JBM (Healthcare) Limited

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

Orchestrated to Perform

2025/2026 Annual Report

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Sum Kwong Yip, Derek
(Chairman and Chief Executive Officer)
Mr. Yim Chun Leung
Dr. Cheng Celine Heung Kwan

Non-executive Directors

Mr. Yeung Kwok Chun, Harry
Professor Xu Hongxi

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)
Dr. Cheng Celine Heung Kwan
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. Yim Chun Leung
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

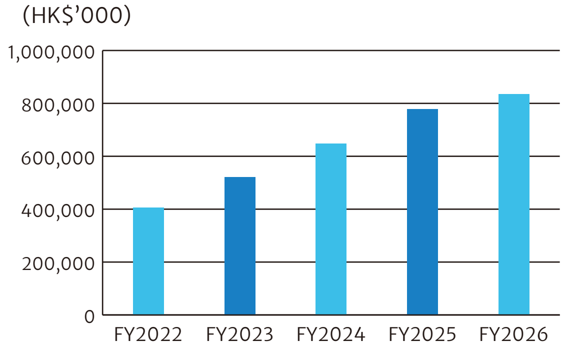
COMPANY WEBSITE

www.jbmhealthcare.com.hk

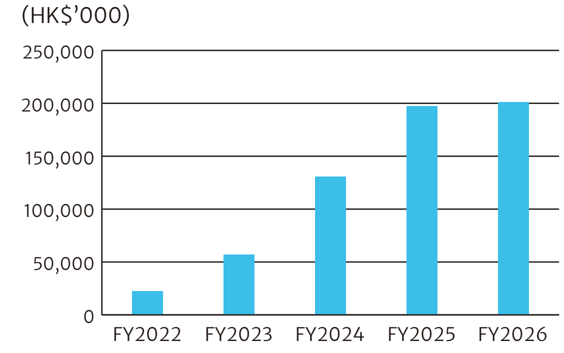
Contents

Financial Highlights

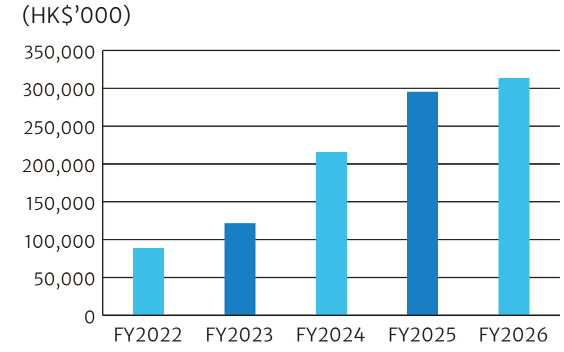
Revenue



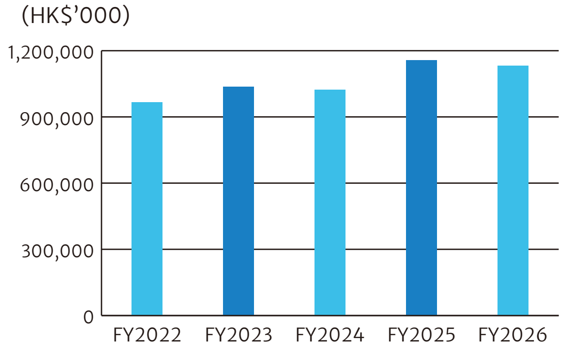
Profit Attributable to Equity Shareholders



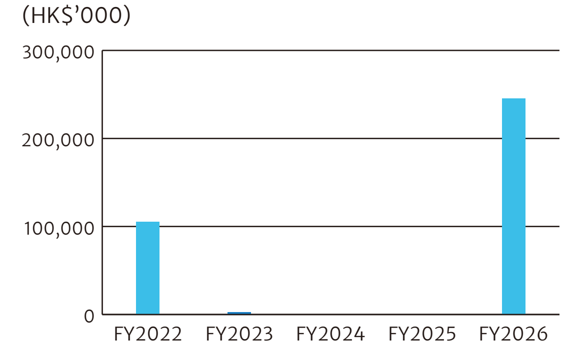
Adjusted EBITDA



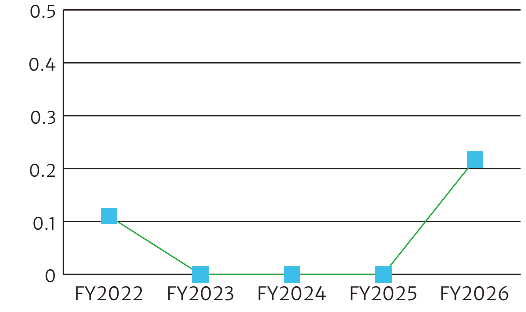
Net Assets



Net Debts (Note)



Net Gearing Ratio (Note)



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

	Year ended 31 March 2026 HK$'000	Year ended 31 March 2025 HK$'000	Change
Revenue			
– Branded medicines	279,972	272,231	2.9%
– Proprietary Chinese medicines	468,404	405,448	15.5%
– Health and wellness products	86,258	104,613	(17.6)%
Total	834,634	782,292	6.7%
Gross profit	465,538	413,707	12.5%
Gross profit margin (%)	55.8%	52.9%	
Profit attributable to equity shareholders of the Company	201,088	197,261	1.9%
Profit margin attributable to equity shareholders of the Company (%)	24.1%	25.2%	
Adjusted EBITDA[1]	313,348	295,762	6.0%
Adjusted EBITDA margin (%)[2]	37.5%	37.8%	
Return on equity (%)[3]	18.3%	18.5%	

	As at 31 March 2026 HK$'000	As at 31 March 2025 HK$'000	Change
Total assets	1,762,646	1,545,118	14.1%
Total liabilities	631,642	381,160	65.7%
Total equity	1,131,004	1,163,958	(2.8)%

(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 loss on disposal of a subsidiary, loss/(gain) on disposals of equity interest in joint ventures 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,

Backed by our portfolio of trusted brands, strong commercial capabilities, and a clear strategic direction, we are well-positioned to seize the market opportunities and deliver lasting value to our shareholders.

Strengthening Foundations for Sustainable Growth

It is my pleasure to share that JBM Healthcare delivered another year of resilient performance in FY2026. This outcome reflects the strength of our brands, the effectiveness of our strategy, and the dedication of our people.

The operating environment improved as Hong Kong's retail market gradually recovered, supported by rising visitor arrivals and improving consumer sentiment. While macroeconomic uncertainty and evolving spending patterns persisted, the consumer healthcare sector remained resilient, underpinned by increasing health awareness and sustained demand for trusted self-care solutions.

Against this backdrop, the Group achieved steady growth in revenue, gross profit, and profit attributable to shareholders. More importantly, we continued to strengthen our business foundations through disciplined brand investment, portfolio enhancement, and selective expansion into new growth areas. These results underscore the resilience of our business model and our ability to adapt while maintaining a clear focus on long-term value creation.

Brand Management Excellence Driving Sustainable Growth

A defining strength of JBM lies in our ability to build, nurture, and grow trusted healthcare brands. By combining deep consumer understanding with disciplined brand stewardship, we have successfully preserved the heritage of our brands as well as their continued relevance in a rapidly evolving marketplace.

This capability has enabled us to unlock long-term value across our portfolio, strengthening brand equity, expanding consumer reach, and driving sustainable growth. The performance of Po Chai Pills, Ho Chai Kung, and Flying Eagle Woodlok Medicated Oil reflects the effectiveness of this approach and provides a solid foundation for future development.

Proprietary Chinese Medicines: A Growing Strategic Pillar

A key highlight of the year was the continued strong performance of our proprietary Chinese medicines business, which has become an increasingly important pillar of the Group's growth.

The segment delivered robust results, driven by the sustained momentum of Po Chai Pills, the continued strengthening of Flying Eagle Woodlok Medicated Oil, and solid contributions from our concentrated Chinese medicine granules business, as well as other established heritage proprietary Chinese medicines brands. Collectively, these businesses underscore the strength and breadth of our proprietary Chinese medicines portfolio and the enduring trust placed in our brands by consumers.

A notable milestone during the year was the successful integration of Tin Hee Tong Tin Hee Pills, a well-recognised heritage brand in traditional women's healthcare. For generations, the brand has earned the confidence of consumers in Hong Kong and the Chinese Mainland through its trusted position in women's wellness.

We believe Tin Hee Tong Tin Hee Pills represents a compelling opportunity to further strengthen our proprietary Chinese medicines portfolio. Leveraging its strong heritage and consumer recognition, we are well-positioned to accelerate its development through JBM's brand management expertise, marketing capabilities, and distribution network. Consistent with our track record in revitalising heritage brands, we are confident in further strengthening its market presence and unlocking its long-term potential.

Well Positioned to Capture Long-Term Industry Growth

Beyond near-term performance, we remain positive on the long-term outlook for proprietary Chinese medicines.

Rising health consciousness, an ageing population, and growing interest in preventive healthcare continue to drive demand for traditional medicine solutions. At the same time, a younger generation is becoming increasingly receptive to traditional Chinese medicines ("**TCM**"), opening opportunities for established brands to expand their relevance and reach.

Importantly, these trends are further reinforced by supportive policy developments. In Hong Kong, initiatives such as the Chinese Medicine Development Blueprint, the development of the Chinese Medicine Hospital, and ongoing efforts to enhance standards and research capabilities are supporting the long-term advancement of the sector.

Across the Greater Bay Area, policies promoting the inheritance, innovation, and integration of TCM are creating new opportunities for Hong Kong-registered proprietary Chinese medicines. Together with growing consumer familiarity and trust in established Hong Kong healthcare brands, these developments provide a favourable backdrop for future growth.

With our portfolio of trusted brands, strong market positions, and deep industry expertise, JBM is well-positioned to benefit from these structural drivers and further strengthen its leadership in proprietary Chinese medicines.

Expanding New Growth Opportunities

While proprietary Chinese medicines remain our core pillar, we continue to broaden our growth platform through selective investments in complementary healthcare categories.

Our cross-border e-commerce business made steady progress during the year. The strong performance of our proprietary brands on major e-commerce platforms highlights the growing appeal of trusted Hong Kong healthcare brands and underscores the strategic importance of this channel.

We also continued to strengthen our presence in specialised healthcare. The Oncotype DX genomic testing business within our health and wellness products segments delivered encouraging growth, supported by rising awareness of preventive care and increasing adoption of personalised medicine.

Together, these initiatives complement our core strengths and contribute to a more diversified and resilient healthcare portfolio for the Group.

Confident in the Future

Looking ahead, global economic and geopolitical uncertainties are expected to persist, with consumer spending patterns likely remaining fluid. Nevertheless, we are confident in the long-term prospects of the healthcare sector.

The fundamental drivers supporting healthcare demand remain intact. Rising health awareness, ageing populations, increasing emphasis on self-care and preventive healthcare, and continued development of the Greater Bay Area all present compelling opportunities for sustainable growth.

Backed by our portfolio of trusted brands, strong commercial capabilities, a healthy balance sheet, and a clear strategic direction, we are well-positioned to seize these opportunities and deliver lasting value to our shareholders.

Appreciation

On behalf of the Board, I would like to express my sincere gratitude to our shareholders, customers, business partners, and healthcare professionals for their continued trust and support.

Above all, I extend my heartfelt thanks to our management team and employees for their dedication and unwavering commitment throughout the year. Their passion and pursuit of excellence have been instrumental to our success and continue to drive our mission of enabling better health through self-care.

Together, we will build on our strengths and pursue sustainable growth in the years ahead.

Sincerely,

Sum Kwong Yip, Derek
Chairman and Chief Executive Officer
JBM (Healthcare) Limited

22 June 2026

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.

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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 Woodlok 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 Chinese Mainland, 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 showed a gradual recovery in FY2026, rebounding from the decline experienced in the previous year. Retail sales returned to moderate growth in 2025, with momentum picking up notably in early 2026, supported by sustained double-digit increases across several months. Online retail also demonstrated notable expansion, reflecting continued shifts in consumer purchasing behavior and the growing acceptance of digital commerce.

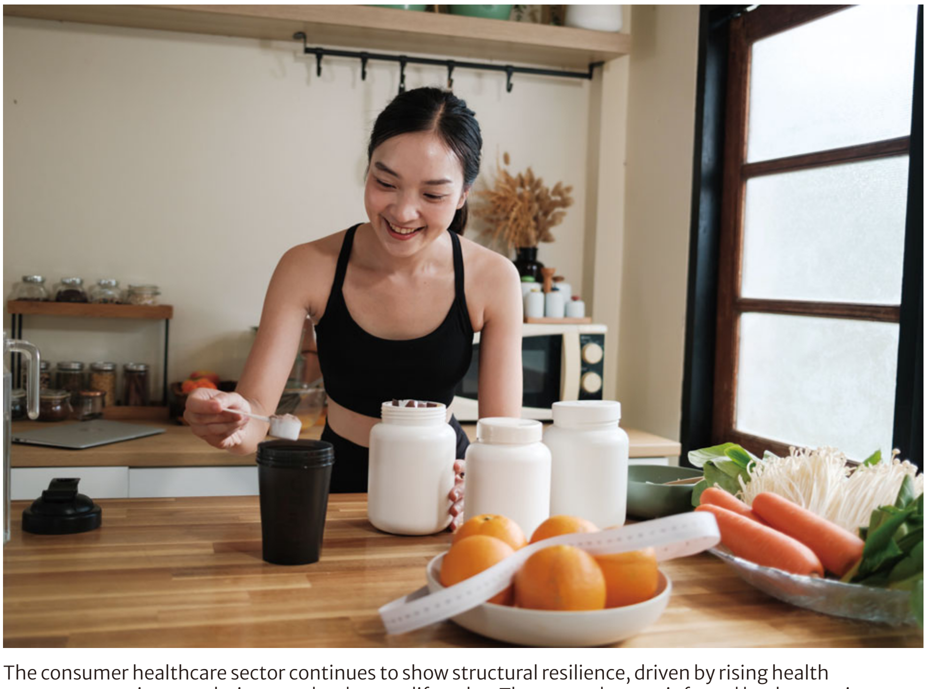
Several macroeconomic and market factors shaped the operating environment for JBM during FY2026. Sustained growth in inbound tourism, with visitor arrivals reaching approximately 49.9 million in 2025 (up 12% year-on-year), provided important support, particularly for visitor-related consumption. Government initiatives, mega-events, and continued integration with the Greater Bay Area helped bolster sentiment and foot traffic. Broader economic stabilization and improving consumer confidence contributed to a more favorable retail environment in the latter part of the fiscal year.

Against this evolving backdrop, JBM Healthcare delivered resilient performance, underpinned by its flagship proprietary Chinese medicines and branded consumer healthcare products. The Group continued to demonstrate operational excellence through impactful brand management, targeted sales initiatives, portfolio enhancement (including strategic acquisitions such as Tin Hee Tong Tin Hee Pills (天喜堂天喜丸)), and disciplined execution across channels. Its sharpened focus on both online and offline growth, coupled with expanded presence in the Greater Bay Area and cross-border e-commerce platforms, enabled it to capitalise on market tailwinds.

The Group remains well-positioned to benefit from structural trends such as rising health consciousness, an aging population, and Greater Bay Area synergies, while navigating the dynamic retail environment through innovation and agility.

RESULTS

During the Reporting Period, the Group's branded healthcare business, encompassing branded medicines, proprietary Chinese medicines, and health and wellness products, delivered steady financial results amid continued market expansion and strategic growth initiatives. Revenue reached HK$834.6 million, representing a 6.7% year-on-year increase. Gross profit rose by 12.5% to HK$465.5 million in FY2026, reflecting an improvement in product mix and operating quality. Consolidated profit attributable to equity shareholders increased by 1.9% to HK$201.1 million, demonstrating the resilience of the business amidst a notable increase in strategic investments for supporting future growth.



The consumer healthcare sector continues to show structural resilience, driven by rising health awareness, ageing populations, and sedentary lifestyles. These trends are reinforced by the growing emphasis on preventive healthcare and wellness in Hong Kong and Chinese Mainland.

A key milestone of Po Chai Pills during the year was the successful launch of a new sachet pack in July 2025, introduced alongside the iconic bottle format to enhance portability while preserving the product's trusted efficacy.

The growth in gross profit was primarily driven by the continued robust sales performance of the Group's key brands, most notably Po Chai Pills (保濟丸) in the proprietary Chinese medicines segment and Ho Chai Kung (何濟公) in the branded medicines segment. This was further supported by contributions from the newly acquired Tin Hee Tong brand, alongside focused brand management and marketing initiatives. These positive developments helped offset higher operating expenses associated with acquisitions, as well as increased advertising and promotional investments undertaken to strengthen brand equity, expand market presence, and support the long-term sustainable growth of the business. In addition, disciplined operational management and improved gross profit margins, rising from 52.9% to 55.8%, enabled the Group to maintain a solid financial position.

JBM remains well-positioned with a resilient balance sheet to support ongoing operations and pursue further strategic growth opportunities in the branded consumer healthcare market.

OPERATIONAL PERFORMANCE

During the Reporting Period, the Group delivered solid performance across its core business segments despite a competitive market landscape. Growth was supported by strengthened brand management, impactful marketing campaigns, expanded engagement with key opinion leaders ("**KOL**"s), and strategic sponsorships that enhanced brand visibility and consumer engagement across both traditional and digital channels.

The Group's integrated marketing initiatives – including television commercials featuring both established and new celebrity endorsements, social media activations on platforms such as Xiaohongshu (小紅書) and Douyin (抖音), and collaborative marketing campaigns – helped refresh the relevance of its heritage brands among younger consumers, while maintaining strong resonance with its existing loyal customer base.

Proprietary Chinese Medicines

The Group's proprietary Chinese medicines segment delivered notable growth of 15.5% in FY2026, underpinned by the strong performance of its flagship brand Po Chai Pills, and the resilient contribution from the CCMG business.

Po Chai Pills – Brand Equity Enhancement

Po Chai Pills maintained strong growth momentum during FY2026, supported by strategic product launch and integrated marketing initiatives that strengthened brand relevance across generations and markets. Category growth continued to be driven by evolving lifestyle needs and increasing demand for convenient, everyday digestive health solutions.

A key milestone during the year was the successful launch of a new sachet pack in July 2025, introduced alongside the iconic bottle format to enhance portability while preserving the product's trusted efficacy. Grounded in the insight that consumers value heritage trust but increasingly expect modern convenience, the sachet was designed to fit contemporary, on-the-go lifestyles while reinforcing confidence among existing users.

To support the launch, the Group executed an impactful advertising campaign featuring renowned actor Louis Koo (古天樂), together with Tony Wu (胡子彤) and Bonnie Wong (黃正宜). Blending nostalgic brand familiarity with modern visual appeal, the campaign resonated strongly with both younger and middle-aged audiences. It also strategically expanded usage occasions by introducing hangover relief as a new consumption scenario, using humour and relatable social settings to position Po Chai Pills as a relevant companion for nightlife and social occasions, while highlighting its effectiveness in providing both pre – and post-drinking relief.

The campaign delivered strong commercial and engagement results, driving meaningful social media traction and extensive product trial through large-scale sampling initiatives. Importantly, the sachet launch generated incremental sales growth while maintaining stable sales of the classic bottle, demonstrating successful product line expansion without cannibalisation.

Beyond the product launch, Po Chai Pills continued to strengthen brand equity through a comprehensive multi-channel marketing strategy. Community and youth-focused initiatives included interactive school tours and sponsorship of the Look Closely at Hong Kong micro-art exhibition, linking the brand with local culture and community engagement. The brand also participated in the 10th Golden Age Expo & Summit to connect with loyal consumers and reinforce its broad generational relevance.

These efforts were further amplified through extensive media exposure, including a prominent billboard at Tsim Sha Tsui Ferry Pier, title sponsorships of popular television programs, and integrated advertising across television, transit, radio, cinema, social media, and retail channels. Additional engagement through KOL collaborations, large-scale product sampling, and creative digital activations, such as a branded WhatsApp sticker pack, further enhanced visibility and relevance, particularly among younger audiences.

In recognition of its marketing excellence, Po Chai Pills received multiple prestigious industry awards, including the Spark Awards (金場景行銷大獎), the IAI International Advertising Awards (IAI傳鑒國際廣告獎), and the Kam Fan Awards (金帆獎) from The Association of Accredited Advertising Agencies of Hong Kong, further reinforcing its market leadership and enduring brand strength.

To amplify brand visibility and consumer engagement, the Flying Eagle Woodlock Medicated Oil campaign was supported by prominent outdoor advertising, including a giant billboard featuring the iconic "Flying Eagle Man" at Tsim Sha Tsui Pier during the May Golden Week and summer peak seasons.

Flying Eagle Woodlok Medicated Oil – Strengthened Market Position

During the Reporting Period, Flying Eagle Woodlok Medicated Oil (飛鷹活絡油) strengthened its market position through a series of integrated marketing initiatives, reinforcing its standing as a trusted solution for muscle and joint pain relief. Central to these efforts was the brand's signature advertising campaign, "*Flying Eagle · The Real Master's Choice*", featuring celebrity endorsers Raymond Lam (林峯), Tony Wu, and Bonnie Wong. The campaign effectively showcased the product's proven efficacy while refreshing the brand's image with contemporary appeal.

To amplify brand visibility and consumer engagement, the campaign was supported by prominent outdoor advertising, including a giant billboard featuring the iconic "Flying Eagle Man" at Tsim Sha Tsui Ferry Pier during the May Golden Week and summer peak seasons, capturing high tourist traffic and boosting sales momentum. The brand further leveraged its ambassadors' popularity through concert sponsorships, including Raymond Lam's performances at the Hong Kong Coliseum and the Commercial Radio *Music Unplugged Concert*, generating extensive media coverage, strong online engagement, and deeper connections with younger consumers through interactive social media activations.

Flying Eagle Woodlok Medicated Oil also broadened its market reach through diversified community and cultural engagement. The brand participated in the 10th Golden Age Expo and Summit to strengthen its connection with the senior market, while actively supporting local sports development through sponsorships of basketball, running, and football events, reinforcing a dynamic and energetic brand image. In addition, it expanded cultural relevance through product placement in Tyson Yoshi's (程浚彥) *1994 Prelude – Chasing the Wind* microfilm music video and further enhanced exposure through title sponsorship of popular television programs, including *Midlife, Sing & Shine! 4 (中年好聲音4)*.

In recognition of its creative marketing strategy and impactful brand execution, Flying Eagle Woodlok Medicated Oil received multiple industry accolades, including the MARKies Award for *Best Idea – Launching/Rebranding,* the *HKMA/ViuTV & Now TV Special Award for Excellence in TV Commercial and Video*, and the Hong Kong Top Brand Award 2025. These achievements further underscore the brand's successful revitalisation and strengthen its position as a trusted and enduring leader in the medicated oil category.

Resilient CCMG Performance

The Group's CCMG business demonstrated continued resilience and growth during FY2026, delivering higher net sales and improved profitability. The business remained a stable and reliable contributor to the proprietary medicines segment, supported by its strong market position and operational excellence.

As a major supplier in Hong Kong's CCMG market, the Group offers over 700 single-herb and classic combo formulas, serving the majority of active registered traditional Chinese medicine ("**TCM**") practitioners in the territory. Its extensive market reach is underpinned by consistent product quality, efficient supply chain management, and dependable delivery services, which have earned sustained trust within the local TCM community.

In parallel, the Group continued to advance its digital transformation initiatives with the launch of a new 24/7 online ordering platform for local TCM clinics in January 2026. The platform enhances customer convenience and operational efficiency through features such as instant ordering, real-time inventory checking, order history access, and promotional updates.

Since its launch, the platform has achieved satisfactory customer enrolment and migration of order placements to the e-platform, with encouraging user feedback received. The Group is continuing to enhance and fine-tune the platform's functionality and user experience, supporting deeper customer engagement and the sustainable growth of the CCMG business.

Branded Medicines

Sustained Momentum of Ho Chai Kung

The branded medicines segment maintained solid performance, achieving 2.9% growth, driven by the continued momentum of Ho Chai Kung, a trusted household name in over-the-counter pain relief and fever medications. The brand further strengthened its market leadership through a comprehensive, multi-channel marketing strategy, broadening its appeal across different age groups and reinforcing its leading position in the market.

The Group's CCMG business demonstrated continued resilience and growth during FY2026, remaining a stable and reliable contributor to the proprietary Chinese medicines segment.

Key initiatives included the ongoing partnership with renowned singer Hins Cheung (張敬軒) as brand ambassador, with television commercials aired during the period to significantly boost brand awareness. Ho Chai Kung also served as the title sponsor of the popular TVB program "Midlife, Sing & Shine 3 (中年好聲音3)" from March to May 2025 and sponsored the grand finale of "Climbing to the Peak (登峯之戰)" at the newly opened Kai Tak Sports Park on 11 May 2025. These high-profile sponsorships generated substantial media attention, created strong connections with audiences, and reinforced a vibrant, approachable brand image.

In addition, the brand executed a major outdoor advertising campaign from July to August 2025 at prime high-traffic locations, including Tsim Sha Tsui Ferry Pier, Causeway Bay Times Square, and the Central tram station/market area. This campaign effectively reached both the local public and overseas tourists. Consumer connections were further strengthened through sponsorship of the Commercial Radio *Music Unplugged* Concert featuring Sammi Cheng (鄭秀文) and Hins Cheung on 1 November 2025, leveraging the ambassador's popularity to engage younger audiences.

Collectively, these initiatives enhanced brand relevance, expanded reach among younger and middle-aged consumers, and reinforced Ho Chai Kung's leadership in the OTC category, contributing to healthy segment revenue growth. By combining creativity with technology, the Ho Chai Kung Artificial Intelligence (AI) Photo Booth campaign also earned three industry awards in 2025, further strengthening the brand's market position.

Health & Wellness Products

The Group's health and wellness products segment recorded a 17.6% decline in revenue during FY2026, mainly due to the restructuring and discontinuation of certain products. This was partially offset by strong double-digit growth in Oncotype DX, which continued to be the key growth driver of the segment.

Despite the segment's revenue decline driven by portfolio optimisation, the Group continued to transition its health and wellness portfolio towards higher-value, differentiated offerings in precision medicine and daily wellness, laying a solid foundation for sustainable long-term growth.

Oncotype DX: Advancing Precision Healthcare in Breast Cancer

Oncotype DX, the market-leading multi-gene assay for guiding treatment decisions in early-stage breast cancer, maintained strong momentum in FY2026, delivering double-digit year-on-year growth.

As a widely recognised genomic test among healthcare professionals in Hong Kong, Oncotype DX enables physicians to assess the risk of cancer recurrence and the potential benefit of chemotherapy. Its clinical value lies in supporting treatment decisions that can help a significant proportion of eligible early-stage, HR+, HER2 – patients avoid unnecessary chemotherapy, while ensuring appropriate treatment for those who require it.

Ho Chai Kung further strengthened its market leadership through a comprehensive, multi-channel marketing strategy, broadening its appeal across different age groups with the ongoing partnership with renowned artist Hins Cheung as brand ambassador.

Growth during the period was driven by increased adoption across hospitals and clinics in Hong Kong and Macau, supported by strengthened engagement with KOLs and expanded physician education programs. The Group also deepened its collaboration with the Hong Kong Breast Cancer Foundation ("**HKBCF**") through joint patient education initiatives and support programs, enhancing awareness of genomic testing, improving patient access, and reinforcing clinical confidence in precision oncology.

The favourable market environment also supported continued uptake, underpinned by a high incidence of breast cancer in Hong Kong, increasing emphasis on early detection, and growing acceptance of personalised medicine. In addition, the HKBCF Financial Assistance Program, which provides reimbursement support for eligible public hospital patients, further improved affordability and facilitated broader adoption.

BUSINESS DEVELOPMENT

Driving Growth of Cross-Border E-Commerce

The Group's cross-border e-commerce business continued to develop during the Reporting Period, making a meaningful contribution to overall revenue. Our core proprietary brands sustained strong performance across major online platforms, reflecting growing consumer recognition and demand.

In response to intensifying competition in the Chinese Mainland e-commerce landscape, the Group refined its product portfolio by reducing exposure to third-party products while strengthening its focus on proprietary brands. At the same time, distribution was expanded through official flagship stores on leading platforms, including Tmall Global, JD.com, and Alibaba Health, enhancing both brand visibility and channel control.

Market demand for high-quality overseas OTC medicines and health products in the Chinese Mainland continued to rise, particularly among younger consumers, who show increasing acceptance of Hong Kong made medicines and wellness brands. Demand was especially strong in the Greater Bay Area and tier-one and tier-two cities, where online spending on Hong Kong health-related products remains above the national average. In response, the Group is directing greater resources toward brand building and marketing initiatives in the Greater Bay Area to further strengthen awareness and penetration.

The Group will continue to strengthen its flagship store-led model and multi-channel distribution strategy, integrating online and offline capabilities while introducing new product categories aligned with Chinese Mainland consumer preferences. Strategic partnerships with major e-commerce platforms will remain a key enabler in reinforcing market position and supporting future expansion. Despite near-term market pressure from cautious consumer spending, the Group will continue to adopt flexible category management, disciplined cost control, and data-driven market monitoring to sustain growth momentum and enhance proprietary brand value.

Capturing Opportunities in the TCM Market

The TCM market continues to benefit from favourable structural trends, including rising acceptance among younger consumers and sustained demand driven by an ageing population. TCM is increasingly recognised for its role in chronic disease management and elderly healthcare, while long-standing consumer trust continues to support demand across key markets.

Policy support from the Hong Kong Government has further strengthened the sector through enhanced practitioner training, increased healthcare investment, and research funding initiatives. At the same time, the evolving industry talent landscape, with a growing cohort of younger practitioners, is contributing to the modernization and innovation of TCM practice, including wider adoption of concentrated Chinese medicine granules.

In the Greater Bay Area, supportive policy measures in the Chinese Mainland promoting the inheritance, innovation, and cross-border development of TCM have facilitated greater access for Hong Kong-registered proprietary Chinese medicines. Improved mobility across the region has further increased consumer exposure and familiarity with established Hong Kong TCM brands.

These structural advantages are further strengthened by the heritage and trust of the Group's long-established brands. Many flagship products originated in Guangdong Province and have maintained their proven formulations over generations, building a strong reputation in Hong Kong for quality, safety, and consistency. Across the Greater Bay Area, Hong Kong brands are widely regarded as reliable and well-manufactured, supporting strong consumer preference. Combined with deep-rooted multi-generational usage, these brands continue to enjoy enduring cultural relevance and brand equity.

To capture these opportunities, the Group continues to expand its proprietary product portfolio, including concentrated Chinese medicine granules and health supplements, while broadening registration coverage and strengthening practitioner-focused distribution networks.

OUTLOOK

Looking ahead, the operating environment is expected to remain shaped by ongoing macroeconomic uncertainty, including global interest rate dynamics, geopolitical tensions, and continued shifts in Chinese Mainland consumer spending patterns. In Hong Kong, the retail sector is likely to continue its gradual recovery trajectory, supported by improving local sentiment and sustained inbound tourism, although spending behaviour is expected to remain more cautious and experience-driven, with shorter visitor stays and higher price sensitivity.

The TCM market continues to benefit from favourable structural trends, including growing acceptance among younger consumers and sustained demand driven by an ageing population. TCM is increasingly recognised for its role in chronic disease management and elderly care.

Despite these external headwinds, the Group remains cautiously optimistic. The consumer healthcare sector continues to demonstrate structural resilience, underpinned by long-term drivers such as rising health awareness, ageing populations, and increasingly sedentary lifestyles. These trends are further reinforced by the growing emphasis on preventive healthcare and wellness across both Hong Kong and the Chinese Mainland.

The Group's proprietary Chinese medicines business, underpinned by its flagship brands and broad portfolio, is expected to remain a key growth engine. This is supported by favourable policy tailwinds, rising consumer acceptance of TCM, and increasing demand for trusted heritage healthcare products.

The ongoing development of the Greater Bay Area presents significant expansion opportunities. Enhanced regional integration, improving cross-border connectivity, and streamlined regulatory pathways for eligible Hong Kong-registered proprietary Chinese medicines are facilitating broader market access and supporting growth in the Chinese Mainland market.

The Group also stands to benefit from the continued development of Hong Kong's Chinese medicine ecosystem. The Chinese Medicine Development Blueprint, together with key initiatives such as the phased implementation of GMP standards for proprietary Chinese medicines, is expected to enhance industry quality and competitiveness. Meanwhile, the establishment of the Chinese Medicine Hospital of Hong Kong and the Government Chinese Medicines Testing Institute is strengthening research, quality assurance, and industry development, further supporting the long-term advancement of the sector.

Building on these foundations, the Group will continue to execute its strategic priorities with discipline and focus. Key initiatives include strengthening brand equity across core portfolios, expanding product offerings in high-growth categories, enhancing commercial capabilities, and deepening penetration across both traditional and digital channels. Continued emphasis will be placed on Greater Bay Area expansion and cross-border e-commerce development to capture incremental growth opportunities.

Overall, while near-term performance will remain influenced by external uncertainties, the Group is well positioned to deliver sustainable long-term growth, supported by strong brand foundations, resilient demand in consumer healthcare, and clear structural opportunities across Hong Kong, the Chinese Mainland, and the Greater Bay Area.

Corporate Development

Acquisition of Tin Hee Tong Medicine Factory, Limited

On 21 February 2025, Arrow King Inc. ("**Arrow King**"), 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 total consideration of HK$171,000,000. The transaction was completed on 3 April 2025. Further details of the acquisition are set out in the Company's announcements dated 21 February 2025 and 3 April 2025.

On 2 September 2025, Arrow King entered into a sales and purchase agreement to acquire the remaining 10% of the issued share capital of Tin Hee Tong. The transaction was subsequently completed on 2 October 2025.

Tin Hee Tong's flagship product, Tin Hee Tong Tin Hee Pills, is a well-recognised brand in both Hong Kong and Chinese Mainland, 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 Medicated 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 note 26(A) to the consolidated financial statements of this annual report.

Acquisitions of Kenford Medical Group Company Limited and its subsidiaries, King Pui Chinese Medical Group Limited and Siulun Medheart Company Limited

On 16 June 2025, Winner Win Limited, an indirect wholly-owned subsidiary of the Company, entered into a sales and purchase agreement to purchase 100% equity interest in Kenford Medical Group Company Limited ("**Kenford Group**") at a consideration of HK$38,000,000 and the transaction was completed on 30 June 2025. Further details of the acquisition of Kenford Group are set out in the Company's announcement dated 16 June 2025.

On 30 December 2025, Joy Wish Limited, an indirect wholly-owned subsidiary of the Company, entered into a sales and purchase agreement to purchase 100% equity interests in King Pui Chinese Medical Group Limited and Siulun Medheart Company Limited ("**King Pui Group**") at a consideration of HK$36,000,000 and the transaction was completed on 30 January 2026.

Kenford Group and King Pui Group provide Chinese medicine clinic services through around 40 clinics in Hong Kong under established brands including Kenford Medical Group (健福堂) and Hong Kong Orthopaedic & Chiropractic Specialist Chinese Medical Clinic (香港骨傷及脊椎專科診所), offering traditional Chinese medicine, orthopedic and chiropractic, acupuncture and other Chinese medicine clinic services. Our clinics are strategically located in densely populated residential areas and served by registered Chinese medicine practitioners, allowing us to address rising demand for Chinese medicine clinic services, including proprietary Chinese medicine-based conditioning, pain management and rehabilitation.

These strategic acquisitions offer opportunities to expand downstream into Chinese medicine clinic services, creating a vertically integrated proprietary Chinese medicine platform that connects products, practitioners and patients.

Further details of the acquisitions are set out in notes 26 (B) and 26 (C) to the consolidated financial statements of this annual report.

Remuneration Policy

As at 31 March 2026, the Group had a total of 404 employees (2025 : 279 employees). For the Reporting Period, the total staff cost of the Group was HK$145.1 million, compared to HK$99.5 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. 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.

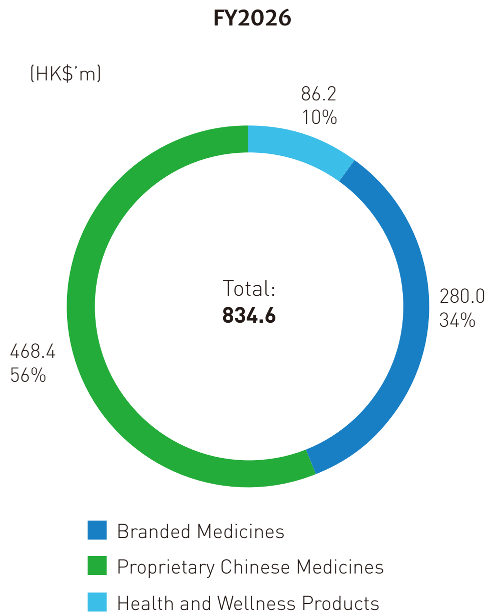
The Company has also adopted the Share Award Scheme and the Share Option Scheme. The purpose of the Share Award Scheme is to recognise and reward the contribution of certain eligible person(s) for the growth and development of the Group and to provide them with incentives in order to retain them for 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.

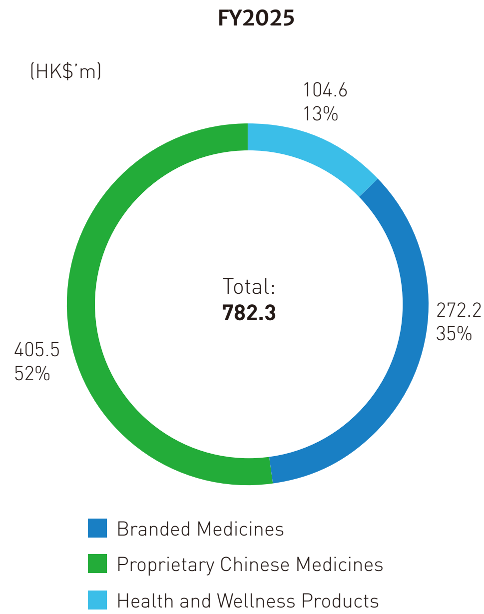
Employees are the most valuable assets to the Group. Therefore, the Group has implemented comprehensive recruitment procedures for selecting the right candidates, provides competitive compensation and benefit packages to attract and retain talents. The Group also emphasises on training and developing 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





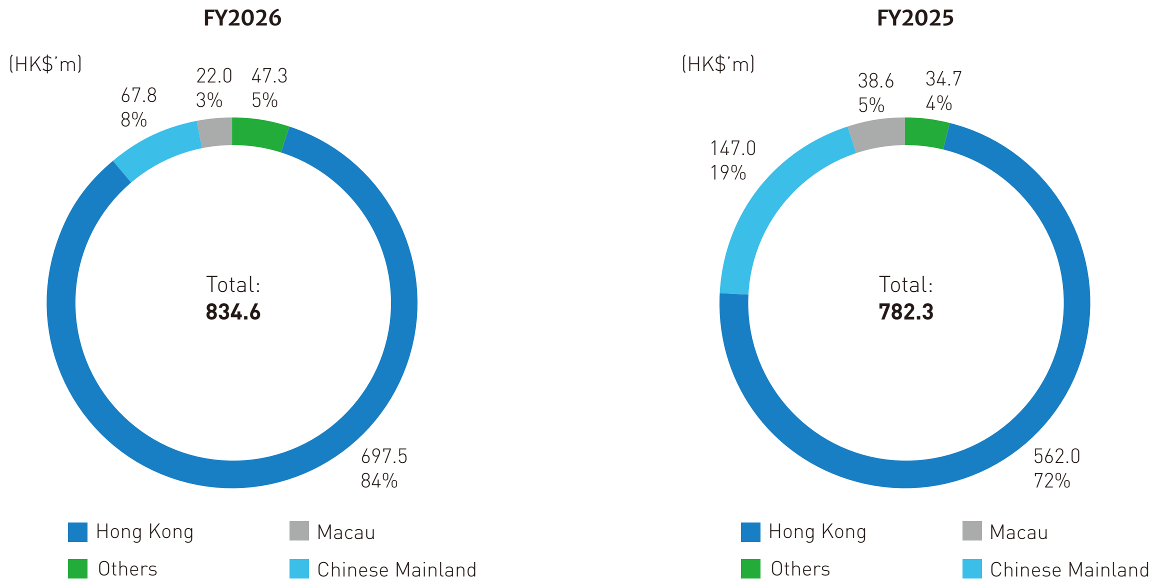
The increase in the Group's total revenue of HK$52.3 million, or 6.7% compared to FY2025, was primarily driven by the solid performance in the branded medicines and proprietary Chinese medicines segments, offset partially by the sub-optimal performance of the health and wellness products segment. Revenue from branded medicines segment recorded an increase of HK$7.8 million, reflecting steady sales momentum and enhanced promotional efforts, while revenue from proprietary Chinese medicines segment rose by HK$62.9 million, which were backed up by solid market demand and effective marketing initiatives. These gains were partly offset by a HK$18.4 million decline in the health and wellness products segment, mainly due to product rationalisation and softer consumer demand. The three-segments accounted for 34%, 56% and 10% of total revenue, respectively.

The branded medicines segment delivered a growth of 2.9% from FY2025 to FY2026, primarily due to the stable performance of Ho Chai Kung brand products supported by the Group's continuous brand marketing and sales development effort.

The revenue in the proprietary Chinese medicines segment recorded a robust growth of 15.5% from FY2025 to FY2026. This growth was driven by the strong sales of Po Chai Pills and the revenue from newly acquired businesses during the Reporting Period. The boost in Po Chai Pills' revenue largely reflected the Group's effective brand marketing and sales strategies, which were partially offset by a decrease in revenue from select third-party products on the cross-border e-commerce platforms due to the rationalisation/discontinuation of these products as a result of their low profit margin contribution.

The revenue in the health and wellness products segment decreased by 17.6% in FY2026 compared to the previous period, which was attributed to the restructuring/reduction of sales of certain health and wellness products. The decrease, however, was partly compensated by the stable growth of Oncotype DX.

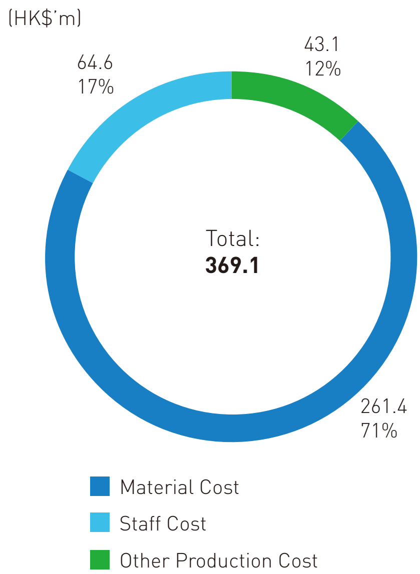
Revenue by Geographic Location



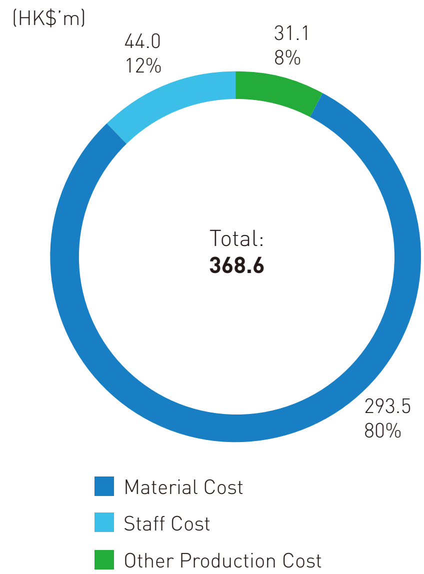
Hong Kong remained the Group's primary revenue contributor, accounting for 84% of total revenue, with an increase of HK$135.5 million compared to FY2025, driven by resilient performance across branded medicines and proprietary Chinese medicines segments. Revenue from Chinese Mainland declined by HK$79.2 million, mainly due to the rationalisation/discontinuation of select third-party product listings on the PRC cross-border e-commerce platforms during the Reporting Period. In Macau, revenue decreased by HK$16.6 million compared to FY2025, mainly due to product registration changes for Po Chai Pills in the market during the Reporting Period. The revenue growth of HK$12.6 million from other overseas markets was mainly driven by higher sales of Po Chai Pills in these markets.

Cost of Sales

FY2026



FY2025

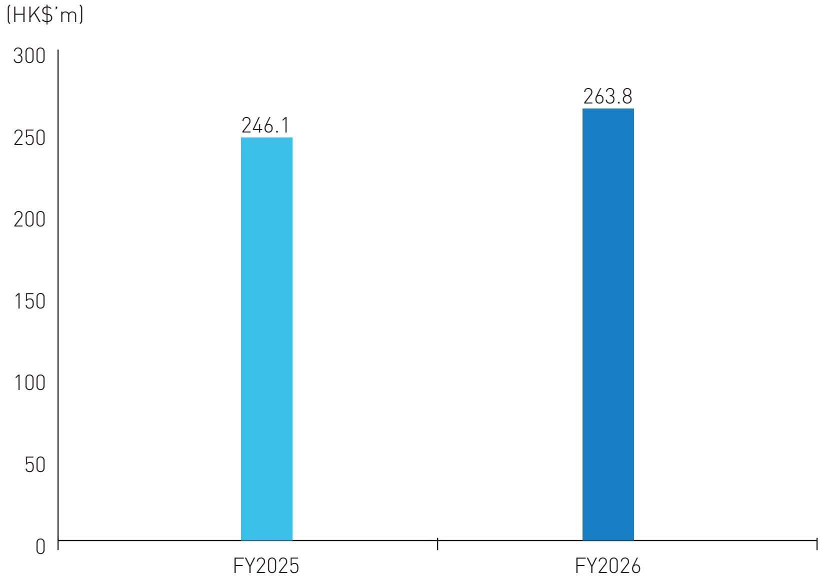


Material cost continued to be the major component which constituted approximately 71% of the total cost of sales for FY2026. The decrease in material cost of HK$32.1 million or 10.9% from FY2025 to FY2026 was mainly due to the reduction in the procurement of select third-party products for sale to various PRC cross-border e-commerce platforms with relatively low profit margins compared to existing products of the Group.

Staff cost increased by HK$20.6 million or 46.8% from FY2025 to FY2026. This was mainly attributable to the salary increment, the increased production heaadcount to accommodate the higher production output of our own brand products to meet the market demand, and the additional headcount due to mergers and acquisitions of new businesses in the proprietary Chinese medicines segment of the Group during the Reporting Period.

Other production cost increased by HK$12.0 million, or 38.6%, resulting from additional depreciations arising from new businesses in the proprietary Chinese medicines segment acquired during the Reporting Period.

Profit from Operations



The profit from operations increased by HK$17.7 million or 7.2% to HK$263.8 million mainly attributable to the heightened gross profit, which was offset partially by the increase in marketing and advertising expenses resulting from the launch of a comprehensive advertising campaign for Po Chai Pills new sachet pack version, as well as the increase in staff costs and product registration fees as a result of the mergers and acquisitions of new businesses in the proprietary Chinese medicines segment during the Reporting Period.

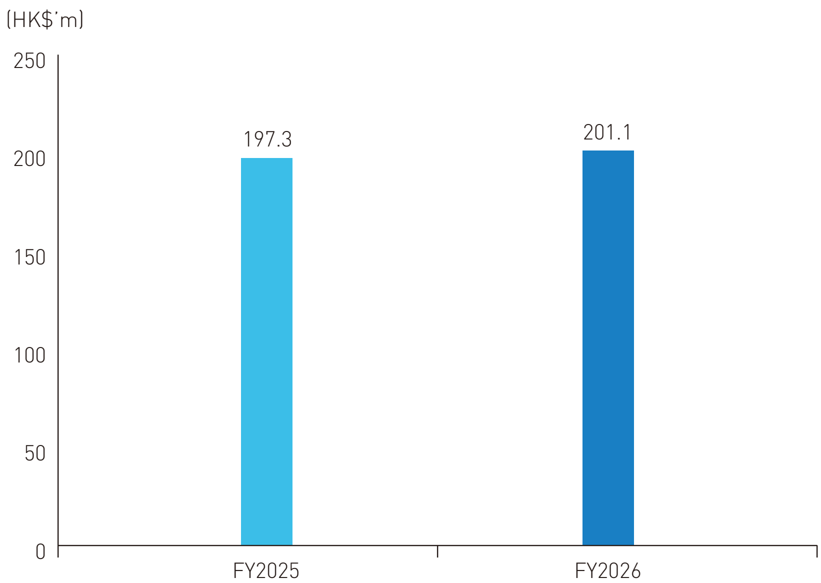
Finance Costs

The significant increase in finance costs was mainly attributable to the additions of new bank loans principally to fund the capital expenditures of the medicinal manufacturing facilities and mergers and acquisitions of new businesses in the proprietary Chinese medicines segment of the Group during the Reporting Period.

Income Tax

The slight increase in income tax mostly reflected the modest increase in profit from operations during the Reporting Period.

Profit Attributable to Equity Shareholders



The increase in profit attributable to equity shareholders of the Company of HK$3.8 million or 1.9% from FY2025 to FY2026 was mainly driven by the rise in profit from operations, which was offset partially by the increase in finance costs during the Reporting Period.

Assets

Property, Plant and Equipment

The increase in property, plant and equipment as at 31 March 2026, compared with 31 March 2025, principally reflected by the additions of property, plant and equipment of HK$36.7 million and right of use assets of HK$27.4 million, mainly by virtue of the mergers and acquisitions of new businesses in the proprietary Chinese medicines segment of the Group, which was partly offset by the depreciation of HK$32.3 million during the Reporting Period.

Intangible Assets

The increase in intangible assets as at 31 March 2026, compared with 31 March 2025, was primarily attributable to the mergers and acquisition of new businesses in the proprietary Chinese medicines segment of the Group of HK$241.4 million, which was partly offset by amortisation of HK$17.4 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 of the Group. The key assumptions include gross margins and the discount rate applied. The management of the Group believes that any reasonable anqd 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 2026 by approximately HK$373.2 million (2025: HK$292.2 million), the estimated recoverable amount of the cash-generating unit in branded medicines segment exceeds its carrying amount as at 31 March 2026 by approximately HK$478.6 million (2025: HK$979.7 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 2026 by approximately HK$4.6 million (2025: HK$11.0 million).

Inventories

The inventory level as at 31 March 2026 was maintained at a relatively stable level compared to 31 March 2025.

Cash and Cash Equivalents

Approximately 95.8% of cash and cash equivalents as at 31 March 2026 were denominated in Hong Kong dollars (2025: 96.8%), 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$149.8 million as at 31 March 2025 to HK$365.4 million as at 31 March 2026 represented the drawdown of bank loans for the capital expenditures of the medicinal manufacturing facilities and the mergers and acquisitions of new businesses in the proprietary Chinese medicines segment of the Group. As at 31 March 2026, 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, capital expenditure and mergers and acquisitions. During the Reporting Period, the Group funded its cash requirements principally from cash generated from operations and bank borrowings.

CHARGE ON GROUP ASSETS

As at 31 March 2025 and 2026, the Group had no assets pledged against bank loans.

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 21.7% as at 31 March 2026 (2025: Nil), mainly attributable to increase in bank loans of HK$215.6 million during the Reporting Period.

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 2026, the Group did not have any significant contingent liabilities.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

No Significant event has taken place subsequent to 31 March 2026 and up to the date of this annual report.

SIGNIFICANT INVESTMENT HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Saved for (i) the completion of the acquisition of 90% of the issued share capital of Tin Hee Tong as disclosed in the announcement of the Company dated 3 April 2025; (ii) the completion of the acquisition of 100% of the issued share capital of Kenford Group as disclosed in the announcement of the Company dated 16 June 2025; (iii) the completion of acquisition of 100% of the issued share capital of King Pui Group as disclosed in note 26 (C) to the consolidated financial statements of this annual report; (iv) the completion of acquisition of additional 28% and 21% equity interests in Li Chung Shing Tong (Holdings) Limited and Quinwood Limited respectively as disclosed in note 27 to the consolidated financial statements of this annual report; and (v) the completion of acquisition of additional 10% equity interests in Tin Hee Tong as disclosed in note 27 to the consolidated financial statements of this annual report, the Group had no material acquisitions or disposal of subsidiaries, associates and joint ventures during the Reporting Period. 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, there were no material investments or additions of capital assets authorised by the Board.

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 stakeholders' 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 2026, the Company has complied with all the code provisions of the CG Code and adopted most of the best practices set out therein. With effect from 30 April 2026, Mr. Sum has been the Chairman and chief executive officer of the Company. Such practice deviated from code provision C.2.1 of part 2 of the CG Code ("**Code Provision C.2.1**"), which stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Details of the deviation from Code Provision C.2.1 is explained in the section headed "Chairman and Chief Executive Officer" of this report.

Model Code for Securities Transactions

The Company has adopted the Model 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 2026.

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 2026.

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/her 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 three executive Directors, two non-executive Directors and three independent non-executive Directors.

The Board comprised the following Directors during the Reporting Period:

Executive Directors

Mr. Sum Kwong Yip, Derek *(Chairman)* (Note 1)
Mr. Yim Chun Leung (Note 2)
Dr. Cheng Celine Heung Kwan
Mr. Wong Yat Wai, Patrick *(Chief Executive Officer)* (Note 3)

Non-executive Directors

Mr. Yeung Kwok Chun, Harry
Professor Xu Hongxi (Note 4)

Independent Non-executive Directors

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

Notes:

1. Mr. Sum Kwong Yip, Derek has been re-designated as an executive Director with effect from 12 June 2025 and appointed as chief executive officer of the Company with effect from 30 April 2026.

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

3. Mr. Wong Yat Wai, Patrick has resigned as an executive Director with effect from 8 July 2025 and resigned as chief executive officer of the Company with effect from 30 April 2026.

4. Professor Xu Hongxi has been appointed as a non-executive Director with effect from 2 October 2025. He obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 3 September 2025 and has confirmed that he understands his obligations as a director of a listed issuer.

The biographical information of the Directors are set out in the section headed "Directors' Biographies" of the Report of the Directors 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.

During the Reporting Period, the positions of chairman and chief executive officer of the Company were 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. Chief executive officer of the Company focuses on the Company's business development and daily management and operations generally.

With effect from 30 April 2026, Mr. Sum has been the Chairman and chief executive officer of the Company. Such practice deviated from the Code Provision C.2.1, which stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

The Board considers that Mr. Sum is the founder of the Group and had been managing the Group's business and overall strategic planning since its establishment, the vesting of the roles of the Chairman and chief executive officer of the Company in Mr. Sum is beneficial to the business prospects and management of the Group by ensuring consistent leadership within the Group and enabling more effective and efficient overall strategic planning for the Group. The Board also considers that the balance of power and authority of the Board for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively.

Board of Directors (Continued)

Chairman and Chief Executive Officer (Continued)

In addition, under the supervision of the Board which currently consists of three executive Directors, two non-executive Directors and three independent non-executive Directors, the Board is appropriately structured with balance of power to provide sufficient checks to protect the interests of the Company and its shareholders.

The Board will continue to review and consider splitting the roles of the Chairman and the chief executive officer of the Company at an appropriate time, taking into account the circumstances of the Group as a whole.

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 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 have 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 , Mr. Yeung Kwok Chun, Harry, Professor Xu Hongxi and Mr. Luk Ting Lung, Alan will retire by rotation at the 2026 AGM. Mr. Sum Kwong Yip, Derek, Mr. Yim Chun Leung, Mr. Yeung Kwok Chun, Harry and Mr. Luk Ting Lung, Alan are eligible and will offer themselves to be re-elected at the 2026 AGM. Professor Xu Hongxi has informed the Company that he will not be seeking re-election at the 2026 AGM and accordingly will retire as a non-executive Director with effect from the conclusion of the 2026 AGM.

Board of Directors (Continued)

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.

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 Professor Xu Hongxi and attended by the Directors, covering the topics on the analysis of innovative research achievements and international registration progress of traditional Chinese medicines. 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.

Board of Directors (Continued)

Continuous Professional Development of Directors (Continued)

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

Directors	Type of Training [1]
Executive Directors	
Mr. Sum Kwong Yip, Derek[2]	A/B
Mr. Yim Chun Leung[2]	A/B
Dr. Cheng Celine Heung Kwan	A/B
Mr. Wong Yat Wai, Patrick[3]	A/B
Non-executive Directors	
Mr. Yeung Kwok Chun, Harry	A/B
Professor Xu Hongxi[4]	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

Notes:

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

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

(3) Resigned as an executive Director on 8 July 2025

(4) Appointed as a non-executive Director on 2 October 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.

Board Committees (Continued)

Audit Committee (Continued)

The Audit Committee performed the work as summarised below:

(i) reviewed and recommended for the Board's approval of the financial reports for the year ended 31 March 2025 and the six months ended 30 September 2025;

(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 internal audit 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 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.

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, three 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 of this annual report. The emoluments of the Directors by band for the year ended 31 March 2026 are set out below:

In the band of	Number of individuals
Nil to HK$1,000,000	7
HK$4,000,001 to HK$5,000,000	1
HK$15,000,001 to HK$16,000,000	1

Board Committees (Continued)

Nomination Committee

The Nomination Committee currently consists of five members, including two executive Directors, namely Mr. Sum Kwong Yip, Derek (Chairman of the Nomination Committee) and Dr. Cheng Celine Heung Kwan, 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 terms of reference for the Nomination Committee had been revised on 28 July 2025, please refer to the announcement of the Company dated 28 July 2025 for further details.

The principal duties of the Nomination Committee include reviewing the Board composition, assisting the Board's maintaining a board skill matrix 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 and supporting the Company's regular evaluation of the Board's performance.

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, two meetings of the Nomination Committee were held to review the structure, size and composition of the Board, the Board Diversity Policy and the Director Nomination Policy and to formulate the workforce diversity policy. In addition, the Nomination Committee also evaluated and assessed the effectiveness of the Nomination Committee and recommended the amendments to its terms of reference.

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.

One meeting of the Executive Committee was held during the Reporting Period.

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.

Board Diversity Policy (Continued)

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.

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*	12.50% (1)	87.50% (7)
Other employees	67.33% (270)	32.67% (131)
Overall workforce	66.26% (271)	33.74% (138)

* *Senior management comprises Directors only*

The Board had targeted to achieve and had achieved at least 12.5% (one) being the female Director 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.

The Nomination Committee and the Board will review the board composition from time to time and evaluate potential candidates for the Board in order to develop a pipeline of potential successors to the Board to achieve gender diversity.

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 five 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	Executive Committee	Annual General Meeting
Mr. Sum Kwong Yip, Derek	5/5	N/A	N/A	2/2	1/1	1/1
Mr. Yim Chun Leung	5/5	N/A	3/3	N/A	1/1	1/1
Dr. Cheng Celine Heung Kwan(1)	5/5	N/A	N/A	0/0	N/A	1/1
Mr. Wong Yat Wai, Patrick(2)	1/1	N/A	N/A	N/A	N/A	0/0
Mr. Yeung Kwok Chun, Harry(3)	5/5	N/A	N/A	2/2	N/A	1/1
Professor Xu Hongxi(4)	3/3	N/A	N/A	N/A	N/A	0/0
Mr. Chan Kam Chiu, Simon	5/5	2/2	3/3	2/2	N/A	1/1
Mr. Luk Ting Lung, Alan	5/5	2/2	3/3	2/2	N/A	1/1
Mr. Lau Shut Lee, Tony	5/5	2/2	3/3	2/2	N/A	1/1

Notes:

(1) Appointed as a member of the Nomination Committee on 28 July 2025

(2) Resigned as an executive Director on 8 July 2025

(3) Resigned as a member of the Nomination Committee on 28 July 2025

(4) Appointed as a non-executive Director on 2 October 2025

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 2026, 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 64 to 67 of this annual report.

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.

Accountability and Audit (Continued)

Risk Management and Internal Control (Continued)

I. Risk Governance Structure (Continued)

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.

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)

Accountability and Audit (Continued)

Risk Management and Internal Control (Continued)

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 2026 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.

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 Futures 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 complaint 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 separate "2025/2026 Environmental, Social and Governance Report" which is available on the websites of the Company (https://www.jbmhealthcare.com.hk) and the Stock Exchange (https://www.hkexnews.hk). You may access the "2025/2026 Environmental, Social and Governance Report" (i) by clicking on the "Investor Relations" section in the menu on the homepage of the Company's website; or (ii) by browsing through the Stock Exchange's website.

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 2026 were HK$3,542,000 and HK$316,000 respectively (2025: HK$2,552,000 and HK$763,000, respectively). The non-audit services for the year ended 31 March 2026 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.

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 a 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 (which has been re-numbered as code provision F.1.3 since 1 July 2025) 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 (https://www.jbmhealthcare.com.hk) and the Stock Exchange's website (https://www.hkexnews.hk).

Shareholders Communication Policy

The Company has in place a Shareholders Communication Policy. The policy aims at providing timely, clear and reliable information to 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. In general, 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 corporate information. 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: jbmhealthcare@sprg.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. 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.

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 2026.

Principal Activity

The principal activity of the Company is investment holding. The Company and its subsidiaries are principally engaged in manufacturing and trading of proprietary medicines, distributing health and wellness products and rendering of Chinese medicine clinic services. Details of the principal subsidiaries of the Company are set out in note 12 to the consolidated financial statements of this annual report.

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 "Chairman's Statement" and "Management Discussion & 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, proprietary Chinese medicines and health and wellness products 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, marketing and distribution of branded 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 separate "2025/2026 Environmental, Social and Governance Report" which is available on the websites of the Company (https://www.jbmhealthcare.com.hk) and the Stock Exchange (https://www.hkexnews.hk). You may access the "2025/2026 Environmental, Social and Governance Report" (i) by clicking on the "Investor Relations" section in the menu on the homepage of the Company's website; or (ii) by browsing through the Stock Exchange's website.

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 section headed "Remuneration Policy" of the Management Discussion & Analysis 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 "2025/2026 Environmental, Social and Governance Report" of the Company.

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 68 to 69 of this annual report.

The Board recommends to declare a final dividend of HK7.35 cents per Share for FY2026 (FY2025: HK11.50 cents per Share), subject to the approval of shareholders of the Company at the 2026 AGM to be held on 10 August 2026 (Monday), which is expected to be paid on 5 October 2026 (Monday) to shareholders whose names appear on the register of members of the Company on 10 September 2026 (Thursday), being the record date for determining shareholders' entitlement to the proposed final dividend. Including the interim dividend of HK9.75 cents per Share paid on 17 December 2025 (Wednesday), the total dividend for FY2026 amounts to HK17.10 cents per Share (FY2025: HK17.00 cents per Share). The details of final dividend of the Company are set out in note 9 to the consolidated financial statements of this annual report.

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 121 of this annual report. 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 of this annual report.

Distributable Reserves

The reserves available for distribution to the shareholders by the Company at 31 March 2026 consisted of share premium, distributable reserve and retained earnings totaling HK$648,438,000 (2025: HK$806,599,000). Movements in the reserves of the Company and the Group during the Reporting Period are set out in note 25 to the consolidated financial statements on page 109 and the Consolidated Statement of Changes in Equity on page 70 of this annual report respectively.

Borrowings

Particulars of borrowings of the Group as at 31 March 2026 are set out in note 20 to the consolidated financial statements on pages 104 to 105 of this annual report.

Purchase, Sale or Redemption of Listed Securities

Neither the Company nor its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) throughout the Reporting Period. As at 31 March 2026, the Company did not hold any treasury shares.

Directors

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

Mr. Sum Kwong Yip, Derek* *(Chairman and Chief Executive Officer)* (Re-designated as an executive Director on 12 June 2025 and appointed as chief executive officer of the Company on 30 April 2026)
Mr. Yim Chun Leung* (Re-designated as an executive Director on 12 June 2025)
Dr. Cheng Celine Heung Kwan*
Mr. Wong Yat Wai, Patrick* (Resigned as an executive Director on 8 July 2025 and resigned as chief executive officer of the Company on 30 April 2026)
Mr. Yeung Kwok Chun, Harry^
Professor Xu Hongxi^ (Appointed on 2 October 2025)
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 2026 AGM, Mr. Sum Kwong Yip, Derek, Mr. Yim Chun Leung, Mr. Yeung Kwok Chun, Harry, Professor Xu Hongxi and Mr. Luk Ting Lung, Alan will retire by rotation. Mr. Sum Kwong Yip, Derek, Mr. Yim Chun Leung, Mr. Yeung Kwok Chun, Harry and Mr. Luk Ting Lung, Alan, being eligible, will offer themselves for re-election, and Professor Xu Hongxi has informed the Company that he will not be seeking re-election at the 2026 AGM and accordingly will retire as a non-executive Director with effect from the conclusion of the 2026 AGM.

During the Reporting Period, save for the resignation of Mr. Wong Yat Wai, Patrick as an executive Director on 8 July 2025, 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) Dr. Cheng Celine Heung Kwan, an executive Director, was appointed as the admission panel member of the panel for the evaluation and selection of start-ups to become incubates of the incubation programmes organised by Hong Kong-Shenzhen Innovation and Technology Park Limited for a period from 1 January 2026 to 31 December 2027.

(2) Mr. Yeung Kwok Chun, Harry, a non-executive Director, has been re-appointed as the advisor of School of Chinese Medicine of The Chinese University of Hong Kong with effect from 1 September 2025 for a term of three years. He has also been re-appointed as the council and court member of The Hong Kong Baptist University with effect from 1 January 2026 for a term of three years. He has also been appointed as the member of Advisory Committee of School of Chinese Medicine of The University of Hong Kong for the period from 16 February 2026 to 16 February 2029.

(3) Mr. Sum Kwong Yip, Derek, Chairman and an executive Director, was appointed as chief executive officer of the Company with effect from 30 April 2026.

(4) Mr. Wong Yat Wai, Patrick resigned as chief executive officer of the Company with effect from 30 April 2026.

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

Directors' Biographies

(A) Executive Directors

Mr. Sum Kwong Yip, Derek ("Mr. Sum"), aged 63, 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 and appointed as the chief executive officer of the Company on 30 April 2026. He has served as the Chairman and the chief executive officer of the Company, the chairman of the Nomination Committee since 4 February 2021, and the chairman of the Executive Committee since 12 June 2025. He is also the director of the substantial shareholders (namely Queenshill and Lincoln's Hill) and a Controlling Shareholder (namely Lincoln's Hill). With extensive experience in the pharmaceutical industry, Mr. Sum is responsible for overall strategic planning and direction of the Group. He has over 38 years of strategic 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 64, was appointed as a non-executive Director on 22 September 2020 and was re-designated as an executive Director on 12 June 2025 and appointed as an authorised representative of the Company on 8 July 2025. He has served as a member of the Remuneration Committee since 4 February 2021 and a member of the Executive Committee since 12 June 2025. Mr. Yim has over 41 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 (now known as Z Fin 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)

Dr. Cheng Celine Heung Kwan ("Dr. Cheng"), aged 64, has been appointed as an executive Director on 9 March 2024 and then appointed as a member of Nomination Committee on 28 July 2025. Dr. Cheng has around 32 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 been appointed as an admission panel member of the panel for the evaluation and selection of start-ups to become incubates of the incubation programme organised by the Hong Kong-Shenzhen Innovation and Technology Park Limited for the period from 1 January 2026 to 31 December 2027.

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 Directors

Mr. Yeung Kwok Chun, Harry ("Mr. Yeung"), aged 67, has been appointed as a non-executive Director with effect from 22 September 2020 and was a member of the Nomination Committee from 9 March 2024 to 28 July 2025. Mr. Yeung has over 42 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 The 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 Chinese Mainland and Hong Kong. In Chinese Mainland, 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 to 31 August 2025 and then re-appointed for a term of three years from 1 September 2025 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 Hong Kong Baptist University for a term of three years from 1 January 2023 to 31 December 2025 and then re-appointed for a term of three years from 1 January 2026 onwards. 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 was appointed as a member of Advisory Committee of School of Chinese Medicine of The University of Hong Kong for the period from 16 February 2026 to 16 February 2029.

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.

Directors' Biographies (Continued)

(B) Non-Executive Directors (Continued)

Professor Xu Hongxi ("Professor Xu"), aged 64, has been appointed as a non-executive Director with effect from 2 October 2025. Professor Xu obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 3 September 2025 and has confirmed that he understands his obligations as a director of a listed issuer. Professor Xu is currently the distinguished professor and the head of the Engineering Research Center of Shanghai Colleges for Traditional Chinese Medicine New Drug Discovery of Shanghai University of Traditional Chinese Medicine. Professor Xu is honoured as a "State Specially Recruited Expert", the first batch "Shanghai Distinguished Expert" and concurrently serves as the secretary-general of Chinese Medicine Academic Disciplinary Assessment team of the State Council Academic Degrees Committee, a member of Chinese Pharmacopoeia Commission, the chairman of the Belt and Road Alliance for Traditional Chinese Medicine, the honorary chairman of the Chinese Medicine Experimental Pharmacology Branch of China Association of Chinese Medicine, the honorary chairman of the Chinese Medicine Professional Committee of the Shanghai Pharmaceutical Association, the co-chairman of the International Conference on the Modernization of Chinese Medicine. Professor Xu had served as the honorary dean of the School of Pharmacy of Shanghai University of Traditional Chinese Medicine and a member of Chinese Medicine Professional Education Steering Committee under Ministry of Education. Professor Xu successively served as the scientific officer of the Chinese Medicine Research Centre at The Chinese University of Hong Kong, the deputy general manager and senior medical advisor of Hutchison Whampoa (China) Limited, a director and the R&D director of Shanghai Hutchison Pharmaceuticals Limited, and the deputy director of the Hong Kong Jockey Club Institute of Chinese Medicine. Professor Xu is currently an independent non-executive director of Beijing Tong Ren Tang Chinese Medicine Company Limited, a company listed on the Main Board (stock code: 3613). Professor Xu was appointed as an independent non-executive director of Vigonvita Life Sciences Co., Ltd. (a joint stock company incorporated in the PRC whose H shares have been listed on the Main Board since 6 November 2025) (stock code: 2630) with effect from 24 January 2025.

Professor Xu graduated from Shanghai University of Traditional Chinese Medicine in 1983 and 1989 with a bachelor's degree and master's degree, respectively, and obtained his Ph.D. degree in Pharmaceutical Sciences in 1994 from Toyama Medical and Pharmaceutical University in Japan, and conducted postdoctoral research at the National University of Singapore and Dalhousie University in Canada between 1994 and 1998.

(C) Independent Non-Executive Directors

Mr. Chan Kam Chiu, Simon ("Mr. Chan"), aged 77, has been appointed as an independent non-executive Director 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 38 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.

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 Chinese Mainland.

Directors' Biographies (Continued)

(C) Independent Non-Executive Directors (Continued)

Mr. Luk Ting Lung, Alan ("Mr. Luk"), aged 64, has been appointed as an independent non-executive Director 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 the Audit Committee since 9 March 2024. Mr. Luk has over 39 years of experience in the financial services industry. He is responsible for providing independent advice and judgment to our Board.

Mr. Luk was appointed as an independent non-executive director of Jacobson Pharma (stock code: 2633) with effect from 28 July 2025.

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 were listed on the Stock Exchange (stock code: 0011) and then privatised in January 2026), where he was 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 57, has been appointed as an independent non-executive Director 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 18 years of experience in the e-commerce and technology industries. He is responsible for providing independent advice and judgment to our Board.

Mr. Lau has been serving as the chief executive officer of IEXIA Limited since July 2025.

From March 2015 to June 2025, Mr. Lau served as the managing director and head of e-partner 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. Mr. Lau further obtained his certificate in the General Management Program from Harvard Business School in November 2024.

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 of this annual report.

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 2026 or at any time during the FY2026.

Contracts of Significance

Other than disclosed in the sections headed "Connected Transactions", "Continuing Connected Transactions" and note 30 to the consolidated financial statements 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 2026 or subsisted as at 31 March 2026 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 2026 or subsisted as at 31 March 2026.

Interests in Competing Business

As at 31 March 2026, 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

Each of the executive Director has entered into a service agreement with the Company for a renewed term commencing from 1 April 2026 to 31 March 2029, except Dr. Cheng, whose term is for three years from 9 March 2024, all of which may be terminated earlier by either party giving to the other party not less than three months' notice in writing. Each of the non-executive Directors, Mr. Yeung Kwok Chun, Harry and Professor Xu Hongxi, has entered into a letter of appointment with the Company for a term commencing from 1 April 2026 to 31 March 2029 (renewed) and from 2 October 2025 to 30 September 2028 respectively, 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 1 April 2026 to 31 March 2029, 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 2026 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 (if any)), 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 (if any)), 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 1 April 2025 and 31 March 2026, the number of options available for grant under the Share Option Scheme was 83,381,000.

As at the date of this annual report, the total number of Shares available for issue in respect of all options to be granted under the Share Option Scheme is 83,381,000, representing approximately 10.14% of the issued Shares (excluding any treasury shares (if any)) as at the date of the annual report. The number of Shares available for issue under the Share Option Scheme as at 1 April 2025 and 31 March 2026 was 83,381,000, representing 10.14% of the issued share capital of the Company as at 1 April 2025 and 31 March 2026 (excluding any treasury shares (if any)).

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 and expiring on 17 January 2031. 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 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 (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). 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 only.

During the Reporting Period, the Trustee purchased 500,000 existing Shares for the Share Award Scheme through purchases on the open market. As at the date of this annual report, the Trustee held 2,200,000 Shares under the Share Award Scheme, representing approximately 0.27% of the issued Shares (excluding treasury shares (if any)). The Company granted 2,800,000, 1,000,000 and 2,500,000 awarded Shares to eligible grantees on 17 June 2025, 28 July 2025 and 18 November 2025, respectively. The said 2,800,000, 1,000,000 and 2,500,000 awarded Shares were vested to the respective grantees on 31 July 2025, 9 September 2025 and 2 January 2026, respectively, at nil consideration.

Equity-Linked Agreement (Continued)

Share Award Scheme (Continued)

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

Grantees	Date of grant	Number of awarded Shares: Balance of unvested awarded Shares as at 1 April 2025	Granted during the Reporting Period	Vested during the Reporting Period(3)	Lapsed/ Cancelled during the Reporting Period	Balance of unvested awarded Shares as at 31 March 2026	Vesting date	Closing price per Share immediately before the grant date HK$	Fair value of awards at the grant date(2) HK$
Directors									
Mr. Sum	17 June 2025	–	2,800,000	(2,800,000)	–	–	31 July 2025	2.77	2.92
	18 November 2025	–	1,500,000	(1,500,000)	–	–	2 January 2026	2.89	2.99
Mr. Yim Chun Leung	28 July 2025	–	500,000	(500,000)	–	–	9 September 2025	2.95	3.02
	18 November 2025	–	600,000	(600,000)	–	–	2 January 2026	2.89	2.99
Five highest paid individuals(1)	17 June 2025	–	2,800,000	(2,800,000)	–	–	31 July 2025	2.77	2.92
	28 July 2025	–	1,000,000	(1,000,000)	–	–	9 September 2025	2.95	3.02
	18 November 2025	–	2,500,000	(2,500,000)	–	–	2 January 2026	2.89	2.99
Other eligible employees	28 July 2025	–	500,000	(500,000)	–	–	9 September 2025	2.95	3.02
	18 November 2025	–	400,000	(400,000)	–	–	2 January 2026	2.89	2.99

Notes:

(1) The five highest paid individuals for the Reporting Period includes the two existing executive Directors.

(2) The fair value of the awarded shares was determined based on the published closing price of the Shares at the date of grant. The Group has adopted the accounting standard in accordance with HKFRS 2 – Share-based payment and for the details of accounting policy applied, please refer to note 1 to the consolidated financial statements in this annual report.

(3) During the Reporting Period, 6,300,000 awarded Shares were vested and the weighted average closing price of the vested shares immediately before the vesting dates was HK$2.95 per Share.

(4) There are no performance targets attached to the awards granted during the Reporting Period.

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 13.20, 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 2026, 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	588,723,346	71.62%	Long position
Mr. Yim Chun Leung	Beneficial owner	14,096,390	1.71%	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. Queenshill, a company wholly-owned by Mr. Sum, also holds 196,851,318 Shares. Lincoln's Hill (a fellow subsidiary of Trust Co) holds 322,834,578 Shares, 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 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.

Save as disclosed above, so far as known to any Directors as at 31 March 2026, 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 2026, 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	196,851,318	23.95%	Long position
Mr. Sum (1)(2)(3)(4)	Beneficial owner Interests in controlled corporation Settlor of trusts Beneficiary of trusts	588,723,346	71.62%	Long position

Notes:

(1) Lincoln's Hill holds 322,834,578 Shares.

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.

(3) Mr. Sum is the sole shareholder of Queenshill. By virtue of the SFO, Mr. Sum is deemed to be interested in the 196,851,318 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. 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 held by the wholly-owned company under The Queenshill Trust.

Connected Transactions

On 28 October 2025, Europharm Laboratoires Company Limited ("**Europharm**") (an indirect wholly-owned subsidiary of Jacobson Pharma) and Europharm Laboratoires (Hong Kong) Company Limited ("**Europharm HK**") (an indirect wholly-owned subsidiary of the Company) entered into a license agreement (the "**2025 Europharm License Agreement**") pursuant to which Europharm agreed to grant a license to Europharm HK to use a portion of certain land and buildings at Tai Po InnoPark (the "**Factory**") for a period from 1 December 2025 to 27 January 2028 (both days inclusive) at a monthly license fee of HK$247,000 pursuant to the terms and conditions of the 2025 Europharm License Agreement. As at 28 October 2025, (i) Mr. Sum, a director and a controlling shareholder of the Company, is interested in approximately 70.07% 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 71.96% of the issued shares of the Company, and therefore Europharm HK is an associate of Mr. Sum and a connected person of Jacobson Pharma. Accordingly, the transaction contemplated under the 2025 Europharm License Agreement constitutes a connected transaction of the Company and a continuing connected transaction of Jacobson Pharma under Chapter 14A of the Listing Rules.

This licensing arrangement under the 2025 Europharm License Agreement benefits Europharm by generating rental income from the unused Factory space. It also benefits Europharm HK by providing a suitable manufacturing location. Relocating Europharm HK's existing GMP-accredited facility would be costly and time-consuming. Therefore, the 2025 Europharm License Agreement allows Europharm HK to continue its operations without disruption and avoid relocation expenses.

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

Continuing Connected Transactions

As at 31 March 2026, Mr. Sum is interested in approximately 70.25% 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 relevant annual cap for each of the three financial years ended 31 March 2024, 31 March 2025 and 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 2026, the provision of logistics services fee payable by us was HK$6,523,000 (2025: HK$4,554,000).

The term of the 2023 Logistics Services Agreement was three years, commencing on 1 April 2023 and expired on 31 March 2026 (both days inclusive), and was renewable upon expiry at the discretion of the parties thereto on terms to be agreed by them. The 2023 Logistics Services Agreement may be terminated during its term by either party by giving other party not less than six-month's prior written notice.

On 6 March 2026, our Company (on behalf of our subsidiaries) and Jacobson Pharma (on behalf of its subsidiaries) entered into an agreement to renew the logistics services agreement for a term of three years commencing from 1 April 2026 to 31 March 2029 (both days inclusive) and the relevant annual cap for each of the three financial years ending 31 March 2027, 31 March 2028 and 31 March 2029 were set at HK$8,000,000, HK$9,000,000 and HK$10,000,000 respectively (the "**2026 Logistics Services Agreement**"). Details of the 2026 Logistics Services Agreement were disclosed in the joint announcement of the Company and Jacobson Pharma dated 6 March 2026.

Continuing Connected Transactions (Continued)

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 (the "**Branded Healthcare Products**") by the Jacobson Connected Persons to us (the "**2023 Manufacturing Services Agreement**"). The relevant annual cap for each of the three financial years ended 31 March 2024, 31 March 2025 and 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 Brand Healthcare Products 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 years ended 31 March 2025 and 31 March 2026 as contemplated under the 2023 Manufacturing Services Agreement (the "**Existing Annual Caps**") would 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 years ended 31 March 2025 and 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 2026 was HK$2,142,000 (2025: HK$4,189,000) while the amount for provision of manufacturing services of the Branded Healthcare Products by Jacobson Pharma Group for the year ended 31 March 2026 was HK$100,000 (2025: HK$209,000).

The term of the 2023 Manufacturing Services Agreement was three years, commencing on 1 April 2023 and expired on 31 March 2026 (both days inclusive), and was renewable upon expiry at the discretion of the parties thereto on terms to be agreed by them. The 2023 Manufacturing Services Agreement may be terminated during its term by either party by giving other party not less than six-month's prior written notice.

On 6 March 2026, our Company (on behalf of our subsidiaries) and Jacobson Pharma (on behalf of its subsidiaries) entered into an agreement to renew the manufacturing services agreement (provision of manufacturing services of the Selected Generic Drugs) for a term of three years commencing from 1 April 2026 to 31 March 2029 (both days inclusive) and the relevant annual cap for each of the three financial years ending 31 March 2027, 31 March 2028 and 31 March 2029 were set at HK$7,000,000, HK$8,000,000 and HK$9,000,000 respectively (the "**2026 Manufacturing Services Agreement**"). Details of the 2026 Manufacturing Services Agreement were disclosed in the joint announcement of the Company and Jacobson Pharma dated 6 March 2026.

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 was three years commencing from 1 April 2023 and expired on 31 March 2026 (both days inclusive) and the relevant annual cap for each of the three financial years ended 31 March 2024, 31 March 2025 and 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 2026, the provision of overseas sales administrative services fee payable by us was HK$582,000 (2025: HK$624,000).

Continuing Connected Transactions (Continued)

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, 2 April 2024 and 6 March 2026.

Details of the Group's related party transactions are set out in note 30 to the consolidated financial statements of this annual report 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 46.1% (2025: 42.7%) of the total revenue. The largest customer accounted for 39.2% (2025: 27.1%) of the Group's revenue.

For the Reporting Period, the aggregate purchases attributable to the Group's five largest suppliers accounted for 58.2% (2025: 59.9%) of the total purchases for the year. The largest supplier accounted for 37.8% (2025: 27.6%) 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 issued Shares (excluding treasury shares (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 of this annual report.

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 as at the latest practicable date prior to the issue of this annual report, at least 25% of the 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 (2025: 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 2026 AGM. There has been no change of auditor in the past three years.

On behalf of the Board

Sum Kwong Yip, Derek
Chairman
22 June 2026

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 68 to 120, which comprise the consolidated statement of financial position as at 31 March 2026, 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 2026 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") as issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("**the Code**"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. 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 goodwill and trademarks with indefinite useful life

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 2026 totalled HK$1,041.1 million, which included goodwill of HK$358.0 million and trademarks with indefinite useful life of HK$386.7 million. Management allocates intangible assets, to separately identifiable cash generating units ("**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. For goodwill and intangible assets with indefinite useful life, the recoverable amount is estimated annually whether or not there are any indications of impairment. 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 goodwill and intangible assets with indefinite useful life as a key audit matter because of the significance to the Group's total assets and because the assessment 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 as part of our engagement to audit the consolidated financial statements. We have performed an assurance engagement on the disclosed continuing connected transactions that form part of the other information and provided a separate assurance practitioner's conclusion thereon that is included within the other information.

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 as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The 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 consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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 Tsui Kin Wa (practising certificate number: P07324).

KPMG
Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
22 June 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2026 (Expressed in Hong Kong Dollars)

	Note	2026 HK$'000	2025 HK$'000
Revenue	2	**834,634**	782,292
Cost of sales		**(369,096)**	(368,585)
Gross profit		**465,538**	413,707
Other net income	3	**10,099**	18,098
Selling and distribution expenses		**(131,589)**	(122,462)
Administrative and other operating expenses		**(80,260)**	(63,279)
Profit from operations		**263,788**	246,064
Finance costs	4(A)	**(11,686)**	(4,464)
Share of profits of joint ventures		**52**	66
Profit before taxation	4	**252,154**	241,666
Income tax	5(A)	**(41,843)**	(38,978)
Profit for the year		**210,311**	202,688
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)
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		**37**	129
Other comprehensive income for the year		**37**	(10,060)
Total comprehensive income for the year		**210,348**	192,628
Profit attributable to:			
Equity shareholders of the Company		**201,088**	197,261
Non-controlling interests		**9,223**	5,427
Total profit for the year		**210,311**	202,688
Total comprehensive income attributable to:			
Equity shareholders of the Company		**201,125**	187,201
Non-controlling interests		**9,223**	5,427
Total comprehensive income for the year		**210,348**	192,628
		HK cents	HK cents
Earnings per share:	8		
Basic and diluted		**24.63**	24.08

The notes on pages 72 to 120 form part of these financial statements.

Consolidated Statement of Financial Position

At 31 March 2026 (Expressed in Hong Kong dollars)

	Note	2026 HK$'000	2025 HK$'000
Non-current assets			
Property, plant and equipment	10	173,328	142,209
Intangible assets	11	1,041,123	817,149
Interests in joint ventures	13	3,248	3,215
Other non-current assets	14	51,964	127,998
Deferred tax assets	22	4,675	2,195
		1,274,338	1,092,766
Current assets			
Inventories	15	80,074	82,241
Trade and other receivables	16	288,290	163,970
Current tax recoverable		8	294
Cash and cash equivalents	18	119,936	205,847
		488,308	452,352
Current liabilities			
Trade and other payables and contract liabilities	19	102,234	98,870
Bank loans	20	115,437	149,800
Lease liabilities	21	19,054	13,118
Current tax payable		20,812	19,223
		257,537	281,011
Net current assets		230,771	171,341
Total assets less current liabilities		1,505,109	1,264,107
Non-current liabilities			
Bank loans	20	250,000	–
Lease liabilities	21	9,230	8,829
Deferred tax liabilities	22	114,875	91,320
		374,105	100,149
NET ASSETS		1,131,004	1,163,958
CAPITAL AND RESERVES			
Share capital	23	8,198	8,140
Reserves	25	1,071,932	1,073,879
Total equity attributable to equity shareholders of the Company		1,080,130	1,082,019
Non-controlling interests		50,874	81,939
TOTAL EQUITY		1,131,004	1,163,958

Approved and authorised for issue by the board of directors on 22 June 2026.

Mr. Sum Kwong Yip, Derek
Director

Mr. Yim Chun Leung
Director

The notes on pages 72 to 120 form part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2026 (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 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 and 1 April 2025	8,140	622,547	(7,849)	18,388	(358)	–	441,151	1,082,019	81,939	1,163,958
Profit for the year	–	–	–	–	–	–	201,088	201,088	9,223	210,311
Other comprehensive income	–	–	–	–	37	–	–	37	–	37
Total comprehensive income for the year	–	–	–	–	37	–	201,088	201,125	9,223	210,348
Dividend declared and paid in respect of the previous year	–	–	–	–	–	–	(93,874)	(93,874)	–	(93,874)
Dividend declared in respect of the current year (note 9)	–	–	–	–	–	–	(79,930)	(79,930)	–	(79,930)
Employee share award scheme – value of employee services	–	–	–	18,421	–	–	–	18,421	–	18,421
Shares acquired for Share Award Scheme (note 23(A))	(5)	–	(782)	–	–	–	–	(787)	–	(787)
Shares vested for the Share Award Scheme (note 23(A))	63	–	6,233	(18,421)	–	–	12,125	–	–	–
Acquisitions of additional interests in subsidiaries (note 27)	–	–	–	(46,844)	–	–	–	(46,844)	(56,172)	(103,016)
Acquisition of a subsidiary (note 26)	–	–	–	–	–	–	–	–	14,341	14,341
Disposal of a subsidiary	–	–	–	–	–	–	–	–	1,543	1,543
	58	–	5,451	(46,844)	37	–	39,409	(1,889)	(31,065)	(32,954)
At 31 March 2026	8,198	622,547	(2,398)	(28,456)	(321)	–	480,560	1,080,130	50,874	1,131,004

The notes on pages 72 to 120 form part of these financial statements.

Consolidated Cash Flow Statement

For the year ended 31 March 2026 (Expressed in Hong Kong dollars)

	Note	2026 HK$'000	2025 HK$'000
Operating activities			
Cash generated from operations	18(B)	208,356	270,859
Income tax paid		(45,956)	(43,922)
Net cash generated from operating activities		162,400	226,937
Investing activities			
Payment for purchase of property, plant and equipment and intangible assets		(33,304)	(21,014)
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 equity interests in a joint venture		–	1,667
Prepayment of acquisition of a subsidiary		–	(102,600)
Net cash outflow from acquisitions of subsidiaries	26	(126,821)	–
Interest received		800	1,570
Net cash used in investing activities		(159,325)	(120,483)
Financing activities			
Capital element of lease rentals paid	18(C)	(20,731)	(15,648)
Interest element of lease rentals paid	18(C)	(1,147)	(895)
Proceeds from bank loans and other borrowings	18(C)	538,170	279,800
Repayment of bank loans and other borrowings	18(C)	(322,991)	(245,000)
Other borrowing costs paid	18(C)	(10,539)	(3,569)
Payment for shares held for Share Award Scheme	23(A)	(787)	(10,552)
Payment for purchase of own shares	23(B)	–	(11,852)
Dividends paid		(173,804)	(78,696)
Dividends paid to non-controlling interests		–	(1,360)
Proceeds from disposal of partial ownership interest in a subsidiary without a loss of control		–	46,230
Payments for acquisitions of additional interests in subsidiaries	27	(103,016)	–
Net cash inflow from disposal of a subsidiary		5,590	–
Net cash used in financing activities		(89,255)	(41,542)
Net (decrease)/increase in cash and cash equivalents		(86,180)	64,912
Cash and cash equivalents at the beginning of the year		205,847	140,806
Effect of foreign exchange rate changes		269	129
Cash and cash equivalents at the end of the year	18(A)	119,936	205,847

The notes on pages 72 to 120 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, which collective term includes all applicable individual Hong Kong Financial Reporting Standards ("**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 HKFRS Accounting Standards 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 2026 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 HKFRS Accounting Standards 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 HKFRS Accounting Standards that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 32.

(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 amendments to HKAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the HKICPA to these financial statements for the current accounting period. The amendments do not have a material impact on these financial statements as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

1 Material Accounting Policies (Continued)

(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.

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).

1 Material Accounting Policies (Continued)

(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 28(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.

(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:

– Trademarks	20-35 years
– 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 certain trademarks whose 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)(iv) 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) Revenue from rendering of services

Revenue from rendering of services is recognised when the service is completed and control of the service is transferred to the customer.

(iii) Commission income

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

(iv) 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)).

(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, distributing health and wellness products and rendering of Chinese medicine clinic services. All the revenue for the years ended 31 March 2026 and 2025 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 and the value of services rendered 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. This segment also included the rendering of Chinese medicine clinic services. 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 2026 and 2025.

(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	
	2026 HK$'000	2025 HK$'000	**2026 HK$'000**	2025 HK$'000	**2026 HK$'000**	2025 HK$'000	**2026 HK$'000**	2025 HK$'000
Revenue from external customers and reportable segment revenue recognised at a point in time								
– Sales of goods	279,972	272,231	429,900	405,448	86,258	104,613	796,130	782,292
– Rendering of services	–	–	38,504	–	–	–	38,504	–
	279,972	272,231	468,404	405,448	86,258	104,613	834,634	782,292
Reportable segment gross profit	218,151	214,539	224,732	175,036	22,655	24,132	465,538	413,707

2 Revenue and Segment Reporting (Continued)

(B) Segment Reporting (Continued)

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

	Year ended 31 March 2026 HK$'000	2025 HK$'000
Revenue		
Reportable segment revenue and consolidated revenue	834,634	782,292
Profit		
Reportable segment gross profit	465,538	413,707
Other net income	10,099	18,098
Selling and distribution expenses	(131,589)	(122,462)
Administrative and other operating expenses	(80,260)	(63,279)
Finance costs	(11,686)	(4,464)
Share of profits of joint ventures	52	66
Consolidated profit before taxation	252,154	241,666
Interest income from bank deposits	(800)	(1,570)
Finance costs	11,686	4,464
Depreciation and amortisation	49,744	52,284
Loss on disposal of a subsidiary	600	–
Loss/(gain) on disposals of equity interest in joint ventures	16	(1,016)
Share of profits of joint ventures	(52)	(66)
Adjusted EBITDA*	313,348	295,762

* 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 loss on disposal of a subsidiary, loss/(gain) on disposals of equity interest in joint ventures 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 2026 HK$'000	2025 HK$'000
Revenue from external customers		
Hong Kong (place of domicile)	697,524	562,006
Chinese Mainland	67,840	146,980
Macau	21,962	38,644
Singapore	24,032	15,563
Others	23,276	19,099
	834,634	782,292

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 and 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, 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	
	2026	2025
	HK$'000	HK$'000
Specified non-current assets		
Hong Kong (place of domicile)	**1,268,547**	1,089,871
Chinese Mainland	**602**	700
	1,269,149	1,090,571

(iv) Information about major customers

For the year ended 31 March 2026, the Group's customer base includes one (2025: one) customer of branded medicines, proprietary Chinese medicines and health and wellness products segments with whom transactions have exceeded 10% of the Group's revenue. Revenue from sales of branded medicines, proprietary Chinese medicines and health and wellness products to this customer, including sales to entities which are known to the Group to be under common control amounted to approximately HK$326,845,000 (2025: HK$212,331,000).

3 Other Net Income

	Year ended 31 March	
	2026	2025
	HK$'000	HK$'000
Commission income	**5,919**	2,383
Government grants (Note)	**1,634**	830
Interest income from bank deposits	**800**	1,570
Net foreign exchange (loss)/gain	**(2,107)**	9,188
Loss on disposal of a subsidiary	**(600)**	–
Net loss on disposals of property, plant and equipment	**(12)**	(118)
(Loss)/gain on disposals of equity interest in joint ventures	**(16)**	1,016
Others	**4,481**	3,229
	10,099	18,098

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 2026 HK$'000	2025 HK$'000
Interest on bank loans (note 18(C))	10,539	3,569
Interest on lease liabilities to (note 18(C))		
– third parties	688	551
– related parties	459	344
	1,147	895
	11,686	4,464

(B) Staff Costs

	Year ended 31 March 2026 HK$'000	2025 HK$'000
Salaries, wages and other benefits	122,453	90,645
Contributions to defined contribution retirement schemes	4,244	3,195
Equity-settled share-based payment expenses (note 23(A))	18,421	5,616
	145,118	99,456

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 2026 HK$'000	2025 HK$'000
Depreciation (note 10)		
– owned property, plant and equipment	11,596	13,170
– right-of-use assets	20,704	15,307
	32,300	28,477
Amortisation cost of intangible assets (note 11)	17,444	23,807
Auditors' remuneration		
– audit services	2,552	2,552
– other services	801	763
Cost of inventories#	335,924	368,585

Cost of inventories includes HK$66,953,000 (2025: HK$59,878,000) for the year ended 31 March 2026, 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 2026 HK$'000	2025 HK$'000
Current tax		
Provision for the year	47,467	43,034
Under/(over)-provision in respect of prior years	124	(797)
	47,591	42,237
Deferred tax		
Origination and reversal of temporary differences (note 22(A))	(5,748)	(3,259)
	41,843	38,978

(B) Reconciliation Between Tax Expense and Accounting Profit at Applicable Tax Rates:

	Year ended 31 March 2026 HK$'000	2025 HK$'000
Profit before taxation	252,154	241,666
Notional tax on profit before taxation calculated at the rate applicable to profits in the tax jurisdiction concerned	41,622	39,880
Effect of non-deductible expenses	1,018	1,286
Effect of non-taxable income	(614)	(701)
Effect of temporary differences not recognised	(298)	(679)
Profits and losses attributable to joint ventures	(9)	(11)
Under/(over)-provision in respect of prior years	124	(797)
Actual tax expense	41,843	38,978

Notes:

(i) The provision for Hong Kong Profits Tax for the year is calculated at 16.5% (2025: 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 2026					
	Directors' fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Discretionary bonuses HK$'000	Retirement schemes contributions HK$'000	Share-base payment (Note) HK$'000	Total HK$'000
Executive directors						
Mr. Wong Yat Wai, Patrick	–	619	–	6	–	625
Dr. Cheng Celine Heung Kwan	–	200	–	–	–	200
Mr. Sum Kwong Yip, Derek	220	2,586	400	36	12,511	15,753
Mr. Yim Chun Leung	220	860	–	–	3,244	4,324
Non-executive directors						
Mr. Yeung Kwok Chun, Harry	220	–	–	–	–	220
Professor Xu Hongxi	110	–	–	–	–	110
Independent non-executive directors						
Mr. Chan Kam Chiu, Simon	220	–	–	–	–	220
Mr. Luk Ting Lung, Alan	220	–	–	–	–	220
Mr. Lau Shut Lee, Tony	220	–	–	–	–	220
	1,430	4,265	400	42	15,755	21,892

	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

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 (Note (i))	7 January 2020
Dr. Cheng Celine Heung Kwan	9 March 2024
Mr. Sum Kwong Yip, Derek (Note (ii))	22 September 2020
Mr. Yim Chun Leung (Note (ii))	22 September 2020

Non-executive directors	**Date of appointment**
Mr. Yeung Kwok Chun, Harry	22 September 2020
Professor Xu Hongxi	2 October 2025

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

Notes:

(i) Mr. Wong Yat Wai, Patrick resigned as an executive director of the Company with effect from 8 July 2025.

(ii) 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 2026 (2025: Nil).

7 Individuals with Highest Emoluments

Of the five individuals with the highest emoluments, 2 are directors for the year ended 31 March 2026 (2025: 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	
	2026 **HK$'000**	2025 HK$'000
Salaries and other emoluments	**2,802**	3,006
Discretionary bonuses	**910**	157
Retirement scheme contributions	**39**	54
Equity-settled share based payment expenses	**2,666**	–
	6,417	3,217

The emoluments of the above individuals with the highest emoluments are within the following bands:

	Year ended 31 March	
	2026 **Number of individuals**	2025 Number of individuals
HK$500,001 – HK$1,000,000	**–**	2
HK$1,000,001 – HK$1,500,000	**–**	1
HK$1,500,001 – HK$2,000,000	**2**	–
HK$2,500,001 - HK$3,000,001	**1**	–

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$201,088,000 for the year ended 31 March 2026 (2025: HK$197,261,000), and the weighted average ordinary shares in issue, calculated as follows:

	Year ended 31 March 2026 '000	2025 '000
Weighted average number of ordinary shares:		
Ordinary shares issued at the beginning of the year	814,000	831,248
Effect of ordinary shares held for Share Award Scheme (note 23(A))	2,551	(4,131)
Effect of ordinary shares repurchased and cancelled (note 23(B))	–	(7,925)
Weighted average number of ordinary shares in issue during the year	816,551	819,192

(B) Diluted Earnings Per Share

Diluted earnings per Share for the years ended 31 March 2026 and 2025 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 Relevant Year

	Year ended 31 March 2026 HK$'000	2025 HK$'000
Interim dividend declared and paid of HK9.75 cents per Share (2025: HK5.50 cents per Share)	79,930	45,210
Final dividend proposed after the end of the Reporting Period of HK7.35 cents per Share (2025: HK11.50 cents per Share) (Note)	60,417	94,530
	140,347	139,740

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 Relevant Year

	Year ended 31 March 2026 HK$'000	2025 HK$'000
Final dividend in respect of the previous financial year, approved and paid during the year, of HK11.50 cents per Share (2025: HK4.05 cents per Share)	94,530	33,486
Less: Dividend of ordinary shares held by Share Award Scheme	(656)	(105)
	93,874	33,381

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.

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 2025	3,399	160,441	62,430	58,195	740	10,156	295,361
Additions	–	13,089	3,152	2,475	–	2,764	21,480
Acquisitions of subsidiaries (note 26)	–	41,311	174	388	–	704	42,577
Disposals	–	(25,036)	(377)	(532)	–	–	(25,945)
At 31 March 2026	3,399	189,805	65,379	60,526	740	13,624	333,473
Accumulated depreciation:							
At 1 April 2025	1,545	68,821	45,150	32,213	740	4,683	153,152
Charge for the year	91	24,174	2,994	3,945	–	1,096	32,300
Written back on disposals	–	(24,494)	(324)	(489)	–	–	(25,307)
At 31 March 2026	1,636	68,501	47,820	35,669	740	5,779	160,145
Net book value:							
At 31 March 2026	1,763	121,304	17,559	24,857	–	7,845	173,328

	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

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 2026 HK$'000	2025 HK$'000
Ownership interests in leasehold land with remaining lease term between 10 and 50 years	(i)	**1,763**	1,854
Buildings leased for own use, carried at depreciated cost	(ii)	**27,510**	21,278
		29,273	23,132

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 2026 HK$'000	2025 HK$'000
Depreciation charge of right-of-use assets by class of underlying asset:		
Ownership interests in leasehold land	**91**	90
Buildings leased for own use	**20,613**	15,217
	20,704	15,307
Interest on lease liabilities (note 4(A))	**1,147**	895
Expense relating to short-term leases	**13**	42

Additions to right-of-use assets were HK$13,089,000 (2025: HK$19,188,000) during the year ended 31 March 2026 which primarily related to the capitalised lease payments payable under new tenancy agreements. In addition, right-of-use assets of HK$14,297,000 (2025: nil) were recognised upon the acquisitions of subsidiaries.

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 (2025: 1 to 5 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 2025	266,843	1,220	387,107	34,145	223,921	20,816	20,447	954,499
Acquisitions of subsidiaries (note 26)	91,167	–	146,803	–	3,448	–	–	241,418
Disposals	–	–	–	–	–	(2,140)	–	(2,140)
At 31 March 2026	358,010	1,220	533,910	34,145	227,369	18,676	20,447	1,193,777
Accumulated amortisation and impairment:								
At 1 April 2025	–	–	370	12,067	108,182	14,645	2,086	137,350
Amortisation charged for the year	–	–	–	1,179	14,268	1,071	926	17,444
Disposals	–	–	–	–	–	(2,140)	–	(2,140)
At 31 March 2026	–	–	370	13,246	122,450	13,576	3,012	152,654
Net book value:								
At 31 March 2026	358,010	1,220	533,540	20,899	104,919	5,100	17,435	1,041,123

	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

The amortisation charge of unpatented drugs, customer relationship, distribution rights and technology knowhow 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 2026 and 2025.

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.

Included in trademarks as at 31 March 2026 were trademarks with indefinite useful life of HK$386,737,000 (HK$386,737,000) and trademarks with definite useful lives of HK$146,803,000 (2025: nil). The trademarks with definite useful lives ranging from 20 to 35 years were acquired during the year ended 31 March 2026 through acquisitions of subsidiaries.

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 certain trademarks, the indefinite life cycle of the industry in which the Group operates and the expected usage of such trademarks in the future, such trademarks have been assessed as having an indefinite useful life.

Impairment Tests for Cash Generating Units Containing Goodwill and Trademarks With Indefinite Useful Life

Goodwill and trademarks with indefinite useful life are allocated to the Group's respective cash-generating units ("**CGU**") in the following business segments:

	As at 31 March 2026 HK$'000	2025 HK$'000
Goodwill		
Proprietary Chinese medicines	159,085	67,918
Branded medicines	192,620	192,620
Health and wellness products	6,305	6,305
	358,010	266,843
Trademarks with indefinite useful life		
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 2026	2025
Revenue growth rate	1% – 65%	3% – 8%
Gross margin	27% – 84%	30% – 84%
Terminal growth rate	2.5%	3%
Discount rate	12% – 15%	13% – 15%

Management determined forecasted revenue growth rate and 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 2026 and 2025, 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 2026 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	–	71.9%	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**")	RMB 3,999,987	–	100%	Sales of healthcare products
Tin Hee Tong Medicine Factory, Limited	Hong Kong	25,500 ordinary shares	–	100%	Manufacturing and sales of Chinese medicines
Kenford Medical Group Company Limited	Hong Kong	12,400,000 ordinary shares	–	100%	Provision of Chinese Medicine Clinic Services
HongKong Expert Medical Group Company Limited	Hong Kong	850,000 ordinary shares	–	100%	Provision of Chinese Medicine Clinic Services
Kenford Integrated Chinese Medicine Clinic Company Limited	Hong Kong	10,000 ordinary shares	–	100%	Provision of Chinese Medicine Clinic Services
King Pui Chinese Medical Group Limited	Hong Kong	10,000 ordinary shares	–	100%	Provision of Chinese medical consultancy services and orthopaedic and chiropractic specialist medical services
Siulun Medheart Company Limited	Hong Kong	10,000 ordinary shares	–	100%	Provision of Chinese medical consultancy services and orthopaedic and chiropractic specialist medical services

12 Investment in Subsidiaries (Continued)

* 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 year ended 31 March 2025, the Group disposed of 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.

During the year ended 31 March 2026, the Group acquired additional 28% equity interests in LCSTH. The effective proportion of ownership interests in LCSTH had increased from 43.9% to 71.9%. The details of acquisition are disclosed in note 27.

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	
	2026	2025
	HK$'000	HK$'000
Share of net assets	**3,248**	3,215

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	
	2026	2025
	HK$'000	HK$'000
Aggregate carrying amount of the immaterial joint ventures in the consolidated financial statements	**3,248**	3,215
Aggregate amounts of the Group's share of these joint ventures:		
Profits and total comprehensive income	**52**	66

14 Other Non-current Assets

	As at 31 March	
	2026	2025
	HK$'000	HK$'000
Prepayment for acquisition of a subsidiary	**–**	102,600
Prepayments for purchase of property, plant and equipment	**45,862**	20,948
Prepayments for distribution rights	**2,330**	2,330
Others	**3,772**	2,120
	51,964	127,998

15 Inventories

(A) Inventories in the Consolidated Statement of Financial Position Comprise:

	As at 31 March 2026 HK$'000	2025 HK$'000
Raw materials	**10,988**	9,369
Work in progress	**1,078**	2,385
Finished goods	**68,008**	70,487
	80,074	82,241

(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 2026 HK$'000	2025 HK$'000
Carrying amount of inventories sold	**337,791**	370,670
Reversal of provision for write-down of inventories	**(1,867)**	(2,085)
	335,924	368,585

16 Trade and Other Receivables

	Note	As at 31 March 2026 HK$'000	2025 HK$'000
Trade receivables	16(A)		
– third parties		**228,155**	133,788
– related parties		**1,075**	345
		229,230	134,133
Other receivables		**5,012**	931
Deposits and prepayments		**54,048**	28,710
Amount due from a related party		**–**	196
		288,290	163,970

At 31 March 2026, the deposits and prepayments expected to be recovered after more than one year amounted to HK$9,675,000 (2025: HK$7,335,000). 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 2026 HK$'000	2025 HK$'000
Less than 1 month	**74,869**	55,663
1 to 6 months	**104,098**	72,724
Over 6 months	**50,263**	5,746
	229,230	134,133

16 Trade and Other Receivables (Continued)

(A) Trade Receivables (Continued)

The ageing analysis of trade receivables (net of loss allowance) by due date is as follows:

	As at 31 March 2026 HK$'000	 2025 HK$'000
Current	**190,125**	107,986
Less than 1 month past due	**15,657**	10,748
1 to 3 months past due	**17,858**	9,778
Over 3 months past due	**5,590**	5,621
	229,230	134,133

Further details on the Group's credit policy and credit risk arising from trade receivables are set out in note 28(A).

17 Other Financial Assets

In prior years, the Group designated its investment in equity securities at FVOCI (non-recycling) under HKFRS 9, *Financial Instruments* which was represented by the investment in Smartfish AS. Such designation was chosen as the investments were held for strategic purposes. No dividends were received on the investment since acquisition.

During the year ended 31 March 2025, the Group disposed of the investment. Net fair value loss of HK$10,189,000 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.

18 Cash and Cash Equivalents and Other Cash Flow Information

(A) Cash and Cash Equivalents Comprise:

	As at 31 March 2026 HK$'000	 2025 HK$'000
Cash at bank and on hand	**119,936**	205,847

(B) Reconciliation of Profit Before Taxation to Cash Generated from Operations:

	Note	Year ended 31 March 2026 HK$'000	 2025 HK$'000
Operating activities			
Profit before taxation		**252,154**	241,666
Adjustments for:			
Depreciation and amortisation	4(C)	**49,744**	52,284
Net loss on disposals of property, plant and equipment	3	**12**	118
Finance costs	4(A)	**11,686**	4,464
Interest income	3	**(800)**	(1,570)
Equity-settled share-based payment expenses	4(B)	**18,421**	5,616
Loss/(gain) on disposals of equity interest in joint ventures	3	**16**	(1,016)
Loss on disposal of a subsidiary	3	**600**	–
Share of profits of joint ventures		**(52)**	(66)
Changes in working capital:			
Decrease in inventories		**6,278**	9,344
Increase in trade and other receivables		**(119,347)**	(20,403)
Decrease in trade and other payables and contract liabilities		**(10,356)**	(19,578)
Cash generated from operations		**208,356**	270,859

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 2025	149,800	21,947	171,747
Changes from financing cash flows:			
Proceeds from bank loans and other borrowings	538,170	–	538,170
Repayments of bank loans and other borrowings	(322,991)	–	(322,991)
Capital element of lease rentals paid	–	(20,731)	(20,731)
Interest element of lease rentals paid	–	(1,147)	(1,147)
Other borrowing costs paid	(10,539)	–	(10,539)
Total changes from financing cash flows	204,640	(21,878)	182,762
Other changes:			
Increase in lease liabilities from entering into new leases during the year	–	13,089	13,089
Acquisitions of subsidiaries (note 26)	458	14,605	15,063
Lease termination	–	(626)	(626)
Interest expenses (note 4(A))	10,539	1,147	11,686
Total other changes	10,997	28,215	39,212
At 31 March 2026	365,437	28,284	393,721

	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
Repayments 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

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	
	2026 HK$'000	2025 HK$'000
Within operating cash flows	**13**	42
Within financing cash flows		
– third parties	**13,109**	6,748
– related parties	**8,769**	9,795
	21,891	16,585

These amounts are related to lease rental payments.

19 Trade and Other Payables and Contract Liabilities

		As at 31 March	
	Note	2026 HK$'000	2025 HK$'000
Trade payables	19(A)		
– third parties		**19,352**	21,333
Salary and bonus payables		**12,378**	7,504
Other payables and accruals		**59,874**	64,783
Amount due to a related party	19(B)	**582**	624
Amount due to a joint venture	19(C)	**2,000**	2,000
Contract liabilities	19(D)	**8,048**	2,626
		102,234	98,870

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	
	2026 HK$'000	2025 HK$'000
Within 1 month	**12,128**	12,321
1 to 6 months	**6,840**	8,384
Over 6 months	**384**	628
	19,352	21,333

(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 2026 HK$'000	2025 HK$'000
At the beginning of the year	**2,626**	6,054
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	**(2,626)**	(6,054)
Increase in contract liabilities as a result of receiving forward sales deposits at the end of the year	**8,048**	2,626
At the end of the year	**8,048**	2,626

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 2026 HK$'000	2025 HK$'000
Current portion of bank loans	**115,437**	149,800
Non-current portion of bank loans	**250,000**	–
	365,437	149,800

Bank loans were analysed as follows:

	As at 31 March 2026 HK$'000	2025 HK$'000
Bank loans		
– Unsecured	**365,437**	149,800

The bank loans are repayable as follows based on the repayment terms:

	As at 31 March 2026 HK$'000	2025 HK$'000
Bank loans due for repayment:		
Within one year or repayable on demand	**115,437**	149,800
After 1 year but within 2 years	**250,000**	–
	365,437	149,800

As at 31 March 2026 and 2025,, the unsecured bank facilities were guaranteed by the Company and its subsidiaries.

These facilities amounted to HK$551,000,000 as of 31 March 2026 (2025: HK$275,000,000) and 66% (2025 : 54%) was utilised by the Group.

20 Bank Loans (Continued)

As at 31 March 2026, banking facilities of HK$150,000,000 are subject to the fulfillment of covenants based on the financial statements of the Group. If the Group were to breach the covenants, the drawn down facilities would become payable on demand. Such facilities were utilised to the extent of HK$150,000,000. The Group regularly monitors its compliance with these covenants. As at 31 March 2026, none of the covenants relating to drawn down facilities had been breached. As at 31 March 2025, the Group's banking facilities were not subject to any financial covenants. Further details of the Group's management of liquidity risk are set out in note 28(B).

21 Lease Liabilities

At the end of the Reporting Period, the lease liabilities were repayable as follows:

	As at 31 March 2026 HK$'000	2025 HK$'000
Within 1 year	**19,054**	13,118
After 1 year but within 2 years	**8,810**	6,126
After 2 years but within 5 years	**420**	2,703
	9,230	8,829
	28,284	21,947

As at 31 March 2026, lease liabilities due to related parties were HK$10,960,000 (2025: HK$11,626,000).

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 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**
Acquisitions of subsidiaries (note 26)	**–**	**26,823**	**–**	**–**	**26,823**
Credited to profit or loss	**(422)**	**(2,686)**	**–**	**(2,640)**	**(5,748)**
At 31 March 2026	**13,297**	**103,631**	**–**	**(6,728)**	**110,200**

22 Deferred Tax (Continued)

(A) Deferred Tax Liabilities/(Assets) Recognised (Continued)

Reconciliation to the consolidated statement of financial position

	As at 31 March 2026 HK$'000	2025 HK$'000
Deferred tax assets recognised in the consolidated statement of financial position	**(4,675)**	(2,195)
Deferred tax liabilities recognised in the consolidated statement of financial position	**114,875**	91,320
	110,200	89,125

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 2026, 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$3,390,000 (2025: HK$4,566,000) 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 2026 and 2025 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 2024, 31 March 2025, 1 April 2025 and 31 March 2026		5,000,000	50,000
Issued:			
At 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 and 1 April 2025		**814,000**	**8,140**
Ordinary shares acquired for Share Award Scheme	23(A)	**(500)**	**(5)**
Ordinary shares vested for Share Award Scheme	23(A)	**6,300**	**63**
At 31 March 2026		**819,800**	**8,198**

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

The Share Award Scheme was adopted by the Company on 18 January 2021 and amended on 21 September 2023. 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 2026, the trustee of the Share Award Scheme acquired 500,000 Shares through purchases on the open market at a total cost of approximately HK$787,000. During the year ended 31 March 2025, the trustee of the Share Award Scheme acquired 10,500,000 Shares through purchases on the open market at a total cost of approximately HK$10,552,000.

During the year ended 31 March 2026, the Company granted a total of 6,300,000 shares to eligible grantees, including certain Directors and an employee of the Group. During the year ended 31 March 2025, the Company granted a total of 5,400,000 shares to an eligible grantee.

Details of the Shares awarded under the Share Award Scheme during the year ended 31 March 2026 and 2025 are as follows:

	Number of shares					
Date of grant	**As at 1 April 2025**	**Granted during the year**	**Vested during the year**	**Lapsed during the year**	**As at 31 March 2026**	**Vesting date**
17 June 2025	**–**	**2,800,000**	**(2,800,000)**	**–**	**–**	**31 July 2025**
28 July 2025	**–**	**1,000,000**	**(1,000,000)**	**–**	**–**	**9 September 2025**
18 November 2025	**–**	**2,500,000**	**(2,500,000)**	**–**	**–**	**2 January 2026**
	–	**6,300,000**	**(6,300,000)**	**–**	**–**	

	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

(B) Purchase of Own Ordinary Shares

During the year ended 31 March 2025, the Company repurchased and cancelled its own ordinary shares on the Stock Exchange as follows:

Month/year of shares repurchased	**Number of shares repurchased and cancelled**	**Highest price paid per share** (HK$)	**Lowest price paid per share** (HK$)	**Aggregate price paid** (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

24 Company-level Statement of Financial Position

	Note	As at 31 March 2026 HK$'000	2025 HK$'000
Non-current assets			
Investment in a subsidiary		8	8
Prepayment		3,771	2,120
		3,779	2,128
Current assets			
Other receivables		505	660
Amounts due from subsidiaries		1,047,896	1,062,141
Cash and cash equivalents		708	1,860
		1,049,109	1,064,661
Current liabilities			
Other payables		36	206
Amounts due to subsidiaries		396,216	251,844
		396,252	252,050
Net current assets		652,857	812,611
NET ASSETS		656,636	814,739
CAPITAL AND RESERVES			
Share capital	23	8,198	8,140
Reserves	25	648,438	806,599
TOTAL EQUITY		656,636	814,739

Details of the changes in the Company's equity for the years ended 31 March 2026 and 2025 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 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 and 1 April 2025	8,140	622,547	(7,849)	70,000	121,901	814,739
Loss and total comprehensive income for the year	–	–	–	–	(1,933)	(1,933)
Dividends declared (note 9)	–	–	–	–	(173,804)	(173,804)
Shares acquired for Share Award Scheme (note 23(A))	(5)	–	(782)	–	–	(787)
Employee share award scheme-value of employee services	–	–	–	18,421	–	18,421
Shares vested for Share Award Scheme (note 23(A))	63	–	6,233	(18,421)	12,125	–
At 31 March 2026	8,198	622,547	(2,398)	70,000	(41,711)	656,636

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 2026, the aggregate amount of reserves available for distribution to shareholders of the Company is HK$648,438,000 (2025: HK$806,599,000).

(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 Acquisitions of subsidiaries

(A) 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 with an independent third party, pursuant to which Arrow King Inc. agreed to purchase and the independent third party agreed to sell, a 90.0% equity interest in the Tin Hee Tong Medicine Factory, Limited ("**Tin Hee Tong**") at a consideration of HK$171,000,000 and the transaction was completed on 3 April 2025. The principal activity of Tin Hee Tong is manufacture and sales of proprietary Chinese medicines.

The fair values of the identifiable assets and liabilities of Tin Hee Tong at the acquisition date were as follows:

	HK$'000
Property, plant and equipment	27,205
Intangible assets	129,194
Cash and cash equivalents	5,476
Inventories	6,425
Trade and other receivables	903
Trade and other payables	(3,190)
Deferred tax liabilities	(23,349)
	142,664
Non-controlling interests	(14,341)
	128,323
Goodwill	42,677
Total consideration, satisfied in cash paid	171,000
Less: cash and cash equivalents acquired	(5,476)
Less: instalment payment paid in prior year	(102,600)
Net cash outflow	62,924

The non-controlling interests recognised at the date of acquisition was measured by reference to the proportionate shares of the fair value of the net identifiable assets at the date of acquisition.

Goodwill arising from the acquisition of the Tin Hee Tong represents the benefits of expected synergies to be achieved from integrating the subsidiaries into the Group's existing businesses and future market development. None of the goodwill recognised is expected to be deductible for tax purposes.

Tin Hee Tong contributed revenue of HK$19,563,000 and profit of HK$6,719,000 to the Group for the period from 3 April 2025 to 31 March 2026. There would not be a material impact on the Group's revenue and profit if the acquisition had occurred on 1 April 2025.

Acquisition-related costs

The Group incurred acquisition-related costs of HK$356,000 relating to the external legal fee and due diligence costs. These costs have been included in "administrative and other operating expenses" in the consolidated statement of profit of loss and other comprehensive income for the year ended 31 March 2026.

26 Acquisitions of subsidiaries (Continued)

(A) Acquisition of Tin Hee Tong Medicine Factory, Limited (Continued)

Measurement of fair value

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Assets acquired	Valuation technique
Property, plant and equipment	Market comparison technique and cost technique: The valuation model considers quoted market prices for similar items when they are available, and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.
Intangible assets	Excess earnings method: The method determines the value of an intangible asset as the present value of the cash flows attributable to the subject intangible asset after excluding the proportion of cash flows that are attributable to contributory assets.

(B) Acquisition of Kenford Medical Group Company Limited and Its Subsidiaries

On 16 June 2025, Winner Win Limited, an indirect wholly-owned subsidiary of the Company, entered into a sales and purchase agreement with an independent third party, pursuant to which Winner Win Limited agreed to purchase and the independent third party agreed to sell, a 100.0% equity interest in the Kenford Medical Group Company Limited ("**Kenford Group**") at a consideration of HK$38,000,000 and the transaction was completed on 30 June 2025. The principal activities of Kenford Group are provision of Chinese medical consultancy service and sales of health and wellness products.

The fair values of the identifiable assets and liabilities of Kenford Group at the acquisition date were as follows:

	HK$'000
Property, plant and equipment	9,760
Intangible assets	11,865
Cash and cash equivalents	4,105
Inventories	494
Trade and other receivables	4,154
Trade and other payables	(3,279)
Lease liabilities	(9,631)
Deferred tax liabilities	(1,960)
	15,508
Goodwill	22,492
Total consideration, satisfied in cash paid	38,000
Less: cash and cash equivalents acquired	(4,105)
Net cash outflow	33,895

Goodwill arising from the acquisition of the Kenford Group represents the benefits of expected synergies to be achieved from integrating the subsidiaries into the Group's existing businesses and future market development. None of the goodwill recognised is expected to be deductible for tax purposes.

Kenford Group contributed revenue of HK$35,048,000 and profit of HK$1,495,000 to the Group for the period from 30 June 2025 to 31 March 2026. If the acquisition had occurred on 1 April 2025, the Group's revenue and profit for the year ended 31 March 2026 would have increased by HK$10,740,000 and decreased by HK$378,000 respectively.

26 Acquisitions of subsidiaries (Continued)

(B) Acquisition of Kenford Medical Group Company Limited and Its Subsidiaries (Continued)

Acquisition-related costs

The Group incurred acquisition-related costs of HK$39,000 relating to the external legal fee and due diligence costs. These costs have been included in "administrative and other operating expenses" in the consolidated statement of profit of loss and other comprehensive income for the year ended 31 March 2026.

Measurement of fair value

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Assets acquired	Valuation technique
Intangible assets	Relief from royalty method: The relief from royalty method considers the discounted estimated royalty payments that are expected to be avoided as a result of the technical knowhow or trademarks being owned.

(C) Acquisition of King Pui Chinese Medical Group Limited and Siulun Medheart Company Limited

On 30 December 2025, Joy Wish Limited, an indirect wholly-owned subsidiary of the Company, entered into a sales and purchase agreement with an independent third party, pursuant to which Joy Wish Limited agreed to purchase and the independent third party agreed to sell, 100.0% equity interests in the King Pui Chinese Medical Group Limited ("**King Pui**") and Siulun Medheart Company Limited ("**Siulun**") at a consideration of HK$36,000,000 and the transaction was completed on 30 January 2026. The principal activities of King Pui and Siulun are provisions of Chinese medical consultancy services and orthopaedic and chiropractic specialist medical services.

The fair values of the identifiable assets and liabilities of King Pui and Siulun at the acquisition date were as follows:

	HK$'000
Property, plant and equipment	5,612
Intangible assets	9,192
Cash and cash equivalents	5,998
Trade and other receivables	3,902
Trade and other payables	(7,756)
Bank loan	(458)
Lease liabilities	(4,974)
Deferred tax liabilities	(1,514)
	10,002
Goodwill	25,998
Total consideration, satisfied in cash paid	36,000
Less: cash and cash equivalents acquired	(5,998)
Net cash outflow	30,002

Goodwill arising from the acquisition of the King Pui and Siulun represents the benefits of expected synergies to be achieved from integrating the subsidiaries into the Group's existing businesses and future market development. None of the goodwill recognised is expected to be deductible for tax purposes.

King Pui and Siulun contributed revenue of HK$4,906,000 and profit of HK$1,202,000 to the Group for the period from 30 January 2026 to 31 March 2026. If the acquisition had occurred on 1 April 2025, the Group's revenue and profit for the year ended 31 March 2026 would have increased by HK$22,636,000 and HK$3,461,000 respectively.

26 Acquisitions of subsidiaries (Continued)

(C) Acquisition of King Pui Chinese Medical Group Limited and Siulun Medheart Company Limited (Continued)

Acquisition-related costs

The Group incurred acquisition-related costs of HK$72,000 relating to the external legal fee and due diligence costs. These costs have been included in "administrative and other operating expenses" in the consolidated statement of profit of loss and other comprehensive income for the year ended 31 March 2026.

Measurement of fair value

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Assets acquired	Valuation technique
Intangible assets	Relief from royalty method: The relief from royalty method considers the discounted estimated royalty payments that are expected to be avoided as a result of the technical knowhow or trademarks being owned.

27 Acquisitions of additional interests in subsidiaries

During the year ended 31 March 2026, the Group acquired additional 28.0% and 21.0% equity interests in Li Chung Shing Tong (Holdings) Limited ("**LCSTH**") and Quinwood Limited ("**Quinwood**") respectively, at an aggregate consideration of HK$84,016,000. Following the completion of the transaction, the Group's interests in LCSTH and Quinwood have increased from 43.9% to 71.9% and from 71.0% to 92.0% respectively. Accordingly, the Group recognised a decrease in non-controlling interests of HK$41,206,000 and a decrease in capital reserve of HK$42,810,000.

During the year ended 31 March 2026, the Group acquired additional 10.0% equity interest in Tin Hee Tong at a consideration of HK$19,000,000. Following the completion of the transaction, the Group's interest in Tin Hee Tong has increased from 90.0% to 100.0%. Accordingly, the Group recognised a decrease in non-controlling interests of HK$14,966,000 and a decrease in capital reserve of HK$4,034,000.

28 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 2026, 76.5% (2025: 57.3%) of the total trade and other receivables was due from the Group's largest debtor and 82.6% (2025: 67.4%) was due from the five largest debtors respectively.

28 Financial Risk Management and Fair Values (Continued)

(A) Credit Risk (Continued)

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 (2025: HK$2,600,000) for a single customer with significant doubt on collection that is individually impaired at year ended 31 March 2026. 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 2026 and 2025 other than for the abovementioned customer, and no provision matrix has therefore been disclosed.

(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 2026 and 2025 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 2026 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	**19,797**	**8,980**	**427**	**29,204**	**28,284**
Bank loans	**128,330**	**258,814**	**–**	**387,144**	**365,437**
	148,127	**267,794**	**427**	**416,348**	**393,721**

	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

28 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			
	2026		2025	
	Effective interest rate	**Amount HK$'000**	Effective interest rate	Amount HK$'000
Fixed rate borrowings:				
Lease liabilities	**2.44% – 6.58%**	**28,284**	2.44% – 6.93%	21,947
Variable rate borrowings:				
Bank loans	**3.11% – 3.91%**	**365,437**	4.65% – 6.91%	149,800
Total interest-bearing borrowings		**393,721**		171,747
Fixed rate borrowings as a percentage of total borrowings		**7.2%**		12.8%

(ii) Sensitivity analysis

As of 31 March 2026, 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$305,000 (2025: HK$125,000).

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 2025.

28 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									
	2026					2025				
	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	2,671	299	735	–	902	1,678	4	502	–	852
Trade and other receivables	267	–	2,538	139	–	1,958	–	2,029	776	715
Trade and other payables and contract liabilities	(2,288)	(3,150)	7	–	–	(3,584)	(845)	(1,197)	–	(1,113)
Net exposure arising from recognised assets and liabilities	650	(2,851)	3,280	139	902	52	(841)	1,334	776	454

28 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.

	2026		2025	
	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	2%	(48)	1%	(7)
	(2)%	48	(1)%	7
Renminbi	6%	164	1%	11
	(6)%	(164)	(1)%	(11)
Singapore dollars	2%	2	1%	6
	(2)%	(2)	(1)%	(6)
Japanese yen	10%	75	5%	19
	(10)%	(75)	(5)%	(19)

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 2025.

(E) Fair Value Measurement

The carrying amounts of the Group's financial instruments carried at amortised cost were not materially different from their fair values as of 31 March 2026 and 2025.

29 Commitments

Capital commitments outstanding at the end of the Reporting Period not provided for in the financial statements are as follows:

	2026 HK$'000	2025 HK$'000
Authorised and contracted for		
– Acquisition of a subsidiary	–	68,400
– Purchase of intangible assets	13,328	13,328
– Purchase of property, plant and equipment	6,301	10,788
	19,629	92,516

30 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

	2026 HK$'000	2025 HK$'000
Logistic services fee to related parties	6,523	4,554
Sales to related parties (Manufacturing Services Agreement)	2,142	4,189
Purchases from related parties (Manufacturing Services Agreement)	100	209
Overseas sales administrative services fee to related parties	582	624

(C) Applicability of the Hong Kong Listing Rules Relating to Connected Transactions

The related party transactions disclosed in notes 12 and 30(B) above represent transactions with entities controlled by the controlling shareholder of the Company and constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Hong Kong Listing Rules.

31 Immediate and Ultimate Controlling Party

At 31 March 2026, 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.

32 Accounting Judgments and Estimates

Key Sources of Estimation Uncertainty

The 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 revenue growth rates, gross margins and the discount rates applied. 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.

Any increase or decrease in the above impairment losses would affect the net profit in future years.

33 Possible Impact of Amendments and a New Standard Issued But Not Yet Effective for the Year Ended 31 March 2026

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 2026 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 HKFRS 9, *Financial instruments* and HKFRS 7, *Financial instruments: disclosures – Contracts referencing nature-dependent electricity*	1 January 2026
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 except for the following:

HKFRS 18, *Presentation and Disclosure in Financial Statements*

HKFRS 18 will replace HKAS 1 *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity's financial statements. HKFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under HKFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt HKFRS 18 and is still in the process of assessing the impact of the adoption.

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				
	2026 HK$'000	2025 HK$'000	2024 HK$'000	2023 HK$'000	2022 HK$'000
Revenue	**834,634**	782,292	648,415	520,323	406,139
Cost of sales	**(369,096)**	(368,585)	(310,334)	(314,814)	(244,629)
Gross profit	**465,538**	413,707	338,081	205,509	161,510
Other net income	**10,099**	18,098	16,336	19,269	2,582
Selling and distribution expenses	**(131,589)**	(122,462)	(138,527)	(83,961)	(81,225)
Administrative and other operating expenses	**(80,260)**	(63,279)	(41,685)	(53,777)	(43,924)
Profit from operations	**263,788**	246,064	174,205	87,040	38,943
Finance costs	**(11,686)**	(4,464)	(8,498)	(8,209)	(6,407)
Share of losses of associates	**–**	–	(981)	(1,215)	(1,578)
Share of profits/(losses) of joint ventures	**52**	66	164	(718)	(213)
Profit before taxation	**252,154**	241,666	164,890	76,898	30,745
Income tax	**(41,843)**	(38,978)	(27,680)	(13,570)	(7,417)
Profit for the year	**210,311**	202,688	137,210	63,328	23,328
Profit attributable to:					
Equity shareholders of the Company	**201,088**	197,261	130,463	57,093	24,620
Non-controlling interests	**9,223**	5,427	6,747	6,235	(1,292)
Total profit for the year	**210,311**	202,688	137,210	63,328	23,328

	As at 31 March				
	2026 HK$'000	2025 HK$'000	2024 HK$'000	2023 HK$'000	2022 HK$'000
Total non-current assets	**1,273,824**	1,092,766	1,021,153	1,072,001	1,067,751
Total current assets	**488,308**	452,352	367,544	331,084	264,738
Total current liabilities	**257,537**	281,011	221,570	194,664	128,613
Total non-current liabilities	**373,591**	100,149	145,183	177,431	234,686
Net current assets	**230,771**	171,341	145,974	136,420	136,125
Total assets less current liabilities	**1,504,595**	1,264,107	1,167,127	1,208,421	1,203,876
Net assets	**1,131,004**	1,163,958	1,021,944	1,030,990	969,190

Glossary

"2026 AGM"	the forthcoming 2026 annual general meeting of the Company
"adjusted EBITDA"	adjusted earnings before interest, taxes, depreciation and amortisation
"associate(s), chief executive(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
"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 as amended or supplemented from time to time contained in Appendix C1 to the Listing Rules
"Chairman"	the chairman of the Board
"China", "Chinese Mainland", "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
"Director(s)"	the director(s) of the Company
"Executive Committee"	the executive committee of the Company
"FY2025"	the year ended 31 March 2025
"FY2026" or "Reporting Period"	the year ended 31 March 2026
"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
"Macau"	the Macau Special Administrative Region of the PRC
"Main Board"	Main Board of the Stock Exchange
"Model Code"	Model Code for Securities Transaction by Directors of Listing Issuers as set out in Appendix C3 to the Listing Rules
"Mr. Sum"	Mr. Sum Kwong Yip, Derek, the Chairman, executive Director, chief executive officer and 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"	The Stock Exchange of Hong Kong Limited
"The Kingshill Trust"	a discretionary trust established by 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 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