Aggregate amounts of the Group's share of these joint ventures:		
Profits and total comprehensive income	66	164

14 Other Non-current Assets

	As at 31 March 2025 HK$'000	2024 HK$'000
Prepayment for acquisition of a subsidiary	102,600	–
Prepayments for purchase of property, plant and equipment	20,948	6,507
Prepayments for distribution rights	2,330	11,776
Others	2,120	1,877
	127,998	20,160

15 Inventories

(A) INVENTORIES IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION COMPRISE:

	As at 31 March 2025 HK$'000	2024 HK$'000
Raw materials	9,369	9,728
Work in progress	2,385	2,207
Finished goods	70,487	79,650
	82,241	91,585

(B) THE ANALYSIS OF THE AMOUNT OF INVENTORIES RECOGNISED AS AN EXPENSE AND INCLUDED IN PROFIT OR LOSS IS AS FOLLOWS:

	Year ended 31 March 2025 HK$'000	2024 HK$'000
Carrying amount of inventories sold	370,670	308,015
(Reversal of)/provision for write-down of inventories	(2,085)	2,319
	368,585	310,334

16 Trade and Other Receivables

	Note	As at 31 March 2025 HK$'000	2024 HK$'000
Trade receivables	16(A)		
– third parties		133,788	104,919
– related parties		345	1,195
		134,133	106,114
Other receivables		931	2,437
Deposits and prepayments		28,710	26,406
Amount due from a related party		196	196
		163,970	135,153

At 31 March 2025, the deposits and prepayments expected to be recovered after more than one year amounted to HK$7,335,000 (2024: HK$5,586,000). The remaining trade and other receivables are expected to be recovered within one year.

(A) TRADE RECEIVABLES

As at the end of the Reporting Period, the ageing analysis of trade receivables (which are included in trade and other receivables) based on the invoice date and net of loss allowances is as follows:

	As at 31 March 2025 HK$'000	2024 HK$'000
Less than 1 month	55,663	26,972
1 to 6 months	72,724	68,662
Over 6 months	5,746	10,480
	134,133	106,114

The ageing analysis of trade receivables (net of loss allowance) by due date is as follows:

	As at 31 March 2025 HK$'000	2024 HK$'000
Current	107,986	86,090
Less than 1 month past due	10,748	10,676
1 to 3 months past due	9,778	7,958
Over 3 months past due	5,621	1,390
	134,133	106,114

Further details on the Group's credit policy and credit risk arising from trade receivables are set out in note 26(A).

17 Other Financial Assets

	As at 31 March 2025 HK$'000	2024 HK$'000
Equity securities designated at FVOCI (non-recycling) – Unlisted	–	10,103

The Group designated its investment in equity securities at FVOCI (non-recycling) under HKFRS 9, *Financial Instruments* which is represented by the investment in Smartfish AS. Such designation was chosen as the investments are held for strategic purposes. No dividends were received on the investment since acquisition.

During the Reporting Period, the Group disposed the investment. Net fair value loss of HK$10,189,000 (2024: $6,000,000) was recognised in other comprehensive income and net realised loss of HK$36,950,000 was transferred from fair value reserve (non-recycling) to retained earnings upon disposal during the Reporting Period.

18 Cash and Cash Equivalents and Other Cash Flow Information

(A) CASH AND CASH EQUIVALENTS COMPRISE:

	As at 31 March 2025 HK$'000	2024 HK$'000
Cash at bank and on hand	205,847	140,806

(B) RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS:

	Note	Year ended 31 March 2025 HK$'000	2024 HK$'000
Operating activities			
Profit before taxation		241,666	164,890
Adjustments for:			
Depreciation and amortisation	4(C)	52,284	46,521
Net loss on disposals of property, plant and equipment	3	118	5
Finance costs	4(A)	4,464	8,498
Interest income	3	(1,570)	(762)
Equity-settled share-based payment expenses	4(B)	5,616	9,031
Gain on disposal of an associate	3	–	(4,468)
Gain on disposal of equity interest in a joint venture	3	(1,016)	–
Share of loss of an associate		–	981
Share of profits of joint ventures		(66)	(164)
Changes in working capital:			
Decrease/(increase) in inventories		9,344	(37,022)
Increase in trade and other receivables		(20,403)	(11,727)
(Decrease)/increase in trade and other payables and contract liabilities		(19,578)	35,989
Cash generated from operations		270,859	211,772

18 Cash and Cash Equivalents and Other Cash Flow Information (Continued)

(C) RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

	Bank loans HK$'000 (note 20)	Lease liabilities HK$'000 (note 21)	Total HK$'000
At 1 April 2024	115,000	18,407	133,407
Changes from financing cash flows:			
Proceeds from bank loans and other borrowings	279,800	–	279,800
Repayment of bank loans and other borrowings	(245,000)	–	(245,000)
Capital element of lease rentals paid	–	(15,648)	(15,648)
Interest element of lease rentals paid	–	(895)	(895)
Other borrowing costs paid	(3,569)	–	(3,569)
Total changes from financing cash flows	31,231	(16,543)	14,688
Other changes:			
Increase in lease liabilities from entering into new leases during the year	–	19,188	19,188
Interest expenses (note 4(A))	3,569	895	4,464
Total other changes	3,569	20,083	23,652
At 31 March 2025	149,800	21,947	171,747

	Bank loans HK$'000 (note 20)	Lease liabilities HK$'000 (note 21)	Total HK$'000
At 1 April 2023	155,000	25,097	180,097
Changes from financing cash flows:			
Proceeds from bank loans and other borrowings	64,000	–	64,000
Repayment of bank loans and other borrowings	(104,000)	–	(104,000)
Capital element of lease rentals paid	–	(13,194)	(13,194)
Interest element of lease rentals paid	–	(669)	(669)
Other borrowing costs paid	(7,829)	–	(7,829)
Total changes from financing cash flows	(47,829)	(13,863)	(61,692)
Other changes:			
Increase in lease liabilities from entering into new leases during the year	–	6,504	6,504
Interest expenses (note 4(A))	7,829	669	8,498
Total other changes	7,829	7,173	15,002
At 31 March 2024	115,000	18,407	133,407

18 Cash and Cash Equivalents and Other Cash Flow Information (Continued)

(D) TOTAL CASH OUTFLOW FOR LEASES

Amounts included in the consolidated cash flow statement for leases comprise the following:

	Year ended 31 March 2025 HK$'000	2024 HK$'000
Within operating cash flows	42	749
Within financing cash flows		
– third parties	6,748	4,900
– fellow subsidiaries	–	4,071
– related parties	9,795	4,892
	16,585	14,612

These amounts are related to lease rental payments.

19 Trade and Other Payables and Contract Liabilities

	Note	As at 31 March 2025 HK$'000	2024 HK$'000
Trade payables	19(A)		
– third parties		21,333	22,171
Salary and bonus payables		7,504	7,027
Other payables and accruals		64,783	80,538
Amount due to a related party	19(B)	624	658
Amount due to a joint venture	19(C)	2,000	2,000
Contract liabilities	19(D)	2,626	6,054
		98,870	118,448

All of the trade and other payables are expected to be settled within one year.

(A) TRADE PAYABLES

As at the end of the Reporting Period, the ageing analysis of trade payables (which are included in trade and other payables and contract liabilities) based on the invoice date, is as follows:

	As at 31 March 2025 HK$'000	2024 HK$'000
Within 1 month	12,321	14,905
1 to 6 months	8,384	7,122
Over 6 months	628	144
	21,333	22,171

(B) AMOUNT DUE TO A RELATED PARTY

The amount due to a related party is unsecured, interest-free and repayable on demand.

(C) AMOUNT DUE TO A JOINT VENTURE

The amount due to a joint venture is unsecured, interest-free and repayable on demand.

19 Trade and Other Payables and Contract Liabilities (Continued)

(D) CONTRACT LIABILITIES

Movements of contract liabilities are as follows:

	Year ended 31 March 2025 HK$'000	2024 HK$'000
At the beginning of the year	6,054	2,929
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	(6,054)	(2,929)
Increase in contract liabilities as a result of receiving forward sales deposits at the end of the year	2,626	6,054
At the end of the year	2,626	6,054

All of the contract liabilities are expected to be recognised as income within one year.

20 Bank Loans

An analysis of the carrying amount of bank loans is as follows:

	As at 31 March 2025 HK$'000	2024 HK$'000
Current portion of bank loans	149,800	71,200
Non-current portion of bank loans	–	43,800
	149,800	115,000

Bank loans were analysed as follows:

	As at 31 March 2025 HK$'000	2024 HK$'000
Bank loans		
– Unsecured	149,800	–
– Secured	–	115,000

The bank loans are repayable as follows based on the repayment terms:

	As at 31 March 2025 HK$'000	2024 HK$'000
Bank loans due for repayment:		
Within one year or repayable on demand	149,800	71,200
After 1 year but within 2 years	–	43,800
	149,800	115,000

As at 31 March 2025, the unsecured bank facilities were guaranteed by the Company and its subsidiaries. As at 31 March 2024, the secured bank facilities were secured by property, plant and equipment of the Group, and corporate guarantees provided by the Company.

These facilities amounted to HK$275,000,000 as of 31 March 2025 (2024: HK$140,000,000) and 54% (2024 : 100%) was utilised by the Group.

20 Bank Loans (Continued)

As at 31 March 2025, all the Group's banking facilities are not subject to any financial covenants. As at 31 March 2024, all the Group's banking facilities are subject to the fulfillment of covenants based on the financial statements of the Group and certain of its subsidiaries. If the Group were to breach the covenants, the drawn down facilities would become payable on demand. As at 31 March 2024, none of the covenants relating to drawn down facilities had been breached. Further details of the Group's management of liquidity risk are set out in note 26(B).

The carrying value of assets pledged against bank loans drawn by the Group as of the end of the Reporting Period is analysed as follows:

	As at 31 March 2025 HK$'000	2024 HK$'000
Property, plant and equipment	–	71,320

21 Lease Liabilities

At the end of the Reporting Period, the lease liabilities were repayable as follows:

	As at 31 March 2025 HK$'000	2024 HK$'000
Within 1 year	13,118	11,308
After 1 year but within 2 years	6,126	6,330
After 2 years but within 5 years	2,703	769
	8,829	7,099
	21,947	18,407

As at 31 March 2025, lease liabilities due to related parties were HK$11,626,000 (2024: HK$13,304,000).

22 Deferred Tax

(A) DEFERRED TAX LIABILITIES/(ASSETS) RECOGNISED

The components of deferred tax liabilities/(assets) recognised in the consolidated statement of financial position and the movements during the year are as follows:

	Property, plant and equipment HK$'000	Intangible assets HK$'000	Expected credit losses allowance on trade receivables HK$'000	Unused tax losses HK$'000	Total HK$'000
At 1 April 2023	15,513	85,487	(429)	(3,242)	97,329
Credited to profit or loss	(936)	(3,086)	–	(923)	(4,945)
At 31 March 2024	14,577	82,401	(429)	(4,165)	92,384
(Credited)/charged to profit or loss	(858)	(2,907)	429	77	(3,259)
At 31 March 2025	13,719	79,494	–	(4,088)	89,125

22 Deferred Tax (Continued)

(A) DEFERRED TAX LIABILITIES/(ASSETS) RECOGNISED (Continued)

Reconciliation to the consolidated statement of financial position

	As at 31 March 2025 HK$'000	2024 HK$'000
Deferred tax assets recognised in the consolidated statement of financial position	(2,195)	(1,900)
Deferred tax liabilities recognised in the consolidated statement of financial position	91,320	94,284
	89,125	92,384

The directors are of the view that it is probable that future taxable profits will be available to utilise the deferred tax assets.

(B) DEFERRED TAX ASSETS NOT RECOGNISED

As of 31 March 2025, in accordance with the accounting policy set out in note 1(U), the Group has not recognised deferred tax assets in respect of cumulative tax losses of HK$4,566,000 (2024: HK$2,449,000) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. Tax losses as of 31 March 2025 and 2024 have no expiry dates under current tax legislation.

23 Share Capital

	Note	Number of shares '000	Amount HK$'000
Authorised:			
Ordinary shares of HK$0.01 each at 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025		5,000,000	50,000
Issued:			
At 1 April 2023		907,586	9,076
Ordinary shares acquired for Share Award Scheme	23(A)	(5,700)	(57)
Ordinary shares vested for Share Award Scheme		8,900	89
Repurchase and cancellation of ordinary shares		(79,538)	(796)
At 31 March 2024 and 1 April 2024		831,248	8,312
Ordinary shares acquired for Share Award Scheme	23(A)	(10,500)	(105)
Ordinary shares vested for Share Award Scheme	23(A)	5,400	54
Repurchase and cancellation of ordinary shares	23(B)	(12,148)	(121)
At 31 March 2025		814,000	8,140

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

23 Share Capital (Continued)

(A) SHARE AWARD SCHEME

On 18 January 2021, the Share Award Scheme was adopted by the Company. Pursuant to the Share Award Scheme, the Directors are authorised, at their discretion to determine individuals, including directors and employees of any companies in the Group, for granting them the Company's shares. The Share Award Scheme will be valid and effective for a period of 10 years commencing from 18 January 2021.

The Company's shares to be granted under the Share Award Scheme will be purchased and held by a trustee. The maximum of purchases by the trustee in any financial year will be fixed by the Board but such purchases will not result the trustee holding at any time more than 5% of the total issued shares of the Company.

In addition, unless approved by the Board, no awarded shares will be granted to any individual if the granting of such awarded shares would result in the total number of shares granted to the individual during any 12-month period exceeding 1% of the total issued shares of the Company (0.1% of the total issued shares of the Company in case for an independent non-executive Director).

During the year ended 31 March 2025, the trustee has purchased 10,500,000 shares through purchases on the open market. The total amount paid to acquire the shares during the period was approximately HK$10,552,000. During the year ended 31 March 2024, the trustee has purchased 5,700,000 shares through purchases on the open market. The total amount paid to acquire the shares during the period was approximately HK$6,300,000.

During the year ended 31 March 2025, the Company has granted a total of 5,400,000 shares to an eligible grantee. During the year ended 31 March 2024, the Company has granted a total of 2,900,000 shares to an eligible grantee.

Details of the shares awarded under the Share Award Scheme during the year ended 31 March 2025 and 2024 are as follows:

	Number of shares					
Date of grant	**As at 1 April 2024**	**Granted during the year**	**Vested during the year**	**Lapsed during the year**	**As at 31 March 2025**	**Vesting date**
2 July 2024	**–**	**5,400,000**	**(5,400,000)**	**–**	**–**	**14 August 2024**

	Number of shares					
Date of grant	As at 1 April 2023	Granted during the year	Vested during the year	Lapsed during the year	As at 31 March 2024	Vesting date
30 March 2023	6,000,000	–	(6,000,000)	–	–	18 May 2023
6 October 2023	–	2,900,000	(2,900,000)	–	–	21 November 2023
	6,000,000	2,900,000	(8,900,000)	–	–	

(B) PURCHASE OF OWN ORDINARY SHARES

During the Reporting Period, the Company repurchased and cancelled its own ordinary shares on the Stock Exchange as follows:

Month/year of shares repurchase	**Number of shares repurchased and cancelled**	**Highest price paid per share** HK$	**Lowest price paid per share** HK$	**Aggregate price paid** HK$'000
March 2024 (Note)	**12,000**	**0.90**	**0.89**	**11**
April 2024	**338,000**	**0.92**	**0.89**	**302**
July 2024	**7,000,000**	**1.00**	**0.98**	**6,988**
August 2024	**4,810,000**	**0.95**	**0.90**	**4,562**
	12,160,000			**11,863**

Note: The ordinary shares were repurchased in March 2024 and subsequently cancelled in April 2024.

24 Company-level Statement of Financial Position

	Note	As at 31 March 2025 HK$'000	2024 HK$'000
Non-current assets			
Investment in a subsidiary		8	8
Prepayment		2,120	1,260
		2,128	1,268
Current assets			
Other receivables		660	591
Amounts due from subsidiaries		1,062,141	1,125,778
Cash and cash equivalents		1,860	2,602
		1,064,661	1,128,971
Current liabilities			
Other payables		206	481
Amounts due to subsidiaries		251,844	347,204
		252,050	347,685
Net current assets		812,611	781,286
NET ASSETS		814,739	782,554
CAPITAL AND RESERVES			
Share capital	23	8,140	8,312
Reserves	25	806,599	774,242
TOTAL EQUITY		814,739	782,554

Details of the changes in the Company's equity for the years ended 31 March 2025 and 2024 are set out below:

	Share capital HK$'000	Share premium HK$'000	Shares held for Share Award Scheme HK$'000	Capital reserve HK$'000	Retained earnings HK$'000	Total HK$'000
At 1 April 2023	9,076	722,540	(5,287)	70,253	67,819	864,401
Profit and total comprehensive income for the year	–	–	–	–	57,193	57,193
Dividends declared (note 9)	–	–	–	–	(52,713)	(52,713)
Shares acquired for Share Award Scheme (note 23(A))	(57)	–	(6,243)	–	–	(6,300)
Employee share award scheme-value of employee services	–	–	–	9,031	–	9,031
Shares vested for Share Award Scheme (note 23(A))	89	–	8,333	(9,284)	862	–
Purchase of own shares (note 23(B))	(796)	(88,262)	–	–	–	(89,058)
At 31 March 2024 and 1 April 2024	8,312	634,278	(3,197)	70,000	73,161	782,554
Profit and total comprehensive income for the year	–	–	–	–	127,669	127,669
Dividends declared (note 9)	–	–	–	–	(78,696)	(78,696)
Shares acquired for Share Award Scheme (note 23(A))	(105)	–	(10,447)	–	–	(10,552)
Employee share award scheme-value of employee services	–	–	–	5,616	–	5,616
Shares vested for Share Award Scheme (note 23(A))	54	–	5,795	(5,616)	(233)	–
Purchase of own shares (note 23(B))	(121)	(11,731)	–	–	–	(11,852)
At 31 March 2025	8,140	622,547	(7,849)	70,000	121,901	814,739

25 Reserves

The nature and purpose of reserves are set out below:

(A) SHARE PREMIUM

Share premium represents the difference between the consideration and the par value of the issued shares of the Company. Under the Companies Act (Revised) of the Cayman Islands, the fund in the share premium account of the Company is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

(B) CAPITAL RESERVE

The capital reserve comprises the following:

- the difference between the considerations paid by Jacobson Pharma Group/the Group and the share of net assets value of the subsidiaries acquired from non-controlling interests;
- amount due to the immediate holding company capitalised; and
- the portion of the grant-date fair value of share award granted to an eligible grantee, which has been recognised in accordance with the accounting policy adopted for share-based payments in note 1(T)(ii).

(C) EXCHANGE RESERVE

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations outside Hong Kong. The reserve is dealt with in accordance with the accounting policies set out in note 1(X).

(D) DISTRIBUTABILITY OF RESERVES

As of 31 March 2025, the aggregate amount of reserves available for distribution to shareholders of the Company is HK$806,599,000 (2024: HK$774,242,000).

(E) FAIR VALUE RESERVE (NON-RECYCLING)

The fair value reserve (non-recycling) comprises the cumulative net change in the fair value of equity investments designated at FVOCI under HKFRS 9 that are held at the end of the Reporting Period (see note 1(J)).

(F) CAPITAL MANAGEMENT

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

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends payable to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Except for the banking facilities which require the fulfillment of covenants relating to certain financial ratios as disclosed in note 20, the Group is not subject to externally imposed capital requirements.

26 Financial Risk Management and Fair Values

Exposure to credit, liquidity, interest rate and currency risks arise in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(A) CREDIT RISK

The Group's credit risk is primarily attributable to cash and cash equivalents and trade and other receivables. Cash and cash equivalents are normally placed at financial institutions that have sound credit ratings and the Group considers the credit risk to be insignificant. Management has a credit policy in place and the exposure to these credit risks are monitored on an ongoing basis.

In respect of trade and other receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer and therefore concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. As of 31 March 2025, 57.3% (2024: 41.9%) of the total trade and other receivables was due from the Group's largest debtor and 67.4% (2024: 52.2%) was due from the five largest debtors respectively.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which, except for amounts due from customers with known financial difficulties or significant doubt on collection that are assessed individually, is calculated using a provision matrix. Accordingly, the Group recognised credit loss allowance of HK$2,600,000 (2024: HK$2,600,000) for a single customer with significant doubt on collection that is individually impaired at year ended 31 March 2025. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

Expected loss rates are based on actual loss experience over the past two years. These rates are adjusted to reflect differences between economic conditions during the year over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

The Group assessed that there is no significant loss allowance recognised in accordance with HKFRS 9 as of 31 March 2025 and 2024 other than for the abovementioned customer, and no provision matrix has therefore been disclosed.

26 Financial Risk Management and Fair Values (Continued)

(B) LIQUIDITY RISK

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The contractual undiscounted cash outflows of trade and other payables excluding contract liabilities as of 31 March 2025 and 2024 are due within 1 year or on demand and equal their carrying value at the end of the Reporting Period.

The following tables show the remaining contractual maturities at the end of the reporting periods of the Group's bank loans and lease liabilities, which are based on contractual undiscounted cash outflows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the Reporting Period).

	As at 31 March 2025 Contractual undiscounted cash outflow				
	Within 1 year HK$'000	More than 1 year but less than 2 years HK$'000	More than 2 years but less than 5 years HK$'000	Total HK$'000	Carrying amount HK$'000
Lease liabilities	13,855	6,413	2,760	23,028	21,947
Bank loans	150,221	–	–	150,221	149,800
	164,076	6,413	2,760	173,249	171,747

	As at 31 March 2024 Contractual undiscounted cash outflow				
	Within 1 year HK$'000	More than 1 year but less than 2 years HK$'000	More than 2 years but less than 5 years HK$'000	Total HK$'000	Carrying amount HK$'000
Lease liabilities	11,665	6,414	776	18,855	18,407
Bank loans	75,700	45,130	–	120,830	115,000
	87,365	51,544	776	139,685	133,407

26 Financial Risk Management and Fair Values (Continued)

(C) INTEREST RATE RISK

The Group's interest rate risk arises primarily from borrowings. Borrowings issued at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group's interest rate profile as monitored by management is set out in (i) below.

(i) Interest rate profile

The following table details the interest rate profile of the Group's borrowings at the end of the Reporting Period:

	As at 31 March			
	2025		2024	
	Effective interest rate	**Amount HK$'000**	Effective interest rate	Amount HK$'000
Fixed rate borrowings:				
Lease liabilities	**2.44% – 6.93%**	**21,947**	2.44% – 6.93%	18,407
Variable rate borrowings:				
Bank loans	**4.65% – 6.91%**	**149,800**	4.65% – 7.43%	115,000
Total interest-bearing borrowings		**171,747**		133,407
Fixed rate borrowings as a percentage of total borrowings		**12.8%**		13.8%

(ii) Sensitivity analysis

As of 31 March 2025, it is estimated that a general increase/decrease of 10 basis points in interest rates, with all other variables held constant, would have decreased/increased the Group's profit after tax and retained earnings by approximately HK$125,000 (2024: HK$96,000).

The sensitivity analysis above indicates the annualised impact on the Group's interest expense that would arise assuming that the change in interest rates had occurred at the end of the Reporting Period and had been applied to floating rate instruments which expose the Group to cash flow interest rate risk at that date. The analysis does not take into account exposure to fair value interest rate risk arising from fixed rate instruments as the Group does not hold any fixed rate instruments which are measured at fair value in the financial statements. The analysis is performed on the same basis for 2024.

26 Financial Risk Management and Fair Values (Continued)

(D) CURRENCY RISK

The Group is exposed to currency risk primarily through sales and purchases which give rise to receivables, payables and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily Euros, United States dollars, Renminbi, Japanese yen and Singapore dollars. The Group manages this risk as follows:

In respect of trade and other receivables and payables denominated in foreign currencies, the Group ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

All the Group's borrowings are denominated in the functional currency of the entity taking out the loan or, in the case of Group entities whose functional currency is Hong Kong dollars, in either Hong Kong dollars or United States dollars. Given this, management does not expect that there will be any significant currency risk associated with the Group's borrowings.

(i) Exposure to currency risk

The following table details the Group's exposure at the end of the Reporting Period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in Hong Kong dollars, translated using the spot rate at the end of the Reporting Period. Differences resulting from the translation of the financial statements of operations outside Hong Kong into the Group's presentation currency are excluded.

	As at 31 March									
	2025					2024				
	United States dollars HK$'000	Euros HK$'000	Renminbi HK$'000	Singapore dollars HK$'000	Japanese yen HK$'000	United States dollars HK$'000	Euros HK$'000	Renminbi HK$'000	Singapore dollars HK$'000	Japanese yen HK$'000
Cash and cash equivalents	1,678	4	502	–	852	609	4	214	–	672
Trade and other receivables	1,958	–	2,029	776	715	1,260	–	595	298	76
Trade and other payables and contract liabilities	(3,584)	(845)	(1,197)	–	(1,113)	(4,262)	(2,300)	–	–	–
Net exposure arising from recognised assets and liabilities	52	(841)	1,334	776	454	(2,393)	(2,296)	809	298	748

26 Financial Risk Management and Fair Values (Continued)

(D) CURRENCY RISK (Continued)

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's profit after tax and retained earnings that would arise if foreign exchange rates to which the Group has significant exposure at the end of the Reporting Period had changed at that date, assuming all other risk variables remained constant. In this respect, it is assumed that the pegged rate between the Hong Kong dollar and the United States dollar would be materially unaffected by any changes in movement in value of the United States dollar against other currencies.

	2025		2024	
	Increase/ (decrease) in foreign exchange rates	**Effect on profit after tax and retained earnings HK$'000**	Increase/ (decrease) in foreign exchange rates	Effect on profit after tax and retained earnings HK$'000
Euros	**1%**	**(7)**	1%	(19)
	(1)%	**7**	(1)%	19
Renminbi	**1%**	**11**	6%	41
	(1)%	**(11)**	(6)%	(41)
Singapore dollars	**1%**	**6**	2%	5
	(1)%	**(6)**	(2)%	(5)
Japanese yen	**5%**	**19**	12%	75
	(5)%	**(19)**	(12)%	(75)

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' profit after tax and equity measured in the respective functional currencies, translated into Hong Kong dollars at the exchange rate ruling at the end of the Reporting Period for presentation purpose.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the Reporting Period. The analysis excludes differences that would result from the translation of the financial statements of operations outside Hong Kong into the Group's presentation currency. The analysis is performed on the same basis for 2024.

26 Financial Risk Management and Fair Values (Continued)

(E) FAIR VALUE MEASUREMENT

(i) Fair value hierarchy

HKFRS 13, *Fair value measurement* categorises fair value measurements into a three-level hierarchy. The level into which fair value is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date

- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available

- Level 3 valuations: Fair value measured using significant unobservable inputs

The following table presents the Group's financial assets that were measured at fair value at 31 March 2024.

	Fair value at 31 March	Fair value measurements at 31 March 2024 categorised into		
	2024 HK$'000	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000
Financial assets at FVOCI				
– Unlisted	10,103	–	–	10,103

During the year ended 31 March 2024, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3.

The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the Reporting Period in the which they occur.

(ii) Information about Level 3 fair value measurements

	Valuation technique	Significant unobservable inputs	Weighted average
Unlisted financial assets at FVOCI at 31 March 2024	Discounted cash flow method	Discount rate	15%

The fair value of unlisted equity instruments was determined using discounted cash flow method. The fair value measurement is negatively correlated to discount rate. As at 31 March 2024, it is estimated that with all variable held constant, a decrease/increase in discount rate by 1% would have increased/decreased the Group's other comprehensive income by HK$1,925,000/HK$1,609,000.

27 Commitments

Capital commitments outstanding at the end of the Reporting Period not provided for in the financial statements are as follows:

	2025 HK$'000	2024 HK$'000
Authorised and contracted for		
– Acquisition of a subsidiary	**68,400**	–
– Purchase of intangible assets	**13,328**	22,356
– Purchase of property, plant and equipment	**10,788**	12,284
	92,516	34,640

28 Material Related Party Transactions

In addition to the transactions and balances disclosed elsewhere in the financial statements, the Group entered into the following material related party transactions:

(A) KEY MANAGEMENT PERSONNEL EMOLUMENTS

All members of key management personnel are directors of the Company and their compensation is disclosed in note 6.

Total remuneration is included in "staff costs" (see note 4(B)).

(B) TRANSACTIONS WITH RELATED PARTIES

	2025 HK$'000	2024 HK$'000
Logistic services fee to fellow subsidiaries	**–**	1,715
Logistic services fee to related parties	**4,554**	2,362
Sales to fellow subsidiaries (Manufacturing Services Agreement)	**–**	1,381
Sales to related parties (Manufacturing Services Agreement)	**4,189**	2,009
Purchases from fellow subsidiaries (Manufacturing Services Agreement)	**–**	50
Purchases from related parties (Manufacturing Services Agreement)	**209**	62
Overseas sales administrative services fee to fellow subsidiaries	**–**	387
Overseas sales administrative services fee to related parties	**624**	271

(C) APPLICABILITY OF THE HONG KONG LISTING RULES RELATING TO CONNECTED TRANSACTIONS

The related party transactions disclosed in notes 12 and 28(B) above represent transactions with entities controlled by the controlling shareholder of the Company and constitute connected transactions as defined in Chapter 14A of the Hong Kong Listing Rules.

29 Non-adjusting Events after the Reporting Period

In February 2025, an indirect wholly-owned subsidiary of the Company entered into a sales and purchase agreement with an independent third party to acquire 90% of the interest of Tin Hee Tong Medicine Factory, Limited ("**Tin Hee Tong**") at a consideration of HK$171,000,000. Tin Hee Tong is principally engaged in manufacture, marketing and sales of a proprietary Chinese medicine.

The transaction was completed in April 2025. Tin Hee Tong has become a non-wholly owned subsidiary of the Company and its financial results will be consolidated into the financial statements of the Group.

30 Immediate and Ultimate Controlling Party

At 31 March 2025, the Directors consider the immediate parent and ultimate controlling party of the Group to be Lincoln's Hill Development Limited, which is incorporated in the British Virgin Islands. This entity does not produce financial statements available for public use.

31 Accounting Judgments and Estimates

KEY SOURCES OF ESTIMATION UNCERTAINTY

Note 26(E) contains information about the assumptions and their risk factors relating to valuation of financial instruments. Other key sources of estimation uncertainty are as follows:

Impairment of intangible assets

In considering the impairment losses that may be required for the Group's intangible assets (including goodwill), the recoverable amount of the asset needs to be determined. The recoverable amount is the greater of the fair value less costs of disposal and value in use. It is difficult to precisely estimate the fair value less costs of disposal because quoted market prices for these assets may not be readily available. In determining the value in use, expected cash flows generated by the asset are discounted to their present values, which requires significant judgment relating to items such as the level of sales volume, selling price and amount of operating costs. The Group uses all readily available information in determining an amount that is a reasonable approximation of the recoverable amount, including estimates based on reasonable and supportable assumptions and projections of items such as sales volume, selling prices and amount of operating costs.

Any increase or decrease in the above impairment losses would affect the net profit in future years.

32 Possible Impact of Amendments and a New Standard Issued But Not Yet Effective for the Year Ended 31 March 2025

Up to the date of issue of these consolidated financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31 March 2025 and which have not been adopted in these consolidated statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability*	1 January 2025
Amendments to HKFRS 9, *Financial instruments* and HKFRS 7, *Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments*	1 January 2026
Annual improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18, *Presentation and disclosure in financial statements*	1 January 2027
HKFRS 19, *Subsidiaries without public accountability: disclosures*	1 January 2027

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

Five-year Financial Summary

(Expressed in Hong Kong dollars)

A summary of the results and of the assets and liabilities of the Group for the last five financial years is as follows:

	Year ended 31 March				
	2025	2024	2023	2022	2021
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Revenue	**782,292**	648,415	520,323	406,139	397,158
Cost of sales	**(368,585)**	(310,334)	(314,814)	(244,629)	(198,725)
Gross profit	**413,707**	338,081	205,509	161,510	198,433
Other net income	**18,098**	16,336	19,269	2,582	11,371
Selling and distribution expenses	**(122,462)**	(138,527)	(83,961)	(81,225)	(85,705)
Administrative and other operating expenses	**(63,279)**	(41,685)	(53,777)	(43,924)	(41,816)
Listing expenses	**–**	–	–	–	(32,007)
Profit from operations	**246,064**	174,205	87,040	38,943	50,276
Finance costs	**(4,464)**	(8,498)	(8,209)	(6,407)	(7,409)
Share of losses of associates	**–**	(981)	(1,215)	(1,578)	(1,054)
Share of profits/(losses) of joint ventures	**66**	164	(718)	(213)	(132)
Profit before taxation	**241,666**	164,890	76,898	30,745	41,681
Income tax	**(38,978)**	(27,680)	(13,570)	(7,417)	(11,062)
Profit for the year	**202,688**	137,210	63,328	23,328	30,619
Profit attributable to:					
Equity shareholders of the Company	**197,261**	130,463	57,093	24,620	22,600
Non-controlling interests	**5,427**	6,747	6,235	(1,292)	8,019
Total profit for the year	**202,688**	137,210	63,328	23,328	30,619

	As at 31 March				
	2025	2024	2023	2022	2021
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Total non-current assets	**1,092,766**	1,021,153	1,072,001	1,067,751	1,096,885
Total current assets	**452,352**	367,544	331,084	264,738	284,308
Total current liabilities	**281,011**	221,570	194,664	128,613	137,142
Total non-current liabilities	**100,149**	145,183	177,431	234,686	297,108
Net current assets	**171,341**	145,974	136,420	136,125	147,166
Total assets less current liabilities	**1,264,107**	1,167,127	1,208,421	1,203,876	1,244,051
Net assets	**1,163,958**	1,021,944	1,030,990	969,190	946,943

Glossary

"2025 AGM"	the forthcoming 2025 annual general meeting of the Company
"associate(s), chief executive(s), connected person(s), substantial shareholder(s)"	each has the meaning as described in the Listing Rules
"Audit Committee"	the audit committee of the Company
"Award Committee"	the award committee of the Company
"Board"	the board of directors of the Company
"BVI"	the British Virgin Islands
"CCMG"	concentrated Chinese medicine granule, traditional Chinese herbal medicines processed through modern extraction and concentration technologies to arrive at a granular form for easy dispensary and administration
"CG Code"	Corporate Governance Code contained in Appendix C1 to the Listing Rules
"Chairman"	the chairman of the Board
"China", "Mainland China", "PRC" or "the PRC"	the People's Republic of China excluding, for the purpose of this annual report, Hong Kong, Macau and Taiwan
"Company", "our Company" or "the Company"	JBM (Healthcare) Limited, an exempted company incorporated in the Cayman Islands with limited liability on 7 January 2020
"connected person"	has the meaning ascribed to it under the Listing Rules
"connected transaction"	has the meaning ascribed to it under the Listing Rules
"continuing connected transaction"	has the meaning ascribed to it under the Listing Rules
"Controlling Shareholder(s)"	refers to Mr. Sum, Queenshill and Lincoln's Hill, each being a controlling shareholder within the meaning of the Listing Rules
"COVID-19"	Coronavirus disease 2019
"Director(s)"	the director(s) of the Company
"ESG"	environmental, social and governance
"Executive Committee"	the executive committee of the Company
"FY2024"	the year ended 31 March 2024
"FY2025" or "Reporting Period"	the year ended 31 March 2025
"GMP"	Good Manufacturing Practice, a set of detailed guidelines on practices governing the production of pharmaceutical products designed to protect consumers by minimising production errors and the possibility of contamination

"Greater Bay Area"	the "Guangdong-Hong Kong-Macau Greater Bay Area", referring to the region linking two special administrative regions, namely Hong Kong and Macau, and the nine cities in Guangdong Province, namely Guangzhou, Shenzhen, Zhuhai, Foshan, Zhongshan, Dongguan, Huizhou, Jiangmen and Zhaoqing and forming an integrated economic and business hub under PRC government's scheme
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong" or "HKSAR"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party"	any entity or person who, to the best knowledge of our Directors, is not a connected person of our Company within the meaning ascribed thereto under the Listing Rules
"Jacobson Connected Person"	any of Jacobson Pharma and its associates other than our Group
"Jacobson Pharma"	Jacobson Pharma Corporation Limited (雅各臣科研製藥有限公司), a company with limited liability incorporated under the laws of the Cayman Islands, the shares of which are listed on the Main Board (stock code: 2633)
"Jacobson Pharma Group"	Jacobson Pharma and its subsidiaries
"JBM", "JBM Healthcare", "Group", "our Group", "the Group", "we", "us" or "our"	the Company and its subsidiaries
"Lincoln's Hill"	Lincoln's Hill Development Limited, a company with limited liability incorporated under the laws of the BVI on 12 November 2020, being one of our Controlling Shareholders
"Listing"	the listing of our Shares on the Main Board
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
"Model Code"	Model Code for Securities Transaction by Directors of Listing Issuers as set out in Appendix C3 to the Listing Rules
"Macau"	the Macau Special Administrative Region of the PRC
"Main Board"	Main Board of the Stock Exchange
"Mr. Sum"	Mr. Sum Kwong Yip, Derek, our Chairman, executive Director, being one of our Controlling Shareholders
"Nomination Committee"	the nomination committee of the Company

"over-the-counter" or "OTC"	a term used to describe medicines that can be sold directly to a consumer without a prescription from a healthcare professional, as compared to prescription drugs, which are sold only to consumers possessing a valid prescription
"PIC/S"	two international instruments, the Pharmaceutical Inspection Convention and the Pharmaceutical Inspection Co-operation Scheme, which seek to promote constructive co-operation in the field of GMP between the participating authorities in different geographic markets
"PIC/S GMP"	Good Manufacturing Practice in accordance with the PIC/S GMP Guide issued by PIC/S
"Prospectus"	the prospectus issued by the Company dated 26 January 2021
"Queenshill"	Queenshill Development Limited, a company with limited liability incorporated under the laws of the BVI on 12 December 2012, being one of our Controlling Shareholders
"Remuneration Committee"	the remuneration committee of the Company
"SFO"	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), as amended or supplemented from time to time
"Share(s)" or "share(s)"	ordinary share(s) in the capital of the Company with nominal value of HK$0.01 each
"Share Award Scheme"	the share award scheme adopted by our Company on 18 January 2021 and amended on 21 September 2023
"Share Option Scheme"	the share option scheme adopted by our Company on 6 August 2024
"Stock Exchange" or "HKEX"	The Stock Exchange of Hong Kong Limited
"The Kingshill Trust"	a discretionary trust established by our executive Director and Chairman, Mr. Sum (as the settlor), on 16 May 2016 with Mr. Sum and his family members as the discretionary beneficiaries
"The Queenshill Trust"	a discretionary trust established by our executive Director and Chairman, Mr. Sum (as the settlor), on 16 May 2016 with Mr. Sum and his family members as the discretionary beneficiaries
"treasury shares"	has the meaning as described in the Listing Rules
"Trust Co"	Kingshill Development Group Inc., a company incorporated in the BVI, which is wholly-owned by UBS Nominees Limited as nominee for UBS Trustees (B.V.I.) Limited, the trustee of The Kingshill Trust, holds the entire issued share capital of Lincoln's Hill
"Yunnan Baiyao Group"	Yunnan Baiyao Group Co., Ltd.* (雲南白藥集團股份有限公司), a joint stock limited company incorporated in the PRC with limited liability

* *For identification purpose only*

健倍苗苗
JBM (Healthcare) Limited

Enabling Better Health
Through Self-care

http://www.jbmhealthcare.com.hk/