SUMMARY

This summary aims at giving you an overview of the information contained in this Document. Because this is a summary, it does not contain all the information that may be important to you. You should read this Document in its entirety, including our financial statements and the accompanying notes, before you decide to **[REDACTED]** *in the* **[REDACTED]**. *There are risks associated with any* **[REDACTED]**. *Some of the particular risks in* **[REDACTED]** *in the* **[REDACTED]** *are set out in "Risk Factors" in this Document. You should read that section carefully before you decide to* **[REDACTED]** *in the* **[REDACTED]**. *Various expressions used in this summary are defined in "Definitions" and "Glossary of Technical Terms" in this Document.*

OVERVIEW

Our Group is principally engaged in the development, sales, marketing and distribution of health and beauty supplements and products mainly in Hong Kong. We outsource the production of our products to our suppliers including manufacturers and distribute our products under our own and third-party brands primarily through the retail stores of Mannings in Hong Kong. According to Frost & Sullivan, our Group, in terms of retail sales value of health and beauty supplements and products, shared a market share of approximately 1.6%, among all international and local health and beauty supplements and products providers in Hong Kong in 2024.

Among the local health and beauty supplements and products market, with a diverse product portfolio covering the needs of men, women and children across all ages, we specialise in the niche segments of deer-related health supplements, joint and pain care and external analgesic products. According to Frost & Sullivan, (i) our Group ranked the first in terms of retail sales value of deer-related health supplements and products with a market share of approximately 29.4% in Hong Kong in 2024; and (ii) our joint and pain care and external analgesic products under our own brand "Tourmaline(炎痛消)" were one of the top five best-selling joint and pain care supplements and products in the retail stores of Mannings in 2024. We have been proactively developing our product portfolio by offering a wide range of products, covering the needs of children, adults and the elderly, since the establishment of our Group in 2011. As at the Latest Practicable Date, we carried (i) a total of six own brands, namely (a) "Herb Standard(正品)"; (b) "Tourmaline(炎痛消)"; (c) "Organicpharm"; (d) "Nihondou(日藥堂)"; (e) "Revive(維再生)"; and (f) "Profix"; and (ii) a total of six third-party brands including, among others, (a) "iPro+" and (b) "Boiron".

Our products are divided into two categories: (i) health supplements and products, and (ii) beauty supplements and products. For further details of our major products, please refer to "Business – Our Brands and Products" in this Document.

We have experienced rapid growth from FY2023 to FY2025. Our revenue increased from approximately HK$43.2 million in FY2023 to approximately HK$109.6 million in FY2024 and further increased to approximately HK$130.2 million in FY2025, representing a CAGR of approximately 73.6% from FY2023 to FY2025. Our revenue was generally stable and recorded approximately HK$53.0 million for 6M2025 and approximately HK$52.4 million for 6M2026. We recorded high gross profit margins of approximately 81.6%, 78.6%, 75.0%, 75.0% and 76.6% for FY2023, FY2024, FY2025, 6M2025 and 6M2026 respectively. Our net profit for the year increased from approximately HK$11.3 million in FY2023 to approximately HK$35.5 million in FY2024 and further increased to approximately HK$36.3 million in FY2025, representing a CAGR of approximately 79.0% from FY2023 to FY2025. Our net profit for the period decreased from approximately HK$12.0 million for 6M2025 to approximately HK$0.9 million for 6M2026, which was mainly due to the **[REDACTED]** expenses.

OUR BUSINESS MODEL

Our Group is principally engaged in the development, sales, marketing and distribution of health and beauty supplements and products mainly in Hong Kong. We outsource the production of our products to our suppliers including manufacturers and distribute our products under our own and third-party brands primarily through the retail stores of Mannings in Hong Kong.

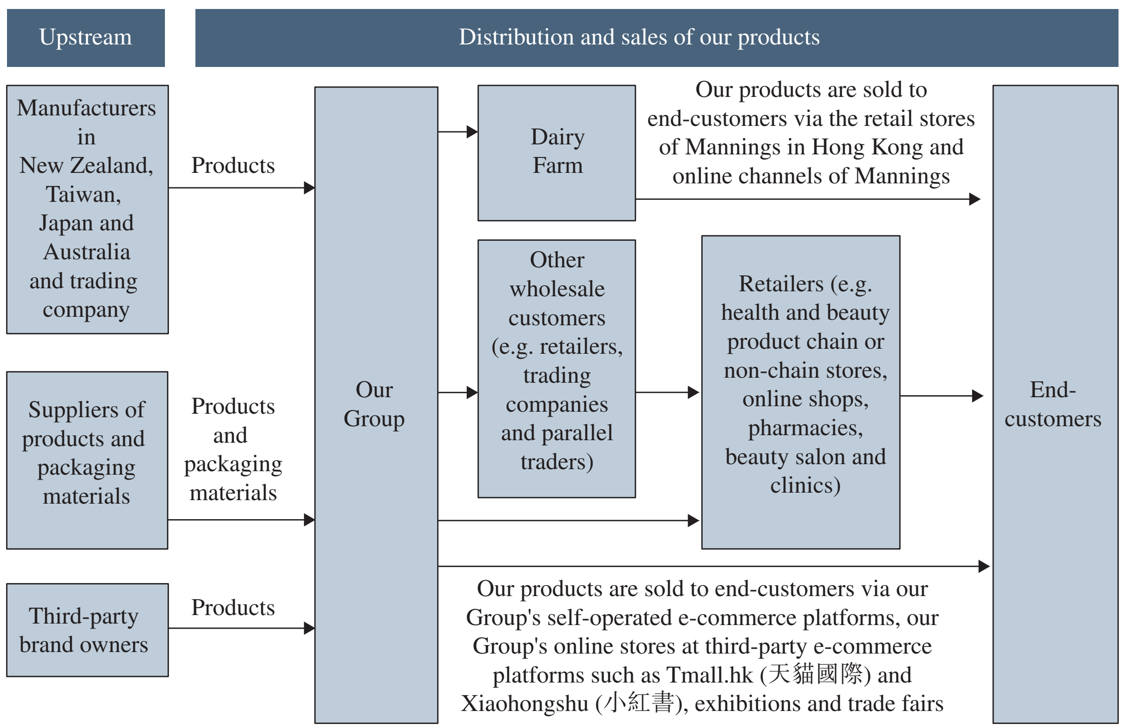
In addition to our own-brand products, we sell and distribute third-party brand products from Supplier G and Supplier K, under which our Group purchases the relevant products from the brand owners directly and generate revenue through the sales and distribution of the products. Our Directors believe that the third-party brands products have further enriched our product portfolio to enable us to better meet the evolving needs of our end-customers.

We also provide sales promotion service to owners or owner group of third-party brands, in which we assist the brand owners to sell their products through our distribution channel including Mannings in return for a commission based on the purchase amount or subsequent sales amount or sales amount through our sales promoters at our distribution channel. During the Track Record Period, we provided sales promotion service for the distribution of the products under the third-party brands from Supplier K, SST Healthy, Customer B, Boiron Asia and Sante.

During the Track Record Period, our Group also generated revenue from the provision of management and packaging service in which (i) we provided value-added packaging solution services including packaging, storage and inventory management in accordance with our customers' requirements in return for a service fee; and (ii) we provided key account management and marketing service to the third-party brand owners by assisting them to launch their products in our distribution channel in return for a fixed management fee.

Our Group derives our revenue from (i) sales of health and beauty supplements and products under our own brands and third-party brands; (ii) provision of sales promotion service to owners or owner group of third-party brands; and (iii) provision of management and packaging service. During the three years ended 31 March 2025 and the six months ended 30 September 2024 and 2025, sales of health and beauty supplements and products accounted for approximately 98.8%, 98.8%, 98.2%, 97.8% and 98.2% of our total revenue, respectively.

The diagram below illustrates our principal business model and major operating process of the sales of our products:



During the Track Record Period, a majority of our products was sold to Dairy Farm, which was then sold and distributed to end-customers through the retail stores of Mannings in Hong Kong and on online channels of Mannings. Apart from Dairy Farm, our Group also distributed our products to other wholesale and retail customers. Our Group's hybrid sales network consists of the followings:

(i) ***Wholesale business:*** we sold our products primarily to Dairy Farm, the largest chain retailer of health and beauty products in Hong Kong, and other wholesale customers including retailers, trading companies and parallel traders, which may further sell our products to other retailers for onward sale to end-customers. Such retailers may include, among others, health and beauty product chain or non-chain stores, pharmacies, online shops, beauty salons and clinics; and

(ii) ***Retail business:*** we sold our products directly to end-customers, primarily through (a) our own e-commerce platforms at our Company's websites; (b) our online stores on third-party online platforms including Tmall.hk （天貓國際） and Xiaohongshu （小紅書）; and (c) exhibitions and trade fairs in Hong Kong.

The following table provides a breakdown of our total revenue by sales channels during the three years ended 31 March 2025 and six months ended 30 September 2024 and 2025:

	FY2023		FY2024		FY2025		6M2025		6M2026	
	Revenue	% of total revenue	Revenue	% of total revenue	Revenue	% of total revenue	Revenue	% of total revenue	Revenue	% of total revenue
	HK$'000	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000* (unaudited)	*%*	*HK$'000*	*%*
Sales of health and beauty supplements and products	42,669	98.8	108,318	98.8	127,942	98.2	51,836	97.8	51,502	98.2
– Wholesale business[(1)]	38,761	89.7	101,979	93.0	115,685	88.8	50,787	95.8	50,414	96.2
– Retail business	3,908	9.1	6,339	5.8	12,257	9.4	1,049	2.0	1,088	2.0
Sales promotion service	324	0.7	820	0.8	1,283	1.0	684	1.3	445	0.9
Management and packaging service	200	0.5	480	0.4	990	0.8	470	0.9	495	0.9
Total	**43,193**	**100.0**	**109,618**	**100.0**	**130,215**	**100.0**	**52,990**	**100.0**	**52,442**	**100.0**

Note:

(1) Including the sales to Dairy Farm and other wholesale customers, which are defined as customers with purchase amount over HK$10,000 per order.

The follow table provides a breakdown of our gross profit and gross profit margin by product categories for the three years ended 31 March 2025 and six months ended 30 September 2024 and 2025:

	FY2023		FY2024		FY2025		6M2025		6M2026	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	HK$'000	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000* (unaudited)	*%*	*HK$'000*	*%*
Health supplements and products	28,803	81.4	67,971	79.7	72,593	77.8	29,814	78.2	32,314	80.2
Our own brands	28,803	81.4	67,768	79.9	70,207	79.1	29,213	79.6	32,077	80.7
Third-party brands	–	–	203	44.0	2,386	52.4	601	43.6	237	45.8
Beauty supplements and products	5,914	81.0	16,915	73.5	22,821	65.9	8,776	63.9	6,937	61.9
Our own brands	5,914	81.0	16,861	75.2	17,203	69.1	6,671	65.2	5,744	78.6
Third-party brands	–	–	54	9.1	5,618	57.5	2,105	60.0	1,193	30.5
Subtotal	34,717	81.4	84,886	78.4	95,414	74.6	38,590	74.4	39,251	76.2
Others[(1)]	524	100.0	1,300	100.0	2,273	100.0	1,154	100.0	940	100.0
Total	35,241	81.6	86,186	78.6	97,687	75.0	39,744	75.0	40,191	76.6

Note:

(1) The gross profit margins of sales promotion service and management and packaging service are 100%, given that the relevant costs of the services, namely the commission for our sales promoters and the warehousing staff costs are classified as selling and distribution expenses and administrative and other operating expenses, respectively.

The follow table provides a breakdown of our gross profit and gross profit margin by sales channels for the three years ended 31 March 2025 and six months ended 30 September 2024 and 2025:

	FY2023		FY2024		FY2025		6M2025		6M2026	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	HK$'000	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000* *(unaudited)*	*%*	*HK$'000*	*%*
Wholesale business	31,489	81.2	79,828	78.3	86,197	74.5	37,754	74.3	38,375	76.1
– Sales to Dairy Farm	31,267	81.2	66,551	79.2	73,860	76.1	37,366	75.2	37,997	78.9
– Sales to other wholesale customers	222	82.8	13,277	74.0	12,337	66.3	388	35.0	378	16.8
Retail business	3,228	82.6	5,058	79.8	9,217	75.2	836	79.7	876	80.5
– Offline retail sales	2,470	81.4	3,629	77.5	5,554	73.8	139	65.9	155	67.7
– Online retail sales	758	86.8	1,429	86.3	3,663	77.4	697	83.2	721	83.9
Others	524	100.0	1,300	100.0	2,273	100.0	1,154	100.0	940	100.0
Total	35,241	81.6	86,186	78.6	97,687	75.0	39,744	75.0	40,191	76.6

OUR COMPETITIVE STRENGTHS

We believe that the following competitive strengths differentiate us from our competitors effectively:

- we are a company with brand image in the health and beauty supplements and products markets in Hong Kong for about 14 years of history, and have a multi-brand product portfolio tailoring for different functions;
- we are one of the few local health and beauty supplements and products providers with a diverse product portfolio while specialising in niche segments of deer-related health supplements, joint and pain care and external analgesic products;
- we collaborate with medical professionals and research institutions to validate the efficacy of our products;
- we employ and maintain a team of sales promoters at selected stores of Mannings to directly promote our products to the general public consumers;
- we adopt and implement a comprehensive marketing and promotional strategy in a cost-effective way; and
- we have established a long-term and stable business relationship with Dairy Farm for about 12 years which expanded our customer base and strengthened our brand image.

For further details, please refer to "Business – Our Competitive Strengths" in this Document.

OUR STRATEGIES

Our goal is to strengthen and enhance our market position as a leading provider of health and beauty supplements and products in Hong Kong and to further develop our business through overseas expansion. To accomplish this goal, we plan to implement the following strategies:

- further expanding and enhancing our product portfolio to satisfy the evolving needs of our end-customers;
- expanding into Taiwan market;
- expanding, improving and optimising our sales network by establishing our self-operated stores;
- enhancing our marketing and promotional activities to continue to strengthen our own brands; and
- further developing our e-commerce business.

For further details, please refer to "Business – Our Strategies" in this Document.

TOP SUPPLIERS AND CUSTOMERS

Top Suppliers

We generally engage suppliers including manufacturers to provide us with our products under our own brands whilst we source third-party brand products from brand owners from time to time. We also purchase packaging materials for packaging our products on our own at our warehouses.

During the Track Record Period, aggregate purchases from our five largest suppliers amounted to approximately HK$6.2 million, HK$22.2 million, HK$22.3 million and HK$13.0 million, representing approximately 86.3%, 77.3%, 80.3% and 77.1% of our total purchases, respectively, while purchases from our largest supplier amounted to approximately HK$4.0 million, HK$9.9 million, HK$7.7 million, and HK$4.8 million, representing approximately 55.6%, 34.5%, 27.8% and 28.0% of our total purchases, respectively.

Top Customers

Due to the nature of our business, our customers primarily consist of (i) wholesale customers (including Dairy Farm and other wholesale customers such as retailers, trading companies and parallel traders) to which we wholesale our products for onward sales to end-customers from the general public or other retailers; (ii) end-customers from the general public, who directly purchase from us under our retail business; (iii) corporate customers to which we provide sales promotion service for their brands; and (iv) corporate customers to which we provide management and packaging service.

During the Track Record Period, revenue generated from our top five customers amounted to approximately HK$39.1 million, HK$98.0 million, HK$108.6 million and HK$51.1 million, representing approximately 90.6%, 89.4%, 83.4% and 97.5% of our total revenue, respectively. Revenue generated from our largest customer, namely Dairy Farm, amounted to approximately HK$38.5 million, HK$84.0 million, HK$97.1 million and HK$48.2 million, representing approximately 89.1%, 76.7%, 74.5% and 91.9% of our total revenue during the Track Record Period, respectively.

COMPETITIVE LANDSCAPE

According to the Frost & Sullivan, the health and beauty supplements and products market we operate in are competitive and fragmented. In 2024, the health and beauty supplements and products market in Hong Kong was relatively competitive, with the top ten health and beauty supplements and products providers accounting for an aggregate market share of 55.3% in terms of retail sales value. In particular, according to Frost & Sullivan, our Group shared a market share of 1.6%, in terms of retail sales value of health and beauty supplements and products, among all international and local health and beauty supplements and product providers in Hong Kong in 2024. For more information of the competitive landscape of our markets and industries, please refer to "Industry Overview" in this Document.

Competitive advantages of our products which enabled us to outperform comparable products in the market

We are one of the few local health and beauty supplements and products providers with a diverse product portfolio while specialising in niche segments of deer-related health and supplements, joint and pain care and external analgesic products.

According to Frost & Sullivan, our Group ranked 1st with a market share of 29.4% in terms of retail sales value of deer-related health supplements and products in Hong Kong in 2024, equipping us with a differentiated brand identity in this niche market. In particular, "Growth Calcium (生長鈣)" and "Deer Sinew (鹿筋骨痛丸)" are our deer-related products that were also our top five best-selling products in terms of revenue in FY2025. The revenue generated from our deer-related health supplements under our own brand "Herb Standard (正品)" accounted for approximately 41.6%, 35.6%, 34.5% and 31.0% of our total revenue during the three years ended 31 March 2025 and the six months ended 30 September 2025, respectively. Driven by a deep cultural trust and rising interest in traditional Chinese ingredients which are used to tonify kidney yang, strengthen bones and joints, combat fatigue, boost vitality and promote longevity, amid Hong Kong's ageing population, the retail sales value of deer-related health supplements and products is expected to grow at a CAGR of approximately 8.7% from 2024 to 2029. As such, our leading position and brand image in this niche market is expected to be the primary driver for our business growth.

In addition to deer-related health supplements, we also specialise in joint and pain care and external analgesic products which are orally consumed or applied to intact skin to relieve muscular, joint or neuropathic pain, including anti-swelling pain-relief wraps. According to Frost & Sullivan, our joint and pain care and external analgesic products under our own brand "Tourmaline (炎痛消)" were one of the top five best-selling joint and pain care supplements and products in the retail stores of Mannings in 2024. During the three years ended 31 March 2025 and the six months ended 30 September 2025, the revenue generated from our joint and pain care and external analgesic products under our own brand "Tourmaline (炎痛消)" accounted for approximately 20.0%, 13.9%, 12.4% and 12.5% of our revenue, respectively. Driven by the ageing population which continues to enlarge the addressable base of consumers managing osteoarthritis or reduced mobility as well as the people who are adopting related supplements and products as preventive maintenance, our specialisation in this niche market shall allow us to capture the market growth.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

Summary of Combined Statements of Profit or Loss and Other Comprehensive Income

	FY2023	FY2024	FY2025	6M2025	6M2026
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(unaudited)	
Revenue	43,193	109,618	130,215	52,990	52,442
Cost of goods sold	(7,952)	(23,432)	(32,528)	(13,246)	(12,251)
Gross profit	35,241	86,186	97,687	39,744	40,191
Other income	863	208	83	57	38
Selling and distribution expenses	(14,912)	(30,630)	(36,435)	(17,901)	(18,859)
Administrative and other operating expenses	(6,859)	(10,201)	(15,389)	(6,435)	(7,708)
Finance costs	(1,124)	(2,543)	(2,397)	(1,327)	(899)
[REDACTED] expenses	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Profit before tax	13,209	43,020	43,463	14,138	2,898
Income tax expenses	(1,896)	(7,537)	(7,206)	(2,188)	(1,954)
Profit and total comprehensive income for the year/period	11,313	35,483	36,257	11,950	944

Set out below is a breakdown of our cost of goods sold for the three years ended 31 March 2025 and six months ended 30 September 2024 and 2025:

	FY2023		FY2024		FY2025		6M2025		6M2026	
	Amount	% of total cost of goods sold	Amount	% of total cost of goods sold	Amount	% of total cost of goods sold	Amount	% of total cost of goods sold	Amount	% of total cost of goods sold
	HK$'000	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000* *(unaudited)*	*%*	*HK$'000*	*%*
Procurement costs	6,931	87.2	20,738	88.5	29,462	90.6	11,897	89.8	10,961	89.4
Packaging costs	828	10.4	2,090	8.9	2,451	7.5	1,040	7.9	902	7.4
Delivery costs	193	2.4	604	2.6	615	1.9	309	2.3	388	3.2
Total	7,952	100.0	23,432	100.0	32,528	100.0	13,246	100.0	12,251	100.0

Our cost of goods sold comprised of procurement costs, packaging costs and delivery costs. Our cost of goods sold increased from approximately HK$8.0 million for FY2023 to approximately HK$23.4 million for FY2024, and further increased by to approximately HK$32.5 million for FY2025, which was generally in line with our increase in revenue over the three years. Our cost of good sold decreased from approximately HK$13.2 million for 6M2025 to approximately HK$12.3 million for 6M2026, which was generally in line with the decrease in our revenue during the period.

Non-HKFRS Measures

In order to supplement our combined statements of profit or loss, which are presented in accordance with HKFRS Accounting Standards, we also use adjusted profit (Non-HKFRS measure), which is not required by, or presented in accordance with HKFRS Accounting Standards. We believe this Non-HKFRS measure helps identify underlying trends in our business and therefore provide useful information to potential **[REDACTED]** in understanding and evaluating our results of operations by eliminating potential impacts of such items. We also believe that this Non-HKFRS measure provides useful information about our operating results and enhances the overall understanding of our past performance, future prospects and key metrics used by our management in its financial and operational decision-making.

We define adjusted profit (Non-HKFRS measure), as profit for the year adjusted by **[REDACTED]** expenses relating to the **[REDACTED]**. The use of adjusted profit (Non-HKFRS measure) has certain limitations as an analytical tool. When assessing our operating and financial performance, you should not consider adjusted profit (Non-HKFRS measure) in isolation from, or as a substitute for or superior to analysis of, our results of operations or financial condition as reported under HKFRS Accounting Standards. In addition, the Non-HKFRS measure may be defined differently from similar terms used by other companies and therefore may not be comparable to similar measures presented by other companies. The following table sets forth a reconciliation of our Group's net profits during the Track Record Period to our adjusted profit (Non-HKFRS measure) during the Track Record Period:

	FY2023	**FY2024**	**FY2025**	**6M2026**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Profit for the year/period	11,313	35,483	36,257	944
Adding back: **[REDACTED]** expenses	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Less: one-off governments grants	(820)	(100)	–	–
Adjusted profit for the year/period (Non-HKFRS measure)	10,493	35,383	36,343	10,809

Our net profit for the year increased from approximately HK$11.3 million in FY2023 to approximately HK$35.5 million in FY2024, which was generally in line with the increase in revenue. Such increase was mainly due to (i) the increase in revenue generated from our brand products of "Growth Calcium（生長鈣）", "Crocodile Pro（鱷肺補）", and products under the brands of "Tourmaline（炎痛消）" and "Nihondou（日藥堂）" by approximately HK$31.0 million as a result of the increased efforts on marketing and promotional activities as well as the increase in the market acceptance and recognition for our own brand products; (ii) the revenue contribution of newly launched products under our own brands, including "Revive（維再生）" and "Profix" of approximately HK$20.0 million; and (iii) the significant increase in visitor arrivals following the removal of the COVID-19 restrictions in February 2023.

Our net profit for the year increased from approximately HK$35.5 million in FY2024 to approximately HK$36.3 million in FY2025, which was generally in line with the increases in revenue. Such increases were mainly due to (i) the increase in revenue generated from products under third-party brands, namely Brand B and Brand C from Supplier G, of approximately HK$11.5 million as a result of the increase in the market acceptance and recognition for these brand products after we were appointed as exclusive distributor for these two brands in Hong Kong and Macau in December 2023 and June 2024, respectively; (ii) the increase in revenue generated from our "Growth Calcium（生長鈣）" by approximately HK$7.0 million as a result of the continued increase in brand awareness and popularity of this product, which was contributed by our effective and ongoing marketing endeavours to maximise our brand visibility and recognition; and (iii) the revenue generated from our products newly launched in FY2025, such as Natto Vessel Clean（血暢通）and Ophthalmic Sight Rejuvenat（目再生）under our brand "Revive（維再生）". Our net profit for the period decreased from approximately HK$12.0 million for 6M2025 to approximately HK$0.9 million for 6M2026, which was mainly due to the **[REDACTED]** expenses.

For detailed analysis, please refer to "Financial Information – Period to Period Comparison of Results of Operations" in this Document.

Selected Items from the Combined Statements of Financial Position

	As at 31 March			As at 30 September	As at 31 January
	2023	2024	2025	2025	2026
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000* *(unaudited)*
Current assets					
Inventories	2,156	7,989	3,821	8,871	7,737
Trade and other receivables	19,753	44,940	47,389	53,099	87,752
Bank balances and cash	108	668	810	13,750	1,862
Total current assets	22,017	53,597	52,020	75,720	97,351
Current liabilities					
Trade and other payables	19,903	11,440	9,516	15,486	17,337
Interest-bearing borrowings	28,073	37,818	31,489	34,297	40,153
Lease liabilities	808	2,303	2,253	2,413	2,618
Income tax payable	691	5,766	13,024	1,553	–
Total current liabilities	49,475	57,327	56,282	53,749	60,108
Net current assets/(liabilities)	(27,458)	(3,730)	(4,262)	21,971	37,243
Non-current assets	30,613	34,577	32,198	32,143	32,057
Non-current liabilities	4,912	7,289	5,036	4,870	4,293
Net assets/(liabilities)	(1,757)	23,558	22,900	49,244	65,007

Our net current liabilities decreased by approximately 86.4% from approximately HK$27.5 million as at 31 March 2023 to approximately HK$3.7 million as at 31 March 2024, primarily attributable to (i) the increase in inventories by approximately HK$5.8 million and the increase in trade and other receivables by approximately HK$25.2 million as a result of the increase in revenue in FY2024; and (ii) the decrease in trade and other payables by approximately HK$8.5 million as a result of our settlement of amounts due to the ultimate controlling party, which was partially offset by (i) the increase in interest-bearing borrowings by approximately HK$9.7 million to supplement our working capital; and (ii) the increase in income tax payable by approximately HK$5.1 million as a result of the increase in profit before tax in FY2024.

Our net current liabilities increased by approximately 14.3% from approximately HK$3.7 million as at 31 March 2024 to approximately HK$4.3 million as at 31 March 2025, primarily attributable to (i) the increase in the income tax payable by approximately HK$7.3 million; and (ii) the decrease in inventories by approximately HK$4.2 million, which was partially offset by (i) the increase in trade and other receivables by approximately HK$2.4 million as a result of the increase in revenue near year end date; and (ii) the decrease in interest-bearing borrowings by approximately HK$6.3 million, primarily due to repayment of certain interest-bearing borrowings during the year.

We recorded a turnaround from net current liabilities of approximately HK$4.3 million as at 31 March 2025 to a net current assets of approximately HK$22.0 million as at 30 September 2025, primarily attributable to (i) the increase in bank balances and cash since we have received **[REDACTED]** from the Pre-**[REDACTED]** Investment; (ii) the increase in trade and other receivables as a result of the increase in deposits paid to suppliers and rental and other deposits for the retail store; (iii) the increase in inventories resulting from more purchases made near period end date; and (iv) the decrease in income tax payable resulting from the settlement of income tax payables, which were partially offset by (i) the increase in trade and other payables for the increase in purchase and salaries payable; and (ii) the increase in interest-bearing borrowings from banks.

We recorded net current liabilities as at 31 March 2023, 2024 and 2025 primarily due to (i) during the Track Record Period, we declared dividends of approximately HK$14.4 million, HK$10.2 million and HK$37.1 million, respectively, to Mr. Alex Cheung to set off against the current account with the ultimate controlling party; and (ii) our interest-bearing borrowings were classified as current liabilities as the related borrowing agreements contain clauses that give the lenders an unconditional right to demand repayment at any time at their own discretion.

Going forward, our Directors will closely monitor our net current assets position. In particular, we have adopted a dividend policy on the declaration and payment of dividends. Our Board will make recommendations regarding the payment of future dividends taking into account various factors, especially our financial results, liquidity position and cash flow situation.

For detailed analysis, please refer to "Financial Information – Discussion on Key Items of the Combined Statements of Financial Position" in this Document.

Selected Items from the Combined Statements of Cash Flows

	FY2023	**FY2024**	**FY2025**	**6M2025**	**6M2026**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* *(unaudited)*	*HK$'000*
Net cash generated from operating activities	7,160	30,305	38,281	12,891	3,758
Net cash used in investing activities	(2,804)	(272)	(149)	(150)	(53)
Net cash (used in)/generated from financing activities	(5,090)	(29,473)	(37,990)	(13,108)	9,235
Net (decrease)/increase in cash and cash equivalents	(734)	560	142	(367)	12,940
Cash and cash equivalents at the beginning of the year	842	108	668	668	810
Cash and cash equivalents at the end of the year	108	668	810	301	13,750

Key Financial Ratios

	For the year ended/as at 31 March			**For the six months ended/ as at 30 September**
	2023	**2024**	**2025**	**2025**
Gross profit margin	81.6%	78.6%	75.0%	76.6%
Net profit margin	26.2%	32.4%	27.8%	1.8%
Return on equity	Not applicable	150.6%	158.3%	1.9%
Return on total assets	21.5%	40.2%	43.1%	0.9%
Current ratio	0.4	0.9	0.9	1.4
Gearing ratio	Not applicable	160.5%	137.5%	69.6%

For details, please refer to "Financial Information – Key Financial Ratios" in this Document.

Compliance

During the Track Record Period and up to the Latest Practicable Date, our Directors confirm that, and as advised by our Hong Kong Legal Counsel, we had not been and were not involved in any material non-compliance incidents that have led to fines, enforcement actions or other penalties that could, individually or in aggregate, have a material adverse effect on our business, financial condition and results of operations.

During the Track Record Period and up to the Latest Practicable Date, we were involved in a number of immaterial non-compliances, namely (1) non-registration as food importer/distributor; (2) warning letters from the Department of Health regarding potential breach of the UMAO on our product advertisements; (3) letter from Centre of Food Safety of the Food and Environmental Hygiene Department alleging potential failure to comply with the applicable nutrient labelling requirements; (4) investigation by the Customs and Excise Department on inaccurate description on our products; (5) late tax filing and payments; and (6) late filing of employer's return.

Under the Food Safety Ordinance, Herb Standard HK and Marvel Pro are required to be registered as food importer/distributor with the director of Food and Environmental Hygiene Department. Herb Standard HK and Marvel Pro did not register as a food importer/distributor prior to 21 November 2023 and 29 August 2025, respectively. Under the Food Safety Ordinance, Herb Standard HK could be subject to a maximum penalty of a fine of HK$50,000 and imprisonment for six months and Marvel Pro could be subject to a maximum penalty of a fine of HK$50,000. However, as advised by our Hong Kong Legal Counsel, any potential prosecution of Herb Standard HK and Marvel Pro in relation to their historical non-registration have now been time-barred.

During the Track Record Period and up to the Latest Practicable Date, our Group received 5 warning letters from the Department of Health regarding potential contraventions of sections 3 and/or 3B of the UMAO due to the use of restricted words in certain of our product advertisements. Under the UMAO, our Group could be subject to a maximum penalty, upon a first conviction, to a fine of HK$50,000 and imprisonment for 6 months and, upon a second or subsequent conviction, to a fine of HK$100,000 and imprisonment for 1 year. As advised by our Hong Kong Legal Counsel, the limitation period for prosecution of our Group in relation to any potential breach of the UMAO stipulated in 4 of the warning letters has now been time-barred. Although the limitation period in relation to 1 of the warning letters has not expired, we had revised the relevant wordings in such product advertisement upon receipt of the warning letter. As of the Latest Practicable Date, no follow-up enforcement action had been taken against us. As such, our Hong Kong Legal Counsel is of the view that the likelihood of the Department of Health commencing prosecution against us for the breach of the UMAO is remote.

During the Track Record Period and up to the Latest Practicable Date, Herb Standard HK received a letter from the Centre of Food Safety of the Food and Environmental Hygiene Department which alleged that Herb Standard HK failed to comply with the applicable nutrient labelling requirements according to Regulation 4A or Regulation 4B of the Food and Drugs (Composition and Labelling) Regulations. Contravention of the regulations may result in a fine at level 5 (up to HK$50,000) and imprisonment of 6 months. In response, our Group immediately reviewed the packaging and updated the labelling to ensure compliance with the Food and Drugs (Composition and Labelling) Regulations. As of the Latest Practicable Date, no follow-up enforcement action had been taken against us. As such, our Hong Kong Legal Counsel is of the view that the likelihood of the Food and Environmental Hygiene Department commencing prosecution against us for the breach of the Food and Drugs (Composition and Labelling) Regulations is remote.

During the Track Record Period and up to the Latest Practicable Date, Herb Standard HK received an investigation results letter from the Customs and Excise Department in respect of one of its products alleging that Herb Standard HK was in breach of Section 7 of the Trade Descriptions Ordinance as the product did not contain the amount of content as stated on the product packaging. Contravention of Section 7 of the Trade Descriptions Ordinance shall be liable (i) on conviction on indictment, to a fine of HK$500,000 and to imprisonment for 5 years and (ii) on summary conviction, to a fine at level 6 (up to HK$100,000) and to imprisonment for 2 years. In the investigation results letter from the Customs and Excise Department, it had decided to issue a warning to Herb Standard HK in lieu of prosecution. As at the Latest Practicable Date, no further follow-up enforcement action had been taken by the Customs and Excise Department against Herb Standard HK. Further, as advised by our Hong Kong Legal Counsel, the limitation period for prosecution of our Group in relation to any potential breach of the Trade Descriptions Ordinance in relation to the above investigation has now been time-barred.

During the Track Record Period and up to the Latest Practicable Date, Herb Standard HK and Marvel Pro had late tax payments for the year of assessment for 2022/2023 and 2023/2024 and 3R Pharmaceutical had a late tax filing for the year of assessment for 2023/2024. Under Section 71(5) of the Inland Revenue Ordinance, a surcharge of not exceeding 5% on the amount outstanding after the due date may be imposed. The Inland Revenue Department issued late payment surcharge notices for the late payments and our Company had fully settled all tax payables including the surcharges within six months of the specified date in the notice of assessment or late payment surcharge notice. Under Section 80(2) of the Inland Revenue Ordinance, a fine of HK$10,000 and a further fine of treble the amount of the tax undercharged may be imposed for late tax filing. As advised by our Tax Consultant, given that 3R Pharmaceutical did not generate assessable profits for the year of assessment for 2023/2024, there was no tax liability for the relevant year of assessment and the maximum penalty that 3R Pharmaceutical would be subject is a fine of HK$10,000. As of the Latest Practicable Date, no follow-up enforcement action had been taken against us in relation to the late tax filing.

During the Track Record Period and up to the Latest Practicable Date, Aim Smart and Marvel Pro had late filing of employer's return for the year of assessment for 2022/2023 and 2023/2024, respectively. Under Section 80(1) of the Inland Revenue Ordinance, a fine not exceeding HK$10,000 may be imposed for each of the late filing. As of the Latest Practicable Date, no follow-up enforcement action had been taken against us.

For further details of the above immaterial non-compliances, please refer to "Business – Legal Proceedings and Compliance – Compliance" in this Document.

DIVIDEND

During the years ended 31 March 2023, 2024 and 2025, we declared dividends of approximately HK$14.4 million, HK$10.2 million and HK$37.1 million to Mr. Alex Cheung to set off against the current account with the ultimate controlling party.

We have adopted a dividend policy of declaring and paying dividends, without a predetermined dividend payout ratio. The recommendation of the payment of dividend is subject to the discretion of our Board, and, after our **[REDACTED]**, any declaration of final dividend for the year will be subject to the approval of our Shareholders. The declaration and payment of future dividends will be subject to various factors, including but not limited to our financial results, liquidity position and cash flow situation, business conditions and strategies, future prospects and prevailing economic environment. Any declaration and payment as well as the amount of the dividend will be subject to our constitutional documents and all applicable laws and regulations.

[REDACTED] EXPENSES

[REDACTED] expenses represent professional fees, **[REDACTED]** commissions and other fees incurred in connection with the **[REDACTED]**. We estimate that our **[REDACTED]** expenses (including **[REDACTED]** commission) will be approximately HK$**[REDACTED]**, representing approximately **[REDACTED]** of the gross **[REDACTED]** from the **[REDACTED]** (assuming an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**, being the mid-point of the indicative **[REDACTED]** stated in this Document and the **[REDACTED]** is not exercised and no awards are granted under the Post-**[REDACTED]** Share Award Scheme). During the Track Record Period, we incurred **[REDACTED]** expenses of **[REDACTED]**, **[REDACTED]**, approximately HK$**[REDACTED]** and HK$**[REDACTED]**, respectively. The balance of the remaining **[REDACTED]** expenses of approximately HK$**[REDACTED]** are expected to be (i) recognised as expenses in the combined statements of profit or loss and other comprehensive income for the years ending 31 March 2026 and 2027 as to HK$**[REDACTED]**; and (ii) recognised as a deduction in equity directly upon **[REDACTED]** as to HK$**[REDACTED]**. The **[REDACTED]** expenses consist of approximately HK$**[REDACTED]**-related expenses and approximately HK$**[REDACTED]** non-**[REDACTED]**-related expenses (including fees and expenses of legal advisers and accountants of approximately HK$**[REDACTED]** and other fees and expenses of approximately HK$**[REDACTED]**).

USE OF [REDACTED]

We estimate that we will receive net **[REDACTED]** from the **[REDACTED]** of approximately HK$**[REDACTED]** after deducting the **[REDACTED]** commissions and other estimated expenses paid and payable by us in the **[REDACTED]**, assuming that the **[REDACTED]** is not exercised and no awards are granted under the Post-**[REDACTED]** Share Award Scheme and assuming an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**, being the mid-point of the indicative **[REDACTED]** of HK$**[REDACTED]** to HK$**[REDACTED]** per **[REDACTED]** in this Document.

We intend to use the net **[REDACTED]** from the **[REDACTED]** for the following purposes and in the amounts set out below, subject to changes in light of our evolving business needs and changing market conditions:

- approximately HK$**[REDACTED]**, representing **[REDACTED]** of the net **[REDACTED]**, is expected to be used for expansion to Taiwan market;
- approximately HK$**[REDACTED]**, representing **[REDACTED]** of the net **[REDACTED]**, is expected to be used for conducting strategic marketing and promotional campaigns in Hong Kong to further enhance our brand awareness and promote our signature products under our own brands, among others, "Deer Sinew (鹿筋骨痛丸)", "Crocodile Pro (鱷肺補)", "Revive Natto Vessel Clean (血暢通)" and "Revive Ophthalmic Sight Rejuvenat(目再生)";
- approximately HK$**[REDACTED]**, representing **[REDACTED]** of the net **[REDACTED]**, is expected to be used for expanding our sales network through the opening of our self-operated stores in Hong Kong in a phased approach;
- approximately HK$**[REDACTED]**, representing **[REDACTED]** of the net **[REDACTED]**, is expected to be used for expanding and diversifying our product portfolio under our own brands by introducing and developing new health and beauty supplements and products under our existing and new product lines; and
- the remaining balance of approximately HK$**[REDACTED]**, representing **[REDACTED]** of the net **[REDACTED]**, is expected to be used as general working capital.

For details including the expected timing of the use of **[REDACTED]**, please refer to "Future Plans and Use of **[REDACTED]**" in this Document.

RISK FACTORS

We believe that there are certain risks involved in our operations, many of which are beyond our control. These risks are set forth in "Risk Factors" in this Document which include, among others:

- our Group is exposed to risk of reliance on Dairy Farm for onward sale of our products to end-customers, and failure to maintain the relationship with Dairy Farm or otherwise expand our wholesale network may materially and adversely affect our business;
- any failure by Dairy Farm and other wholesale customers to make payments to our Group or any disputes over, or significant delays in receiving such payments may materially and adversely affect our cash flow and profitability;
- any failure to introduce new products or gain market acceptance of our new products may have a negative effect on our business;
- our business depends significantly, and our Group has been substantially dependent on revenue derived from our leading brand, "Herb Standard（正品）" and this may continue to be the case. Our failure to develop, maintain and enhance our brands and reputation and the decline of sales of our leading brand may materially and adversely affect the level of market recognition of, and trust, in our products; and
- our marketing and promotional activities are crucial to the success of our products, and if our Group fails to maintain or develop our marketing capabilities, the market share, brand recognition and reputation of our products may be materially and adversely affected.

OUR CONTROLLING SHAREHOLDERS

Immediately upon completion of the **[REDACTED]** (without taking into account any Shares which may be issued pursuant to the exercise of the **[REDACTED]** and any awards which may be granted under the Post-**[REDACTED]** Share Award Scheme), Alway Success will be entitled to exercise voting rights of approximately **[REDACTED]** of the total issued share capital of our Company. Alway Success is wholly-owned by Mr. Alex Cheung. Therefore, Mr. Alex Cheung and Alway Success will be our Controlling Shareholders as defined in the Listing Rules upon **[REDACTED]**.

PRE-[REDACTED] INVESTMENTS

We completed our Pre-**[REDACTED]** Investments in June 2025 and our Pre-**[REDACTED]** investors are Ms. Yin Yue（燕茹）, Ms. Chow, Mr. Cheung Kit Shing（張杰承）, Mr. Lo Cho Leung Julian（勞祖亮）, Mr. Liu Xiao（劉瀟）, Mr. Chow Shou Mo Michael（周修武）, Ms. Au Yeung Wing Sze（歐陽詠詩）and BOCOM International Asset Management Limited (acting in the capacity of manager for and on behalf of its client (i.e. Ms. Xiao Xiao（肖曉）)). Immediately following the completion of the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised and no awards have been granted under the Post-**[REDACTED]** Share Award Scheme), the Pre-**[REDACTED]** Investors will hold approximately **[REDACTED]** of the issued Shares. For further details of the identity and background of the Pre-**[REDACTED]** Investors and the principal terms of the Pre-**[REDACTED]** Investments, please refer to "History, Reorganisation and Corporate Structure — Pre-**[REDACTED]** Investments" in this Document.

[REDACTED] STATISTICS

The numbers in the following table are based on the assumptions that (i) the **[REDACTED]** has been completed and **[REDACTED]** Shares are issued and sold in the **[REDACTED]**, (ii) the **[REDACTED]** is not exercised, (iii) no awards are granted under the Post-**[REDACTED]** Share Award Scheme, and (iv) **[REDACTED]** Shares are issued and outstanding following the completion of the **[REDACTED]**.

	Based on an [REDACTED] of HK$[REDACTED] per [REDACTED]	Based on an [REDACTED] of HK$[REDACTED] per [REDACTED]
Market capitalisation after completion of the **[REDACTED]**(2)	**[REDACTED]**	**[REDACTED]**
Unaudited **[REDACTED]** adjusted combined net tangible assets attributable to owners of the Company per **[REDACTED]**(3)	**[REDACTED]**	**[REDACTED]**

Notes:

(1) All statistics in this table are presented based on the assumption that the **[REDACTED]** is not exercised and no awards are granted under the Post-**[REDACTED]** Share Award Scheme.

(2) The calculation of market capitalisation is based on **[REDACTED]** Shares expected to be in issue and outstanding following the completion of the **[REDACTED]**.

(3) The unaudited **[REDACTED]** adjusted consolidated net tangible assets per **[REDACTED]** is arrived at after adjustments referred to in "Unaudited **[REDACTED]** Financial Information" in Appendix II to this Document and on the basis that a total of **[REDACTED]** Shares were in issue assuming that the **[REDACTED]** have been

completed on 30 September 2025 but takes no account of (i) any Shares which may be issued upon the exercise of the **[REDACTED]**, (ii) any awards which may be granted under the Post-**[REDACTED]** Share Award Scheme, or (iii) any Shares which may be issued or repurchased by our Company.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Our business model, revenue structure and cost structure generally remained unchanged subsequent to the Track Record Period and up to the Latest Practicable Date. Subsequent to the Track Record Period and up to the Latest Practicable Date, we continued to focus on our principal business of development, sales, marketing and distribution of health and beauty supplements and products mainly in Hong Kong. Our Directors are of the view that our business operations will remain relatively stable primarily because (i) our relationship with major customers are relatively stable; (ii) we have continued to experience growth during the Track Record Period; and (iii) we will launch new products from time to time to meet the prevailing market trends and demand of end-customers.

Subsequent to the Track Record Period, we have launched two new products covering joint and pain care.

We have obtained and drawdown a new facility of HK$7.3 million in January 2026. The loan carries an interest rate of HIBOR plus 2% per annum for a term of one year, and the loan was secured by the personal guarantees provided by our Controlling Shareholder and our key management insurance contract. Our Directors confirm that the personal guarantees provided by our Controlling Shareholder will be fully released prior to the **[REDACTED]** and will be replaced with corporate guarantee given by our Group upon **[REDACTED]**.

In October 2025, our first self-operated store at Fanling in Hong Kong commenced operation. The store has been operating satisfactorily and had achieved breakeven in November 2025. Our Group will adopt a phased approach in establishing self-operated stores in Hong Kong. In addition, as at the Latest Practicable Date, our Group was in the progress of establishing an indirect wholly-owned subsidiary in Taiwan for expansion into Taiwan market.

In December 2025, we have established Jueyue Brand Management in the PRC, which is wholly owned by 3R Pharmaceutical and is intending to conduct marketing activities for our Group. As at the Latest Practicable Date, Jueyue Brand Management had not yet commenced any business operations. In February 2026, we established Puzzles Global with Ms. Chow and our Company indirect holds 30% of the entire issued share capital of Puzzles Global. Puzzles Global is accounted as an associate of our Group. Puzzles Global intends to engage in the business of development and sales of health and beauty supplements and products. As at the Latest Practicable Date, it had not yet commenced any business operations.

Our Directors confirm that, after performing all the due diligence work which our Directors consider appropriate, since 30 September 2025 and up to the date of this Document, there has been no material adverse change in the operation or financial position or prospects of our Group; and (ii) no event has occurred that would materially and adversely affect the information shown in the Accountants' Report set out in Appendix I to this Document. Our Directors expect that our net profit for the year ending 31 March 2026 will be decreased as compared to FY2025, mainly due to the **[REDACTED]** expenses to be recognised in the combined statements of profit or loss and other comprehensive income.