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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 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. Deer-related health supplements under our own brand “Herb Standard (正品)” have been our best-selling products, accounting 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. Sales of our joint and pain care and external analgesic products under our own brand “Tourmaline (炎痛消)”, on the other hand, represented approximately 20.0%, 13.9%, 12.4% and 12.5% of our total revenue during the three years ended 31 March 2025 and the six months ended 30 September 2025, respectively. 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, comprising (a) nutritional and herbal supplements, which are orally consumed products typically in the form of pills, tablets or liquids with an aim to supplement the diet and improve inner health/immune system including heart, brain, liver, bones, eyes, promotion of sleep quality, etc.; and (b) external analgesic products used for relieving muscle or joint pain; and (ii) beauty supplements and products, comprising (a) preparations which aim to improve body shape/outward appearance; and (b) nutrients which aim to improve skin conditions, such as collagen, antiradicals and coenzymes of which the main functions include skin whitening, anti-oxidation, anti-ageing and anti-wrinkle. As at the Latest Practicable Date, our product portfolio consists of (i) 44 health supplements and products and 8 beauty supplements and products under our own brands; and (ii) 4 health supplements and products and 20 beauty supplements and products under third-party brands. Health supplements and products have been our major and top-selling products, the revenue of which amounted to approximately 81.9%, 77.8%, 71.6% and 76.8% of our total revenue during the three years ended 31 March 2025 and the six months ended 30 September 2025, respectively. Particularly, our Group’s top five best-selling products for FY2025 were “Growth Calcium(生長鈣)”, “Deer Sinew (鹿筋骨痛丸)”, “Crocodile Pro (鱷肺補)” and “iLiver Clear (肝酵素)” under our own brand “Herb Standard (正品)” as well as “Revive NMN (維再生NMN)” under our own brand “Revive (維再生)”.

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, in which we assist the brand owners to sell their products through our distribution channel including Dairy Farm 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; and (iii) provision of management and packaging service, in which (a) we provide value-added packaging solution services including packaging, storage and inventory management in accordance with our customers’ requirements in return for a service fee; and (b) we provide key account management and marketing service to third-party brand owners for a fixed management fee. 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.

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In 2023 and 2024, we entered into separate strategic distribution agreements with Supplier G, a renowned manufacturer and wholesaler of healthcare and beauty products, including skincare and haircare products in Japan, under which we have been designated as the exclusive distributor for two of its brands (“**Brand B**” and “**Brand C**”) in Hong Kong and Macau, marking our milestone in expanding our product portfolio to cover Japanese health and beauty supplements and products. According to Frost & Sullivan, Brand B products primarily compete in the segment of vitamin C supplements which is popular but dominated by established brands with its innovative capsule technology appealing to trend-conscious consumers while Brand C products have carved out recognisable niche segments, particularly in the weight management and probiotic segments, due to their innovative formulations and popularity among consumers seeking diet support.

The majority of our products are sold and distributed through the retail stores of Mannings and on online channels of Mannings for onward sale to the general public consumers in Hong Kong. Our Group has established a long-term and stable business relationship with Dairy Farm for about 12 years since 2013. According to Frost & Sullivan, Mannings is the largest chain retailer of health and beauty products in Hong Kong, with 306 stores in Hong Kong and 20 stores in Macau as at February 2026, accounting for a market share of approximately 34.4% in terms of the total retail sales value of health and beauty supplements and products in Hong Kong in 2024. As at the Latest Practicable Date, (i) we had 49 sales promoters, who were our employees, stationed at 48 retail stores of Mannings in Hong Kong; and (ii) we had set up 16 GEDs in selected stores of Mannings in Hong Kong to sell and promote our products. Leveraging on the extensive retail network of Dairy Farm, our Directors believe that we are able to effectively enhance our product visibility in Hong Kong among different consumer groups as well as tourists from the PRC and overseas who are looking to buy health and beauty supplements and products from reputable chain retailers in Hong Kong.

Apart from the major sales channel through the shelves and GEDs at the retail stores of Mannings, we also distribute our products through (i) other wholesale customers such as retailers, trading companies and parallel traders which may further sell our products to other retailers for onward sale to end-customers. Such retailers include, among others, health and beauty product chain or non-chain stores, online shops, pharmacies, beauty salon and clinics; (ii) e-commerce platforms, such as our self-operated online platforms at our Company’s websites and our online stores on third-party online platforms including Tmall.hk (天貓國際) and Xiaohongshu (小紅書), through which we directly sell our products to end-customers; and (iii) exhibitions and trade fairs, such as the Hong Kong Brands and Products Expo (香港國際工業出品展銷會) and International Baby/Children Products Expo (國際嬰兒、兒童用品博覽), where we directly sell our products to end-customers.

Over the years, our own brands have received several awards as their recognition, including (i) the “2023 Hong Kong Top Brand (香港名牌)” awarded by the Hong Kong Brand Development Council and the Chinese Manufacturers’ Association of Hong Kong in 2023; and (ii) the “World Quality Awards – Bronze Award (品質獎項-銅獎)” awarded by Monde Selection, an international quality institute, in 2024, for three of our products, namely (a) “Crocodile Pro (鱷肺補)”; (b) “Deer Sineu (鹿筋骨痛丸)”; and (c) “Growth Calcium (生長鈣)”.

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 the three years ended 31 March 2025 and the six months ended 30 September 2024 and 2025, 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 mainly due to the [REDACTED] expenses.

OUR COMPETITIVE STRENGTHS

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

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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

Our history can be traced back to 2011 when Herb Standard HK, a key operating subsidiary of our Company, was founded. We believe our achievements are largely credited to our brand image. We have amassed operational expertise and acquired insights into the local market, with our track record spanning approximately 14 years in the development, sales, marketing and distribution of health and beauty supplements and products in Hong Kong. We believe we have been recognised by the local market with health and beauty supplements and products brand image in Hong Kong. Our Directors consider that local health and beauty supplements and products providers have become deeply embedded in the Hong Kong market, and leading local companies have gained a strong first-mover advantage and deep understanding of the local market through years of development and are able to customise products that better meet the specific health needs and preferences of local consumers.

According to Frost & Sullivan, our Group ranked the seventh in terms of retail sales value of health and beauty supplements and products with a market share of approximately 1.6%, among all local health and beauty supplements and products providers in Hong Kong in 2024.

Our Directors believe that our brand image stems from our ongoing marketing endeavours and the continuous enhancement and expansion of our product portfolio. Since establishment, we have been focusing on brand development and product development to build a growing brand and product portfolio catering the needs of our end-customers. As at the Latest Practicable Date, our product portfolio consists of (i) 44 health supplements and products and 8 beauty supplements and products under our 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) 4 health supplements and products and 20 beauty supplements and products under six third-party brands including, among others, (a) “iPro+” and (b) “Boiron”. Our products cover a wide range of functions, including respiratory system care (lung protection, cough relief and allergy), joint and pain care, pain relief, cardiovascular and liver care, anti-allergy, body weight and intestinal management, eye health, brain health, insomnia and stress relief, probiotics, yin-nourishing radiance, men’s health, women’s health and children’s health. Among all our products, deer-related health supplements under our own brand “Herb Standard (正品)” have been our best-selling products, accounting 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. According to Frost & Sullivan, 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, equipping us with a differentiated brand identity in this niche market. Our Directors believe that our unique brand identities can enhance our corporate image, raise brand awareness and foster customer loyalty.

In 2023 and 2024, we entered into separate strategic distribution agreements with Supplier G, a renowned manufacturer and wholesaler of healthcare and beauty products, including skincare and haircare products in Japan, under which we have been designated as the exclusive distributor for two of its brands, Brand B and Brand C, in Hong Kong and Macau, marking our milestone in expanding our product portfolio to cover Japanese health and beauty supplements and products. Our Directors consider that the grant of such exclusive distributorship right represents an endorsement to our brand establishment in the market.

Our Group has been operating in steadily growing health and beauty supplements and products markets in Hong Kong. According to Frost & Sullivan, (i) the retail sales value of the health supplements and products market in Hong Kong increased at a CAGR of approximately 2.9% from approximately HK\$8.4 billion in 2020 to approximately HK\$9.4 billion in 2024, and is expected to further increase to approximately HK\$12.1 billion in 2029, representing a CAGR of approximately 5.1% during 2025 to 2029; and (ii) the retail sales value of the beauty supplements and products market in Hong Kong increased at a CAGR of approximately 3.3% from approximately HK\$2.4 billion in 2020 to approximately HK\$2.7 billion in 2024, and is expected to further increase to approximately HK\$3.5 billion in 2029, representing a CAGR of approximately 5.5% during 2025 to 2029. We believe that our brand recognition, together with our marketing and promotional strategy, and the continuing expansion of our product portfolio position us favourably for market growth and also give us a competitive edge over our

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competitors and allow us to expand our market share, thus we are capable of maintaining our business growth and remaining competitive in the market when we continuously develop our own brand image.

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

One of our competitive strengths is being among the few local health and beauty supplements and products providers in Hong Kong with a wide range of products while specialising in niche segments such as deer-related health supplements, joint and pain care and external analgesic products.

Deer-related health supplements

Among all our products, deer-related health supplements under our own brand “Herb Standard (正品)” have been our best-selling products, accounting 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. We offer deer-related health supplements, including deer sinew (鹿筋) for joint support, deer pizzle (鹿鞭) and deer tail (鹿尾把) for kidney support and male vitality, deer colostrum (鹿初乳) for immunity and deer placenta (鹿胎) for skin and post-partum care. According to Frost & Sullivan, 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.

According to Frost & Sullivan, the retail sales value of deer-related health supplements and products grew at a CAGR of approximately 8.7% from approximately HK\$158.5 million in 2020 to approximately HK\$221.5 million in 2024, and is expected to further increase to approximately HK\$310.7 million in 2029, representing a CAGR of approximately 7.1% during 2025 to 2029. Such increasing trend is 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 and health-conscious consumers who seek natural remedies for vitality and preventive care, as well as Hong Kong’s high-stress urban setting characterised by demanding work schedules and intense lifestyles.

Joint and pain care and external analgesic products

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. During the three years ended 31 March 2025 and the six months ended 30 September 2025, sales of our joint and pain care and external analgesic products under our own brand “Tourmaline (炎痛消)” represented approximately 20.0%, 13.9%, 12.4% and 12.5% of our total revenue, respectively. 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.

According to Frost & Sullivan, the retail sales value of joint and pain care health supplements and products in Hong Kong grew at a CAGR of approximately 2.5% from approximately HK\$880.4 million in 2020 to approximately HK\$970.3 million in 2024, and is expected to further increase to approximately HK\$1,211.5 million in 2029, representing a CAGR of approximately 4.7% during 2025 to 2029. This is primarily driven by the ageing population which continues to enlarge the addressable base of consumers managing osteoarthritis or reduced mobility as well as the growing cohort of runners, hikers and gym users in their 30s and 40s who are adopting related supplements and products as preventive maintenance, widening penetration beyond the traditional silver segment.

On the other hand, the retail sales value of external analgesic products including anti-swelling pain-relief wraps in Hong Kong grew at a CAGR of approximately 5.3% from approximately HK\$1.3 billion in 2020 to approximately HK\$1.6 billion in 2024, and is expected to further increase to approximately HK\$2.4 billion in 2029, representing a CAGR of approximately 7.5% during 2025 to 2029, according to Frost & Sullivan. This is primarily driven by the ageing population in Hong Kong as elderly individuals frequently require pain relief for

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chronic conditions like arthritis, joint pain and muscle aches, as well as the fast-paced and high-stress urban lifestyle in Hong Kong which gives rise to tension headaches, muscle pain and backaches.

Our Directors believe that our prominent market positions in deer-related health supplements as well as joint and pain care and external analgesic products allow us to capture the market growth in the respective niche health supplements and products markets.

We collaborate with medical professionals and research institutions to validate the efficacy of our products

Our Directors believe that our collaborations with medical professionals and research institutions with expertise in healthcare and nutrition from time to time for validating the efficacy of our products will enhance our brand image and the creditability of our products.

In 2022 and 2023, we have collaborated with Professor Robert Kam Ming KO (高錦明) from a local university in Hong Kong to conduct scientific studies validating that “Deer Sinew (鹿筋骨痛丸)”, “Crocodile Pro (鱷肺補)” and “Growth Calcium (生長鈣)” under our own brand “Herb Standard (正品)” (i) has beneficial effect on muscle or joint strain caused by chronic inflammation; (ii) is effective in suppressing the allergic response in the human airway; and (iii) is effective in promoting bone growth during the growth period in humans, respectively. In 2023 and 2024, we also collaborated with dermatologists and physical therapists in Taiwan to certify the efficacy of our products through their professional perspectives. For instance, “Crocodile oil (鱷膚油)” and “Allerg Pro (鱷敏治)” under our own brand “Herb Standard (正品)” are both recommended by a dermatologist for their anti-eczema and anti-allergy effects. Our joint and pain care products and anti-swelling pain-relief wraps under our own brand “Tourmaline (炎痛消)” are also recommended by a physical therapist for their anti-swelling and analgesic effects. Our Directors believe that such endorsement by the medical professionals and university professor have further strengthened our brand creditability and recognition in the markets.

We employ and maintain a team of sales promoters at selected stores of Mannings to directly promote our products to the general public consumers

As at the Latest Practicable Date, (i) we had 49 sales promoters, who were our employees, stationed at 48 retail stores of Mannings in Hong Kong; and (ii) we had set up 16 GEDs in selected stores of Mannings in Hong Kong to sell and promote our products. Our sales promoters promote our products, interact with customers directly by providing them with advice and recommendations on product usage and selection such that they can gain instant knowledge of our products, and receive instant feedback from them.

In order for our sales promoters to better serve the end-customers visiting the retail stores of Mannings, we provide trainings to them from time to time, in particular when there are new product launches, such that our sales promoters can establish a solid knowledge on health issues, nutrition and our products, enhance their communication skills and stay updated on the latest market trend and consumer preference.

Our Directors believe that direct face-to-face interaction among our sales promoters and end-customers will enhance our end-customers’ purchasing experience and our sales while any feedback received from the general public consumers will be shared to our Group’s product development team for market research purposes. Please refer to “Sales and Marketing – In-store promotion” in this section for more details.

We adopt and implement a comprehensive marketing and promotional strategy in a cost-effective way

Our Group adopts and implements a wide range of marketing initiatives with a view to building the desired brand awareness and image and driving our sales. We have established a dedicated marketing team tasked with activities such as market research, strategic planning and promotion of our brands and products over the years. As at the Latest Practicable Date, our marketing team consisted of 11 staff, with a creative design team focusing on executing graphic design for advertisements, product packaging and making our promotion videos and films.

Our Group conducts advertising in various forms, including television, printed publications and digital channels. During the Track Record Period, we engaged entertainers (such as actors and singers) who fit our brands and product image in Hong Kong for promoting our products. We also collaborated with medical professionals and Professor Robert Kam Ming KO (高錦明) to

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promote and validate the efficacy of our products. We believe that our approach of involving entertainers, medical professionals and university professors in our advertising efforts has significantly enhanced the visibility and recognition of our brands and products in Hong Kong, which is in turn expected to boost the sales of both our current offerings and future products.

Furthermore, we have collaborated with several KOLs in Hong Kong to promote our products, in which they share their experiences through articles, videos, and photos on social media platforms which have significant influence on end-customers' spending behaviour in recent years. During the Track Record Period, we had been promoting our products by posting advertisements on social media platforms, including YouTube, Facebook, Instagram and Xiaohongshu (小紅書). Social media platforms enable us to connect directly with end-customers, keeping them informed about our brands and products while gathering real-time feedback. This valuable input helps shape our marketing strategies, promotional campaigns and product portfolio adjustments to align with current consumer preferences. Such combination of lean and efficient marketing initiatives ensures optimal marketing expenditures by focusing on end-customers, which enables us to implement our marketing and promotional strategy in a cost-effective way.

Our Directors believe that the diverse marketing and promotional initiatives undertaken by our Group have successfully maximised our brand visibility and recognition while maintaining cost efficiency and these efforts have played a key role in driving our business growth and enhancing financial performance.

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

A majority of our products are sold and distributed through the retail stores of Mannings and on online channels of Mannings, for onward sale to end-customers. During the Track Record Period, approximately 89.1%, 76.7%, 74.5% and 91.9% of our total revenue was attributable to our sales to Dairy Farm, respectively.

Our Group has established a long-term and stable business relationship with Dairy Farm for about 12 years since 2013. According to Frost & Sullivan, Mannings is the largest chain retailer of health and beauty products in Hong Kong, with 306 stores in Hong Kong and 20 stores in Macau as at February 2026, accounting for a market share of approximately 34.4% in terms of the total retail sales value of health and beauty supplements and products in Hong Kong in 2024. Leveraging on the extensive retail network of Dairy Farm throughout Hong Kong, our Directors believe that our Group is able to target at different consumer groups in all districts in Hong Kong.

According to Frost & Sullivan, our Group ranked the seventh in terms of retail sales value of health and beauty supplements and products with a market share of approximately 1.6%, among all local health and beauty supplements and products providers in Hong Kong in 2024. In particular, (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. Leveraging on our brand reputation and our market position in Hong Kong, we have cultivated a stable and long-term partnership with Dairy Farm over the years.

In addition, our Directors believe that by sustaining a long-term partnership with Dairy Farm, it allows us to effectively market and distribute our products by tapping into its extensive retail network, customer base, as well as its experience and expertise in marketing and promotion of health and beauty supplements and products. This will enable us to cost-effectively expand our business presence and market share while enhancing consumer trust and our products' accessibility and visibility in Hong Kong among different consumer groups as well as tourists from the PRC and overseas who are looking to buy health and beauty supplements and products from reputable chain retailers in Hong Kong.

According to Frost & Sullivan, new entrants may find it difficult to approach and become one of the suppliers of Mannings since Mannings has stringent selection criteria for its suppliers and expects its suppliers to have proven track records and possess demonstrated ability of providing high-quality products with sufficient quantities for its retail stores in a timely manner as well as promoting their products in the market. This effectively creates an entry barrier for

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new entrants to establish business relationships with Mannings. In particular, Mannings normally requires its suppliers to continue to upgrade their existing products and launch new products from time to time to meet the prevailing market trends and demand of end-customers. We have consistently developed, enhanced, and supplied health and beauty supplements and products. For example, we launched new products covering the functions of body weight and intestinal management and probiotics during the Track Record Period, most of which were supplied to Dairy Farm and sold in the retail stores of Mannings and on online channels of Mannings. Over the years, we have also accumulated an in-depth understanding of the purchase pattern and product quality requirements of Dairy Farm, which provides us with a competitive edge to secure orders from it.

For details of our relationship with Dairy Farm, please refer to “Our Business Model – Wholesale business – Sales of our products to Dairy Farm” and “Our Customers – Our dealings with Dairy Farm” in this section below.

OUR STRATEGIES

We aim 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, we plan to implement the following strategies:

Further expanding and enhancing our product portfolio to satisfy the evolving needs of our end-customers

Our Directors believe that our business success depends on introducing new products that align with emerging health trends and consumer preferences, address unmet market needs and adapt to evolving customer demands. To achieve this, we are committed to continuously expanding and enhancing our product portfolio.

According to Frost & Sullivan, the overall health supplements and products market in Hong Kong is primarily driven by (i) the increasing awareness of health and wellness across all age groups following the COVID-19 pandemic; (ii) the ageing population which has increasing demand for health supplements to address age-specific issues such as bone health, joint and pain care and cognitive function; and (iii) the surging demand for personalised and natural products that are tailored to factors like age, gender or lifestyle, whereas the overall beauty supplements and products market in Hong Kong is mainly driven by (i) the heightened appearance awareness through digital media; (ii) the broadening demographic participation by fitness-conscious men and younger consumers who regard body shaping and preventive ageing as lifestyle basics; and (iii) the short product launch cycles enabled by cross-border e-commerce. These dynamics call for the need to further expand and diversify our product offerings to address specific health requirements of consumers across all ages, gender and lifestyle.

Going forward, according to Frost & Sullivan, the market trends and opportunities for the health and beauty supplements and products markets in Hong Kong will be, among other things, (i) the continued product expansion to provide innovative and customised solutions to a diverse customer base; (ii) the rising interest in dietary and immunity-enhancing supplements and products, such as vitamin C, vitamin D, zinc and probiotics, following the COVID-19 pandemic; (iii) the integration of health supplements and products with traditional Chinese medicine, such as ginseng, cordyceps, goji berries and reishi mushrooms, which is trusted for holistic wellness, preventive care and managing chronic conditions; (iv) the rising demand for personalised solutions for beauty supplements and products tailored to individual skin, hair and wellness needs; and (v) the continued expansion of the men’s market for such skincare and wellness products as anti-ageing creams and hair care solutions.

To ride on the above market trends and opportunities, we plan to expand and diversify our products portfolio under our own brands by introducing and developing new health and beauty supplements and products under our existing and new product lines. We will continue to select, develop, and market health and beauty supplements and products that have the potential to fulfill current unmet needs of our end-customers. In particular, we are exploring to collaborate with research institutions, universities, or laboratories to develop new products. By combining our deep understanding of the needs of the end-customers with the expertise and resources of these organisations, we aim to expand into new product categories such as eye care products for children, stomach-related products, products for brain health and new beauty supplement

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products. On the other hand, we will also continue to explore and identify the opportunities of cooperation or strategic licensing with internationally renowned health and beauty supplement and products brands to further expand our product portfolio.

We intend to apply approximately [REDACTED] of our net [REDACTED] from the [REDACTED] for the development and introduction of new products under our own brands. For further details, please refer to “Future Plans and Use of [REDACTED]” in this Document.

Expanding into Taiwan market

We derived almost all of our revenue from Hong Kong during the Track Record Period with an established market position and brand image in the health and beauty supplements and products markets in Hong Kong. Our Directors believe that our products are generally accepted in the Chinese communities and the expansion into a new market will enable our Group to increase our sales and raise awareness of our brands and products among the Chinese communities outside of Hong Kong, leveraging our extensive industry experience in Hong Kong. We have analysed the health and beauty supplements and products markets in Taiwan by conducting market research, and considered there is a market potential in Taiwan. In support of and to assess the viability of our expansion plan into Taiwan market, we engaged Frost & Sullivan to perform market analysis to ascertain that there is sufficient market demand for our products in Taiwan.

According to Frost & Sullivan, the retail sales value of health supplements and products market in Taiwan increased at a CAGR of approximately 6.0% from approximately US\$638.1 million in 2020 to approximately US\$805.5 million in 2024, and is expected to further increase to approximately US\$1,097.4 million in 2029, representing a CAGR of approximately 6.5% from 2025 to 2029. This is primarily driven by the increased focus on preventive healthcare and rising demand for health supplements amid ageing population.

As for the beauty supplements and products market in Taiwan, the retail sales value grew at a CAGR of approximately 5.5% from approximately US\$186.8 million in 2020 to approximately US\$231.4 million in 2024, and is expected to further rise to approximately US\$312.3 million in 2029, representing a CAGR of approximately 6.3% between 2025 and 2029, according to Frost & Sullivan. This is primarily driven by the increasing interest in personal health, wellness and self-care as well as the growing influence of social media and beauty influencers.

According to Frost & Sullivan, the retail sales value of health supplements and products in Taiwan increased from US\$638.1 million in 2020 to US\$805.5 million in 2024, representing a CAGR of 6.0% from 2020 to 2024. The growth is driven by the increased focus on preventive healthcare and rising demand for health supplements aimed at aging population. The market is expected to reach US\$1,097.4 million in 2029, at a CAGR of 6.5% from 2025 to 2029. According to Frost & Sullivan, the retail sales of beauty supplements and products market in Taiwan experienced an increase from US\$186.8 million in 2020 to US\$231.4 million in 2024, at a CAGR of 5.5% from 2020 to 2024. Increasing interest in personal health, wellness, and self-care serves as the driver to the market. Together with the growing influence of social media and beauty influencers, the retail sales of beauty supplements and products is expected to rise at a CAGR of 6.3% from 2025 to 2029.

Furthermore, according to the Department of Household Registration, Ministry of the Interior of Taiwan, as at 31 December 2025, Taiwan has a population of approximately 23 million people with approximately 20.06% of population aged 65 or older. As such, Taiwan has become a super-aged society (with over 20% of the population aged 65 or older). Taking into account, (i) the increased focus on preventive healthcare and rising demand for health supplements amid ageing population in Taiwan, the super-aged condition of Taiwan and the growing influence of social media and beauty influencers in Taiwan; and (ii) our diverse product portfolio specialising in deer-related health supplements, joint and pain care and external analgesic products which are especially favoured by the elderly people, our Directors consider that there is sufficient market demand for our products in Taiwan.

In addition, the distribution of health and beauty supplements and products in Taiwan is generally similar to Hong Kong, with the retail stores of large-scale health and beauty products chain stores being the principal distribution channels for health and beauty supplements and products. Leveraging our experience in developing and maintaining a long-term and stable business relationship with Dairy Farm in Hong Kong, we plan to expand into Taiwan market by

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adopting similar business model through cooperation with large-scale local health and beauty chain retailers. Through the cooperation with such health and beauty chain retailers, our Directors believe that we can expediently penetrate into the Taiwan market by leveraging their existing retail networks and establish our presence in an efficient way. According to Frost & Sullivan, leading health and beauty chain retailers in Taiwan include (i) Watsons Taiwan, a subsidiary of the A.S. Watson Group, which is the leading health and beauty retailer in Taiwan, operating 587 stores as at February 2026; and (ii) COSMED, operated by President Drugstore Business Corp, a subsidiary of President Chain Store Corp, which is Taiwan's leading drugstore chain and had 585 outlets across Taiwan as at February 2026. As at the Latest Practicable Date, our Group was in the progress of establishing an indirect wholly-owned subsidiary in Taiwan through a legal adviser in Taiwan.

Our Group has approached an agency, which is also a customer of our Group for FY2025, which has rich experience in handling both online and offline health and beauty products retailer chain and drug stores in Hong Kong and Taiwan. This agency has a strong network of distributors in Taiwan which can help to reach end customers in Taiwan and unleash the brand potential in the markets through different marketing campaigns. This agency is also the exclusive distributor of other health and beauty services providers in Taiwan market. As at the Latest Practicable Date, our Group had not signed any agreements with this agency for any services for expanding our market in Taiwan. It is expected that the agency would help our Group to establish our initial presence in the Taiwan market. To ensure compliance with local laws and regulations, we have consulted a local legal adviser in Taiwan to advise us on the establishment of the company in Taiwan. It is intended that our Group may consult the legal advisers as required after the commencement of the business in Taiwan to provide advises from time to time to us to ensure the ongoing compliance of our Group.

In analysing the competitiveness of our Group to the local market players in Taiwan, our Directors consider that our Group have the following competitive strengths when expanding into Taiwan market:

- (i) *Specialise in niche segments of deer-related health supplements, joint and pain care and external analgesic products:* according to Frost & Sullivan, we are the few health and beauty supplements and products providers in Hong Kong with a wide range of products while specialising in niche segments such as deer-related health supplements, joint and pain care and external analgesic products. Our deer-related health supplements had gained brand recognition and reputation in Hong Kong over the years and appeals to locals as well as tourists from overseas. In particular, our products are popular for ageing population and health-conscious consumers who seek natural remedies for vitality and preventive care, as well as high-stress urban setting characterised by demanding work schedules and intense lifestyles, while our joint and pain care and external analgesic products are popular for ageing population. In view of the relatively high proportion of population aged 65 or older in Taiwan and the fact that the supply of deer-related health supplements is limited in large-scale health and beauty products chain stores in Taiwan while our products had built brand recognition and reputation over the years, our Directors consider that our products will be able to gain market share in Taiwan;
- (ii) *Relationship with distributors:* according to Frost & Sullivan, the distribution of health and beauty supplements and products in Taiwan is generally similar to Hong Kong, with the retail stores of large-scale health and beauty products chain stores being the principal distribution channels for health and beauty supplements and products. We can accumulate experience in developing and maintaining a long-term and stable business relationship with large-scale health and beauty products chain stores through our business experience with Dairy Farm in Hong Kong. As such, we have the relevant expertise and experience for the development of business relationship with large-scale local health and beauty chain retailers in Taiwan and intend to adopt a similar business model for operation in Taiwan;
- (iii) *Comprehensive marketing and promotional activities:* we have adopted and implemented a comprehensive marketing and promotional strategy in a cost-effective way in Hong Kong and have established a dedicated marketing team tasked with activities such as market research, strategic planning and promotion of our brands and products over the years. In particular, Hong Kong and Taiwan share the use of similar

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social media platforms, including YouTube, Facebook, Instagram and Threads. As such, we can apply the similar familiar marketing tools when we conduct marketing in Taiwan to maximise our brand visibility and recognition;

- (iv) *Management experience and knowledge in the health and beauty supplements and products markets:* according to Frost & Sullivan, the management skill, industry know-how and operational expertise of our executive Directors and members of senior management in the health and beauty supplements and products markets can be easily transferred, and will be advantageous to our expansion into Taiwan market; and
- (v) *Brand recognition:* according to Frost & Sullivan, we have established our brand recognition as a company with brand image in the health and beauty supplements and products markets in Hong Kong with about 14 years of history, which appeals to both locals and overseas tourists. Over the years, we have developed a multi-brand product portfolio tailoring for different functions that help us to attract new customers as well as to retain the existing customers. With our established brand image and recognition, we are in an advantageous position in establishing our presence in Taiwan.

Overall, our long-term strategic plan encompasses international expansion. By executing these initiatives, we are confident in our ability to establish our presence in the health and beauty supplements and products markets in Taiwan.

We plan to apply approximately [REDACTED] of our net [REDACTED] from the [REDACTED] for expansion to Taiwan market. Please refer to “Future Plans and Use of [REDACTED]” in this Document for further details.

Expanding, improving and optimising our sales network by establishing our self-operated stores

During the Track Record Period, we relied on Dairy Farm for the sale and distribution of our products to the end-customers, with approximately 89.1%, 76.7%, 74.5% and 91.9% of our total revenue generated from Dairy Farm, respectively.

To reduce our reliance on Dairy Farm, promote our own brands and effectively compete with our competitors, we strive to expand and improve our offline sales network to capture a wider customer base. To diversify and optimise our offline sales network, in October 2025, we opened our first self-operated store at Fanling in Hong Kong, and the store had recorded satisfactory performance with breakeven achieved in November 2025. Our Group will adopt a phased approach in establishing self-operated stores in Hong Kong. Currently, we are planning to further open nine self-operated stores by the year ending 31 March 2029 with our net [REDACTED] from the [REDACTED]. While it is our long-term objective to build more self-operated stores, the subsequent expansion plans will be determined depending on our sales performance and the then market conditions. When selecting an appropriate location for opening a self-operated store, we will carefully evaluate, among others, the accessibility of the location and the estimated foot traffic of locals and tourists.

During the Track Record Period, the wholesale business constituted the principal revenue stream of our Group, generating revenue of approximately HK\$38.8 million, HK\$102.0 million, HK\$115.7 million and HK\$50.4 million, representing approximately 89.7%, 93.0%, 88.8% and 96.2% of our total revenue, respectively. Our wholesale customers include: (i) Dairy Farm, our largest customer for FY2023, FY2024, FY2025 and 6M2026, contributing revenue of 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, respectively; and (ii) 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. While we expect to continue to expand our wholesale business and maintain our relationship with Dairy Farm, to reduce our reliance on a single customer and diversify our risk profiles associated thereon, our Directors consider that our Group shall seize growth opportunities and diversify our sales channels and customer base by opening self-operated stores.

In addition, according to Frost & Sullivan, it is an industry norm and common market practice for sizable market players in the health and beauty supplements and products industry to develop and maintain a multi-channel sales and distribution network to maintain competitive edge and improve sales coverage, including opening self-operated stores while cooperating with leading health and beauty chain retailers at the same time.

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The table below summarizes the principal business and number of physical stores in Hong Kong and Macau of the health and beauty supplements services providers listed on the Stock Exchange.

Stock Code	Name	Principal Business	No. of retail stores in HK and other regions
2593 HK Equity	Herbs Generation Group Holdings Limited	This company is principally engaged in the development, sales and marketing of health supplements.	According to its annual report for the year ended 31 December 2024, for the year ended 31 December 2024, its number of self-operated retail shops in Hong Kong increased to 33 from 16 in the previous year.
932 HK Equity	Shunten International (Holdings) Limited	This company is principally engaged in the sale, marketing and distribution of health and beauty supplements and products and property investment in Hong Kong. Its health and beauty supplements and products are sold under the proprietary brands developed and managed by this company and a private label brand specifically developed for and owned by a renowned retail chain of health and beauty products in Hong Kong and Macau.	Based on its corporate website, it had 89 sales points or counters in Mannings in Hong Kong.
2031 HK Equity	Ausupreme International Holdings Limited	This company is principally engaged in the development, marketing, sales and distribution of health and personal care products mainly in Hong Kong. Ausupreme International develops and manages its branded products through “澳至尊” sales and distribution network.	According to its annual report for the year ended 31 March 2025, as at 31 March 2025, it had 19 specialty stores and 69 consignment counters in Hong Kong and Macau.
897 HK Equity	Wai Yuen Tong Medicine Holdings Limited	It is principally engaged in production and sale of Chinese pharmaceutical and health food products and relevant services, production and sale of Western pharmaceutical and health food products, as well as property investment.	Based on its corporate website, it has 86 retail stores in Hong Kong and Macau.
8473 HK Equity	Mi Ming Mart Holdings Limited	It is a multi-brand retailer, which operates nine retail stores under the brand of “MI MING MART” (“彌明生活百貨”) in Hong Kong. It offers a wide range of beauty and health products, which can mainly be categorised into (i) skincare products; (ii) cosmetics products; and (iii) food and health supplements.	Based on its corporate website, it has 9 retail stores in Hong Kong and 4 consignment stores in Macau.

As such, it is common for health and beauty supplements and products market players to adopt the multi-channels sales and distribution strategy and our Directors believe that this strategy will aid our Company to maintain competitive advantages in this highly competitive and fragmented health and beauty supplements and products markets in Hong Kong.

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Although opening self-operated stores would incur costs such as rental costs, management and utilities fees, design and renovation costs, installation costs, staff costs and other operating costs, we consider that the benefits brought by opening self-operating stores will outweigh the cost after having taking into account that:

- (i) while we would incur additional costs for the opening and operation of self-operated stores, we are able to charge the full recommended retail prices of our products at our self-operated stores whereas we need to apply trading discounts to the recommended retail prices of our products for selling our products to other wholesale customers. Taking into account the increase in costs to be incurred would be balanced by the increase in gross profit, our Directors consider that the net operating margin of our self-operated stores would not be significantly different from our existing sales and distribution channels and hence the self-operated stores would broaden our revenue stream without affecting our net operating margin;
- (ii) through opening self-operated stores, we are able to offer a full selection of our products under our own brands, and at the same time, we are able to reach end-customers directly, allowing us to observe and understand their needs and enabling us to collect data and information, among others, on the market trend, consumer preferences and the general retail environment, and perform direct marketing on our end-customers. We will also be able to promptly adjust our marketing and promotion focus based on the feedback and performance of our self-operated stores. Accordingly, our Directors consider that opening self-operated stores in Hong Kong is an effective approach to (a) diversify and optimise our offline sales network; (b) market and promote our own brands and products to our end-customers; (c) enhance our brand awareness in the health and beauty supplements and products industry and strengthen our own brand image and reputation amongst other market competitors; and (d) expand our brand’s reach and improve our sales; and
- (iii) a comprehensive sales network could provide our customers, in particular end-customers, with flexibility to select their preferred purchasing channels, thereby enriching their overall shopping experiences.

We will look for suitable locations for establishing self-operated stores from time to time. Our management team, before deciding whether to lease any premises for establishing a self-operated store, generally considers a number of criteria as follows:

- *Competition:* we consider whether there is any actual or potential, direct or indirect competition with the stores operated by our competitors in the proposed location;
- *Demographics of location:* we consider the demographic composition of the location, such as the income levels of residents in the neighbourhood of the proposed location popular, or that the district being commercial districts with high pedestrian flow;
- *Lease terms:* we take into account the rental costs, lease term, renewal provisions, operating hours and restrictions on usage as indicated on the lease;
- *Accessibility and convenience of location:* we target locations with high population density, proximity to public transportation system and accessibility for pedestrians and vehicles such as locations with high passenger throughput or with MTR stations or shopping malls. We believe that a convenient location of our self-operated stores helps ensure high pedestrian flow and enhance our visibility to potential new customers; and
- *Investment payback:* we consider the amount of initial capital expenditures, monthly operating expenses and the amount of revenue which a self-operated store could generate and the expected investment payback period (generally within 9 to 21 months).

With reference to the above site selection criteria, our Directors have preliminarily selected certain locations situated in Tuen Mun, West Kowloon, Quarry Bay, Kowloon Bay, Tsuen Wan, Tai Wai, Tsim Sha Tsui, Causeway Bay and Mong Kok (the “**Nine Locations**”) for reasons set out below:

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- (i) among the Nine Locations, West Kowloon, Tsim Sha Tsui, Causeway Bay and Mong Kok (the “**Commercial Districts**”) are situated in traditional commercial districts in Hong Kong which are generally considered to be with high pedestrian flow of both locals and tourists;
- (ii) the Nine Locations shall be located near MTR stations and shopping malls, which are easily accessible; and
- (iii) according to the Census and Statistics Department of the Government of Hong Kong, other than the Commercial Districts, Quarry Bay, Tsuen Wan and Tai Wai are located in residential districts with monthly household income of more than HK\$30,000 in 2024, being the median household income in Hong Kong, and Tuen Mun and Kowloon Bay are situated in districts with more than 500,000 households.

As at the Latest Practicable Date, our Directors had only identified the Nine Locations for establishing our self-operated stores, but had not selected any specific premises.

As a suitable site is critical to the long-term performance of a self-operated store, our management is generally in charge of the entire site selection process, including the evaluation, inspection and approval of each self-operated store site. We choose our sites based generally on the above selection criteria in order to enhance our market share and attract new customers from our competitors while avoiding cannibalism among our other self-operated stores. We will closely monitor and evaluate the performance of our self-operated stores on a regular basis and take timely and appropriate measures to enhance our business performance.

We intend to apply approximately [REDACTED] of our net [REDACTED] from the [REDACTED] for the establishment of our self-operated stores in Hong Kong. For further details as to the estimated expenses, timeline and milestones of the opening of our new self-operated stores, please refer to “Future Plans and Use of [REDACTED]” in this Document.

Based on the performance of self-operated stores of our market competitors and our Directors’ expectations as to the economy and rental market in Hong Kong, our Directors expect that the breakeven period for our self-operated stores would be around one month and the investment payback period would be around 9 to 21 months.

The breakeven period is the period after which the monthly revenue of a self-operated store is at least equal to its monthly operating expenses. The investment payback period is the average time it takes for the accumulated net profit from a self-operated store to cover the costs of opening and operating the store for the period, including incurred capital expenditures and ongoing operating expenses. In respect of our first self-operated store in Fanling, we have achieved breakeven in one month but yet to achieve investment payback as at the Latest Practicable Date.

In determining the breakeven period and the investment payback period for our self-operated stores, our Directors have considered the following factors:

- (i) the historical monthly sales amounts of our products in the retail stores of Mannings, particularly those near the Nine Locations;
- (ii) the strategic marketing and promotional campaigns we expect to conduct in Hong Kong to further enhance our brand awareness and promote our opening of self-operated stores, including but not limited to (a) placing advertisements and boosting on social media platforms such as Facebook, YouTube and Xiaohongshu (小紅書); (b) engaging entertainers and/or athletes as product ambassadors and KOLs for promotion of our products; (c) engaging comprehensive information program and advertising on major television channels; and (d) placing printed advertisements on MTR stations and buses;
- (iii) the feasible and effective sales strategies and sales plans we expect to implement to promote the sales in our self-operated stores;
- (iv) the market demand and competitiveness of our products as we are one of the few local health and beauty supplements and products providers in Hong Kong with a wide range of products while specialising in niche segments such as deer-related health supplements, joint and pain care and external analgesic products;

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- (v) the estimated foot traffic, population density and proximity to public transportation system and shopping malls of the Nine Locations;
- (vi) the estimated size of our self-operated stores and number of staffs to be allocated to the stores;
- (vii) the market rent of retail stores in the Nine Locations;
- (viii) the initial procurement costs of our products with reference to the estimated monthly sales amounts;
- (ix) the initial start-up costs such as design and renovation costs and installation costs, management and utilities fees, staff costs and other operating expenses with reference to the actual costs and operating expenses incurred by our first self-operated store at Fanling; and
- (x) as to investment payback period only, the initial start-up costs such as design and renovation costs and installation costs with reference to the costs incurred by our first self-operated store at Fanling.

Enhancing our marketing and promotional activities to continue to strengthen our own brands

We have adopted a comprehensive marketing and promotional strategy to market and promote our own brands and products through various channels, such as advertisements on both digital and printed media, engagement of entertainers (such as actors and singers), KOLs and medical professionals and in-store promotions. We have established brand recognition and awareness for our own brands in Hong Kong through our comprehensive marketing initiatives. According to Frost & Sullivan, the health and beauty supplements and products market in Hong Kong is highly competitive and fragmented, with hundreds of companies from international, domestic, and local backgrounds offering a wide range of products and brands. Our Directors believe that, to maintain our competitive edge in this dynamic market, aggressive marketing and promotional efforts are essential to our continued success. Accordingly, we plan to increase strategic investments in brand-building initiatives in the coming years to enhance our brand awareness and recognition of our products under our own brands. Our major marketing and promotional strategy can be summarised as follows:

During the Track Record Period, we carried out various advertising activities to increase our brand awareness. With a goal to continue to expand our outreach, we intend to continue to implement offline advertising initiatives, which primarily include the engagement of entertainers (such as actors and singers) and KOLs to make commercial advertisements on major television channels, the displaying of printed advertisements as well as participation in industry-related exhibitions and trade fairs.

According to Frost & Sullivan, online retail sales of consumer goods in Hong Kong witnessed remarkable growth soaring at a CAGR of approximately 11.4% from approximately HK\$20.6 billion in 2020 to approximately HK\$31.7 billion in 2024, and are expected to reach approximately HK\$47.6 billion by 2029, representing a CAGR of approximately 9.6% from 2025 to 2029, with the online penetration rate expecting to increase from approximately 6.3% in 2020 to approximately 10.4% in 2029. Such growth is primarily driven by, among other things, (i) the accelerated shift towards digital shopping channels driven by the COVID-19 pandemic, which led consumers to increasingly favour the convenience and safety of online shopping over traditional in-store experiences; and (ii) the enhanced digital marketing efforts by retailers to attract a broader customer base. Accordingly, we plan to increase our marketing efforts in online advertising to highlight our products and develop engaging original content, including sponsored videos, tailored to different social media audiences. In addition to these digital marketing efforts, we will enhance our corporate website and social media presence by adding interactive elements and detailed product information. These upgrades will help us strengthen our brand image while keeping customers informed about our latest corporate development and product introduction.

We intend to apply approximately [REDACTED] of our net [REDACTED] from the [REDACTED] for conducting strategic marketing and promotional campaigns in Hong Kong. For further details, please refer to “Future Plans and Use of [REDACTED]” in this Document.

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Further developing our e-commerce business

Our Directors believe that the Internet serves as a powerful channel that enables us to expand our customer reach in Hong Kong, the PRC and overseas. Our Directors consider that the health supplements and products market in Hong Kong has been boosted by increased accessibility through online and retail channels. E-commerce platforms have enhanced product visibility and broadened reach to customers. Meanwhile, many companies are expanding their presence through chain retail stores to capitalise on the convenience and widespread appeal of these channels to drive growth.

According to Frost & Sullivan, (i) online retail sales of health supplements and products in Hong Kong grew at a CAGR of approximately 6.2% from approximately HK\$1.1 billion in 2020 to approximately HK\$1.4 billion in 2024, and are expected to rise to approximately HK\$2.0 billion in 2029, representing a CAGR of approximately 7.5% from 2025 to 2029, primarily driven by the stickiness of e-commerce habits formed during pandemic restrictions, improvements in last-mile logistics and mobile payment adoption, and the popularity of social-commerce and influencer-led merchandising that accelerates product discovery online; and (ii) online retail sales of beauty supplements and products in Hong Kong grew at a CAGR of approximately 5.2% from approximately HK\$318.3 million in 2020 to approximately HK\$390.1 million in 2024, and are expected to rise to approximately HK\$553.6 million in 2029, representing a CAGR of approximately 7.2% from 2025 to 2029, primarily driven by the proliferation of personalised beauty nutrition consultations, the rise of subscription-based beauty supplement programs, and the influence of beauty and wellness KOLs showcasing their supplement routines and before-after results on social media platforms.

In light of the above, we plan to further develop and strengthen our e-commerce business as follows:

- (i) develop and optimise our self-operated e-commerce platforms at our Company’s websites to increase its visibility and web traffic; and
- (ii) set up more online stores targeting end-customers in the PRC on various popular e-commerce platforms in the PRC, such as Douyin (抖音), while further developing and optimising our existing online stores at Tmall.hk (天貓國際) and Xiaohongshu (小紅書) by conducting additional marketing and promotional activities on the Internet, paying for more favourable screen space on key Chinese digital platforms, such as Xiaohongshu (小紅書) and Douyin (抖音), and adopting other search engine optimisation measures so as to increase the visibility and web traffic of our online stores to end-customers and capture a wider customer base.

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. 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”.

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.

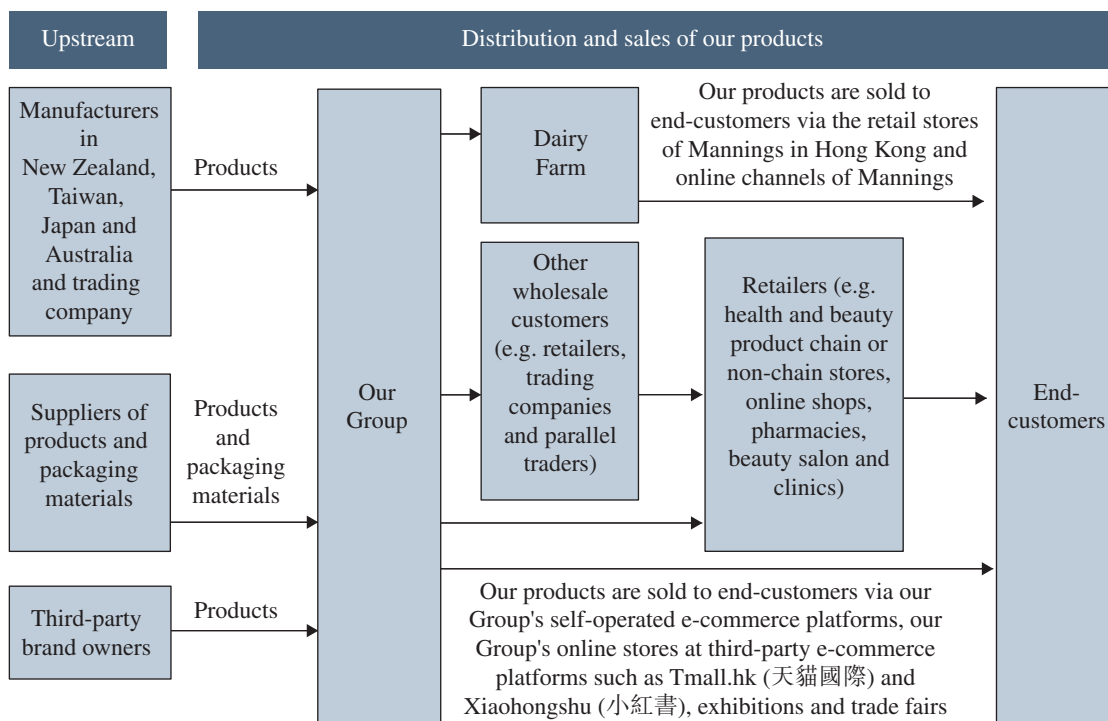
We also provide sales promotion service to owners or owner group of third-party brands, in which we assist the brand owners to sell their products through our distribution channel including Dairy Farm in return for a commission based on the purchase amount or subsequent sales amount or sales amount through 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.

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During the Track Record Period, our Group also generated revenue from the provision of management and packaging service in which (i) we provide 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 provide key account management and marketing service to 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 2025, sales of health and beauty supplements and products accounted for approximately 98.8%, 98.8%, 98.2% 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 following:

- (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.

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The following table provides a breakdown of our total revenue by sales channels during the Track Record Period:

	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	%	HK\$'000	%
	(unaudited)									
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.

During the Track Record Period, nearly all of our revenue was derived from our sales in Hong Kong. Meanwhile, our Group has derived revenue from the PRC via our e-commerce platforms since FY2025. Revenue generated from the PRC via Tmall.hk (天貓國際) and Xiaohongshu (小紅書) amounted to approximately HK\$151,000 and HK\$329,000, representing approximately 0.1% and 0.6% of our total revenue, for FY2025 and 6M2026, respectively. As advised by our PRC Legal Counsel, our Group complied with all material applicable PRC import and export laws and regulations in all material respect in relation to our sales via our Company's websites and e-commerce platforms in PRC during the Track Record Period and up to the Latest Practicable Date.

Wholesale business

The wholesale business constitutes the principal revenue stream of our Group. During the three years ended 31 March 2025 and the six months ended 30 September 2024 and 2025, revenue generated from our wholesale business amounted to approximately HK\$38.8 million, HK\$102.0 million, HK\$115.7 million, HK\$50.8 million and HK\$50.4 million, representing approximately 89.7%, 93.0%, 88.8%, 95.8% and 96.2% of our total revenue, respectively. During the Track Record Period, we sold health and beauty supplements and products under our own and third-party brands mainly to: (i) Dairy Farm, the largest chain retailer of health and beauty products in Hong Kong; and (ii) 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 which distribute our products locally and internationally. The following table sets out a breakdown of our revenue from our wholesale business during the Track Record Period:

	FY2023		FY2024		FY2025		6M2025		6M2026	
	Revenue	% of total revenue from wholesale business	Revenue	% of total revenue from wholesale business	Revenue	% of total revenue from wholesale business	Revenue	% of total revenue from wholesale business	Revenue	% of total revenue from wholesale business
	HK\$'000	%	HK\$'000	%	HK\$'000	%	HK\$'000	%	HK\$'000	%
	(unaudited)									
Sales to Dairy Farm	38,493	99.3	84,044	82.4	97,071	83.9	49,680	97.8	48,170	95.5
Sales to other wholesale customers	268	0.7	17,935	17.6	18,614	16.1	1,107	2.2	2,244	4.5
Total	38,761	100.0	101,979	100.0	115,685	100.0	50,787	100.0	50,414	100.0

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Our Directors believe that collaboration with our wholesale customers including Dairy Farm allows us to effectively market and sell our products by leveraging their retail or sales networks as well as their industry expertise and marketing capabilities in health and beauty supplements and products. According to the Frost & Sullivan, retail sales in both health and beauty supplements and products markets are led by health and beauty products chain retailers, in particular Mannings, which is the largest chain retailer of health and beauty products in Hong Kong. The widespread presence of chain stores of Mannings helps drive our sales through enhancing accessibility, visibility and consumer trust of our products.

Generally, we maintain a conventional buyer-seller relationship with our wholesale customers, fulfilling their individual purchase orders for our products which they subsequently distribute to other retailers or end-customers through offline and online channels.

Sales of our products to Dairy Farm

In our wholesale business, the major sales channel of our products is through the retail stores of Mannings and on online channels of Mannings. Each of Herb Standard HK and Marvel Pro entered into a trading terms agreement with Dairy Farm in 2018 and 2022, respectively. During the Track Record Period, Dairy Farm was our largest wholesale customer in terms of revenue, accounting for approximately 89.1%, 76.7%, 74.5% and 91.9% of our total revenue, respectively. Dairy Farm is the largest chain retailer of health and beauty products in Hong Kong, with 306 stores in Hong Kong and 20 stores in Macau as at February 2026, accounting for a market share of approximately 34.4% in terms of the total retail sales value of health and beauty supplements and products in Hong Kong in 2024. Our Group has established a long-term and stable business relationship with Dairy Farm for about 12 years since 2013. The majority of our products are sold and distributed through the retail stores of Mannings and on online channels of Mannings for onward sale to the general public consumers in Hong Kong. For the background of Dairy Farm and details of our relationship with Dairy Farm, please refer to “Our Customers – Our dealings with Dairy Farm” in this section below.

During the Track Record Period, our products were available for sale in the retail stores of Mannings in Hong Kong, with the numbers and locations of the stores for distribution of our products and the type of products to be determined by Dairy Farm. Since May 2025, our products have been available for sale in the retail stores of Mannings in Macau. In the retail stores of Mannings, our products are either placed in shelves together with other brands as grouped by product functions, or in GEDs where the shelves are dedicated to the placement of our products. As at the Latest Practicable Date, (i) we had 49 sales promoters, who were our employees, stationed at 48 retail stores of Mannings in Hong Kong; and (ii) we had set up 16 GEDs in selected stores of Mannings in Hong Kong to sell and promote our products.

Trading arrangements with Dairy Farm

Each of Herb Standard HK and Marvel Pro entered into a trading terms agreement (the “**Trading Terms Agreement(s)**”) with Dairy Farm in 2018 and 2022, respectively. The Trading Terms Agreements will continue to be effective until such time when terminated, superseded or amended by any written agreement signed by both our Group and Dairy Farm. There were no termination clauses stated in the Trading Terms Agreements. As at the Latest Practicable Date, the Trading Terms Agreements remained in force.

Subject to the stipulation under each purchase order placed by Dairy Farm, we are subject to the terms and conditions of the Trading Terms Agreements (such as general credit terms, pricing policies and return policies) with Dairy Farm regarding our sales to them as we may agree with them from time to time. The following table provides a summary of our major trading terms with Dairy Farm during the Track Record Period:

Credit term	30 or 60 days from invoice month end
Pricing policy	We generally sell our products to Dairy Farm based on a trading discount to the recommended retail prices of our products.

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Return policy

Based on the mutual understanding of our Group and Dairy Farm, Dairy Farm is entitled to return products to us in the following circumstances: (i) damaged, expired and/or non-sale stock for an agreed sales period or quality issues being identified upon receipt; (ii) for discontinued products (i.e. products which are discontinued by us due to reasons such as launch of new products); or (iii) excess products after a promotional event.

Under the Trading Terms Agreements, there is no minimum annual purchase amount imposed on Dairy Farm and no non-compete arrangement between our Group and Dairy Farm. There were no specific clauses regarding sub-distribution arrangement, mandated selling prices to sub-distributors/end-customers, quantitative information on discounts and rebates that were effective provided, product liability, revenue recognition, payment method and delivery arrangement stated in the Trading Terms Agreements.

Apart from the terms stipulated under the Trading Terms Agreements, we have agreed to Dairy Farm in regards to the arrangement on promotional activities. In addition to arranging sales promoters and GEDs to station at the retail stores of Mannings, we would negotiate other advertisement arrangements and media support with Dairy Farm, including placement of banners and other advertisement materials, with the detailed terms to be agreed for each individual arrangement. Furthermore, we have agreed to Dairy Farm that if their annual purchase amount achieves an agreed percentage of year-on-year growth, we will provide Dairy Farm with an agreed percentage of rebate on the annual purchase amount.

Dairy Farm typically places replenishment orders with our Group for the products twice per week depending on sales of our products. Invoices are issued to Dairy Farm when our Group delivers our products to Dairy Farm’s warehouse according to the replenishment orders. We also participate in the promotional campaigns of Dairy Farm, namely the one-day special sale events (出位價), where selected products will be offered at discount in such one-day campaigns. For details of the one-day special sale events (出位價), please refer to “Sales and Marketing – In-store promotion” in this section. Prior to the one-day special sale events (出位價), our Group will generally discuss with Dairy Farm on the sales forecast and align with our advertising and marketing efforts.

Goods returns by Dairy Farm and provision policy

Dairy Farm has the right to return our products to our Group pursuant to the Trading Terms Agreements. During the Track Record Period, our Group accepted products returned from Dairy Farm in the following circumstances: (i) return products under normal circumstances including expiry or damaged packaging or product defect; (ii) unsold products after a promotional campaign; and (iii) return products under specific circumstances, including (a) product recall; (b) product upgrade for a new product; and (c) change of product packaging.

	FY2023		FY2024		FY2025		6M2025		6M2026	
	Amount	% of total return from Dairy Farm	Amount	% of total return from Dairy Farm	Amount	% of total return from Dairy Farm	Amount	% of total return from Dairy Farm	Amount	% of total return from Dairy Farm
	HK\$'000	%	HK\$'000	%	HK\$'000	%	HK\$'000	%	HK\$'000	%
	(unaudited)									
Return products under normal circumstances	232	12.9	226	18.5	351	7.0	159	4.7	229	8.9
Unsold products after promotional campaigns	1,572	87.1	997	81.5	4,241	84.8	2,797	83.2	778	30.2
Return products under specific circumstances:										
– product recall	–	–	–	–	408	8.2	408	12.1	–	–
– product upgrade	–	–	–	–	–	–	–	–	843	32.7
– change of packaging	–	–	–	–	–	–	–	–	727	28.2
Total	1,804	100.0	1,223	100.0	5,000	100.0	3,364	100.0	2,577	100.0

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Dairy Farm provides our Group with a goods return report each month. The goods return report is reviewed by both our Group’s sales department and accounting and finance department and approved by Mr. Alex Cheung.

During the three years ended 31 March 2025 and the six months ended 30 September 2025, Dairy Farm returned products of approximately HK\$1.8 million, HK\$1.2 million, HK\$5.0 million and HK\$2.6 million to us, which generally consist of (i) return products under normal circumstances including expiry or damaged packaging or product defects; (ii) unsold products after promotional campaigns; and (iii) return products under specific circumstances, including (a) product recall; (b) product upgrade for a new product; and (c) change of product packaging.

For circumstance (i), our Group adopts the following approach to estimate refund liabilities for goods returns by Dairy Farm at the end of each reporting period for the sales of health and beauty supplements and products to Dairy Farm.

Refund liabilities for goods return from Dairy Farm was estimated based on the following:

Estimated refund liabilities = Historical average goods return rates × sales of products to Dairy Farm during the average goods return days (the average goods return days is less than one month, therefore, one month (i.e. March) duration is used).

Based on the above calculation, during the Track Record Period, our historical average goods return rates for calculating our estimated refund liabilities for unsold products under normal circumstance were approximately 0.61%, 0.29%, 0.35% and 0.43%, respectively. As at 31 March 2023, 2024 and 2025 and 30 September 2025, our estimated refund liabilities amounted to approximately HK\$27,000, HK\$7,000, HK\$37,000 and HK\$30,000, respectively. As our Directors considered such amounts were immaterial to our Group, our Group did not recognise such estimated refund liabilities in our Group’s financial statements.

For reference, the actual amount of subsequent goods returns (aside from circumstance (ii)) in the one month after the end of each financial year/period during the Track Record Period were HK\$13,000, HK\$427,000, HK\$25,000 and HK\$41,000, respectively. The higher amount for April 2024 was due to that we voluntarily recalled our products containing red yeast rice in April 2024 in the amount of approximately HK\$408,000 for the sake of consumer confidence and safety precautions, even if the products do not relate to the product quality issue of our Company or that Mannings could not sell. Such product recall has been included under the specific circumstances (iii). Excluding the recall, the amount for April 2024 would be HK\$19,000, and hence all three years ended 31 March 2025 and the six months ended 30 September 2025 did not materially differ from the amount of estimated refund liabilities.

For circumstance (ii), these returned products primarily represented unsold products after a promotional campaigns such as, the one-day special events (出位價). As we participated in more promotional campaigns organised by Dairy Farm in FY2025 and 6M2025, we recorded a significant amount of unsold products after promotional campaigns in FY2025 and 6M2025. During these campaigns, selected products are offered at discounted prices both in-store and online store of Mannings. Our Group collaborates with Dairy Farm to determine which product(s) will be selected and to estimate the demand for the events. To avoid out-of-stock situations and maximise revenue for both our Group and Dairy Farm, Dairy Farm strategically placed purchase orders for additional stock of our Group’s products, and our Group agrees to supply. After the promotional campaigns, unsold products (“**Promotion Products Return**”) will be returned to our Group within one month, which is also in line with the market practice. In the preparation of financial statement, our Group takes into the consideration of the actual amount of the Promotional Products Return and adjust the revenue into actual sales amount directly, rather than recognising refund liabilities. Therefore, no refund liabilities were recognised during the Track Record Period for circumstance (ii), as the Promotion Products Return could be determined and confirmed during the preparation of financial information.

In respect of product return under specific circumstances, we have encountered (a) product recall; (b) product upgrade for a new product; and (c) change of product packaging, during the Track Record Period.

The product recall incident was related to a Japanese pharmaceutical company (the “**Japanese Pharmaceutical Company**”) issued a press release on 22 March 2024 titled “Request to stop the use of red yeast rice related products and notice of voluntary recall”. Kidney problems were reported in some consumers who took dietary supplements marketed by the Japanese Pharmaceutical Company because some red yeast rice may contain an unintended

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component. Although we did not receive any adverse reaction report from any customers, we voluntarily recalled our product containing red yeast rice in April 2024, with a total value of HK\$408,000, which our Directors consider did not have a material impact on our business operation.

The product upgrade was related our upgrade of “Revive NMN (維再生NMN)” to “Revive NMN 40000+”. In response to market demand, we have upgraded the product in June 2025. The remaining inventory of “Revive NMN (維再生NMN)” were returned by Dairy Farm to us in June 2025.

In September 2025, we received a letter from the Food and Environmental Hygiene Department that they have received a complaint letter that the package labelling of our product “Growth Calcium (生長鈣)” did not comply with the applicable nutrient labeling requirement under the Food and Drugs (Composition and Labelling) Regulations. In response to the complaint letter, we recalled the products sold to Dairy Farm for change in packaging. For further details of the labelling incident, please refer to “Business – Legal Proceedings and Compliance – Compliance – Food Labelling” in this Document.

Our Directors confirm that our Group had not incurred any material liabilities or assumed any material expenses arising from any complaints, claims or legal actions by Dairy Farm in relation to our products, or suffered any losses as a result of any rejection of our products due to unsatisfactory quality, during the Track Record Period and up to the Latest Practicable Date.

For details of our relationship with Dairy Farm, please refer to “Our Customers – Our dealings with Dairy Farm” in this section below.

Sales of products to our other wholesale customers

Apart from Dairy Farm, we sell our products to other wholesale customers. These customers mainly include 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 which distribute our products locally and internationally. To the best of the knowledge of our Directors after making reasonable enquiries, all of our other wholesale customers during the Track Record Period were Independent Third Parties.

During the three years ended 31 March 2025 and the six months ended 30 September 2025, revenue generated from our other wholesale customers amounted to approximately HK\$0.3 million, HK\$17.9 million, HK\$18.6 million and HK\$2.2 million, representing approximately 0.6%, 16.3%, 14.3% and 4.3% of our total revenue, respectively. As our other wholesale customers include walk-in customers which we do not have information on their identities, certain revenue were non-recurring in nature. Nevertheless, as we primarily distribute our products through the retail stores of Mannings in Hong Kong, we consider that we do not have reliance on other wholesale customers and the non-recurring revenue do not have material impact to our Group.

Set out below is the movement in the number of wholesale customers (including Dairy Farm) during the Track Record Period:

	FY2023	FY2024	FY2025	6M2026
Number of identifiable wholesale customers at the beginning of the period	2	3	11	13
Number of newly added identifiable wholesale customers for the period	1	9	9	1
Number of identifiable wholesale customer that did not made further purchase during the Track Record Period	0	(1)	(7)	(8)
Number of identifiable wholesale customers at the end of the period	3	11	13	6
Number of unidentifiable walk-in wholesale customers during the period	2	18	11	0

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Note: Identifiable wholesale customers refer to customers with purchase amounts over HK\$10,000 per order and we have information of the identities of the relevant customers. Unidentifiable walk-in wholesale customers refer to walk-in customers with purchase amounts over HK\$10,000 per order and we do not have information of the identities of the relevant customer.

Relationship with our other wholesale customers

We generally engage in a seller-buyer relationship with our other wholesale customers, rather than a principal-agent one. Our Group retains no ownership and control over our products and transfers all significant risks and rewards associated with our products to our other wholesale customers after our products are sold or delivered to them and the title is passed. Our wholesale customers trade, sell or distribute in their own right under their distribution channel without our involvement and we neither impose any requirements nor have any control on the business operations of our wholesale customers after we complete the transaction with them. As such, we do not have control for the subsequent sale of our products, such as the location and channel of subsequent sales or distribution, their selling price, sales amount or inventory level.

Revenue from our sales to other wholesale customers is recognised when the goods are sold or delivered to them and the title is passed. As we only accept product returns on a discretionary basis for products in defect or with quality issues, we recorded no return from other wholesale customers during the Track Record Period.

Trading arrangement with our other wholesale customers

During the Track Record Period, except for Customer G, we did not enter into any long-term or framework agreements with our other wholesale customers and we generally sold our products based on their individual purchase orders placed to us. In addition, we did not enter into any minimum purchase agreements with our wholesale customers. According to Frost & Sullivan, health and beauty supplements and products providers generally do not enter into long-term agreements or minimum purchase agreements with their wholesale customers in order to (i) swiftly adapt to market changes and adjust sales strategies, as consumer preferences in the health and beauty supplements and products sector are rapidly evolving; and (ii) provide greater flexibility in negotiating more favourable commission rates and pricing terms for them. The following table provides a summary of the key terms of our agreement with Customer G:

Delivery	We will deliver our products to the designated address of this customer.
Payment term	120 days after delivery date
Term	Effective from 1 January 2024 and will only be terminated by either parties by notice in writing or email for 30 days in advance.

There were no specific clauses regarding sub-distribution arrangement, mandated selling prices to sub-distributors/end-customers, discounts or rebates, product liability and payment method stated in the agreement with Customer G.

The following table provides a summary of the trading arrangements with our other wholesale customers (excluding Dairy Farm and Customer G), pursuant to their purchase orders placed with us from time to time:

Delivery	Products will be packed and delivered by logistics service providers to our other wholesale customers on the delivery dates, typically within a few days after the order dates. The title of our products is transferred upon delivery.
Pricing policy	Please refer to “Pricing Policy” in this section below.
Return policy	The products purchased by our other wholesale customers may be returned to us where product defects or quality issues are identified upon receipt, subject to mutual agreement.
Payment method	Generally by bank transfer, cheque or cash.

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Payment term

(i) Cash on delivery; (ii) 50% for prepayment and 50% upon delivery; or (iii) a credit term of within 180 days from the date of delivery or invoice month end, on a customer-by-customer basis

There were no specific clauses regarding minimum purchase amount or minimum sales target, sub-distribution arrangement, discounts or rebates, product liability or mandated selling prices to sub-distributors/end-customers, under our trading arrangement with our other wholesale customers.

According to Frost & Sullivan, our trading arrangement with our other wholesale customers is largely in line with the other health and beauty supplements and products providers in Hong Kong.

Given the above, our Directors consider that our Group did not adopt any cannibalisation strategy on our sales to wholesale customers and our Group does not have material risks related to channel stuffing or recoverability issues of trade receivables.

Retail business

During the three years ended 31 March 2025 and the six months ended 30 September 2024 and 2025, revenue generated from our retail business amounted to approximately HK\$3.9 million, HK\$6.3 million, HK\$12.3 million, HK\$1.0 million and HK\$1.1 million, accounting for approximately 9.1%, 5.8%, 9.4%, 2.0% and 2.0% of our total revenue, respectively. We have developed both online and offline sales channels in our retail business. Revenue from our retail business is recognised when the goods are delivered to customers and the title is passed.

The following table sets out a breakdown of our revenue from our retail business by sales channels during the Track Record Period:

	FY2023		FY2024		FY2025		6M2025		6M2026	
	Revenue	% of total revenue from retail business	Revenue	% of total revenue from retail business	Revenue	% of total revenue from retail business	Revenue	% of total revenue from retail business	Revenue	% of total revenue from retail business
	HK\$'000	%	HK\$'000	%	HK\$'000	%	HK\$'000	%	HK\$'000	%
	(unaudited)									
Offline retail sales	3,035	77.7	4,684	73.9	7,524	61.4	211	20.1	229	21.0
Online retail sales	873	22.3	1,655	26.1	4,733	38.6	838	79.9	859	79.0
Total	3,908	100.0	6,339	100.0	12,257	100.0	1,049	100.0	1,088	100.0

Offline retail sales

During the Track Record Period, our offline retail sales were primarily generated through sales in exhibitions and trade fairs, which also forms part of our Group's marketing activities to increase our brand awareness and broaden our customer base. During the three years ended 31 March 2025 and the six months ended 30 September 2024 and 2025, our revenue generated from offline retail sales amounted to approximately HK\$3.0 million, HK\$4.7 million, HK\$7.5 million, HK\$0.2 million and HK\$0.2 million, accounting for approximately 77.7%, 73.9%, 61.4%, 20.1% and 21.0% of our total revenue generated from our retail business, respectively. We generally recorded a lower proportion of revenue from offline sales in the first half of the financial year as we primarily generate our offline retail sales from Hong Kong Brands and Products Expo, which generally held in December and January.

Exhibitions and trade fairs are one of our sales channels which contributed revenue to our Group during the Track Record Period. We have been attending various exhibitions and trade fairs in Hong Kong, such as the Hong Kong Brands and Products Expo and International Baby/Children Products Expo (國際嬰兒、兒童用品博覽), in which our sales promoters would promote and sell products under our own and third-party brands at our exhibition booths. Our sales promoters interact with end-customers directly by providing them with advice and recommendations on product usage and selection such that they can gain instant knowledge of our products. Our Directors believe that direct face-to-face interaction among our sales promoters and end-customers will enhance our end-customers' purchasing experience and our sales while any feedback received from the general public consumers will be shared to our Group's product

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development team for market research purposes. Visitors of exhibitions and trade fairs, including our existing and target end-customers, could purchase our products at our exhibition booths after understanding our products from our sales promoters directly. Our Directors believe that attending exhibitions and trade fairs is also one of the effective channels in enhancing our brand image, expanding our customer reach, and driving sales growth.

Online retail sales

On top of our offline retail sales, we distribute our products through e-commerce platforms that are accessible anytime and from anywhere, which helps expand our customer base while enhancing purchasing convenience. During the Track Record Period, our online retail sales were conducted primarily through:

- (i) our own e-commerce platforms at our Company’s websites, targeting end-customers in both Hong Kong and overseas. We sell products under our own brands as well as third-party brands; and
- (ii) our online stores on third-party e-commerce platforms, such as Tmall.hk (天貓國際) and Xiaohongshu (小紅書). For the online store on Tmall.hk (天貓國際), we have engaged an Independent Third Party service provider (the “**Service Provider**”) which is responsible for the operation, management and promotion of the online store. Pursuant to our agreement with the Service Provider, the Service Provider is entitled to a fixed monthly management fee as well as a commission based on sales volume of the online store. The online store on Xiaohongshu (小紅書) is, on the other hand, operated and managed by us directly. We sell a range of products under our own brands on third-party e-commerce platforms, targeting end-customers in the PRC. We are responsible for the delivery of our products from our warehouses to the designated warehouses of Tmall.hk (天貓國際) and Xiaohongshu (小紅書) for order fulfillment by engaging third-party logistic companies, whereas Tmall.hk (天貓國際) and Xiaohongshu (小紅書) are responsible for delivery of our products from their warehouses to end-customers.

During the three years ended 31 March 2025 and the six months ended 30 September 2024 and 2025, our revenue generated from online retail sales amounted to approximately HK\$0.9 million, HK\$1.7 million, HK\$4.7 million, HK\$0.8 million and HK\$0.9 million, accounting for approximately 22.3%, 26.1%, 38.6%, 79.9% and 79.0% of our total revenue generated from our retail business, respectively.

Sales promotion service

During the Track Record Period, we provided sales promotion service to owners or owners group of third-party brands, in which we assist the brand owners to sell their products through our distribution channel including Dairy Farm 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. Our provision of sales promotion service commenced in December 2022 after our number of promoters increased to 21 as at 31 December 2022. Over the years, our Group has developed a scalable team of promoters, with a total of 49 sales promoters stationed at 48 retail stores of Mannings in Hong Kong as at the Latest Practicable Date. Leveraged on the promoter resources which form part of our Group’s business competitive edge, our Group could provide sales promotion services to clients, which forms part of our Group’s principal business activities.

During the Track Record Period, revenue from our sales promotion service amounted to approximately HK\$0.3 million, HK\$0.8 million, HK\$1.3 million and HK\$0.4 million, representing approximately 0.7%, 0.8%, 1.0% and 0.9% of our total revenue, respectively. Revenue from our sales promotion service is recognised at a point in time, generally when the customer’s sales occur.

During the Track Record Period, we provided sales promotion service for the distribution of the products under the third-party brands including, among others, (a) “iPro+” and (b) “Boiron”.

The brand owner of “iPro+” is SST Holdings Limited, which indirectly holds 60% of the entire issued share capital of SST Healthy. In addition, one of the third-party brands (“**Brand A**”) is owned by Supplier K which was a connected person of our Company since its incorporation on 29 November 2023 until 28 March 2024. Supplier K was owned as to 40% by Mr. Zhong

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Yongsheng (鍾永盛) (“**Mr. Zhong**”) (who is an Independent Third Party and save for the below, did not have past or present relationships (including business, employment, financing, trust or otherwise) with our Company or subsidiaries, our controlling shareholders, directors or senior management or their respective associates), and 60% by Bless Corporation Limited, a company incorporated under laws of Hong Kong, in which Ms. Lee Yuen Lim Vivian (李沅濂), spouse of Mr. Alex Cheung, held 40% of its entire issued share capital from 7 February 2023 to 28 March 2024 and the remaining shares were owned as to 55% by Mr. Luk Wing Kwong Quintin (陸永光) and 5% by Ms. Chung Sin Ying (鍾倩瑩), each of them is an Independent Third Party and, save as disclosed in this sub-section, did not have any past or present relationships including business, employment, financing, trust or otherwise with our Company or our subsidiaries, our controlling shareholders, directors or senior management or their respective associates. To the best of the knowledge of our Directors, Mr. Zhong is a merchant and he has connections in procuring certain fungus that could be used on health supplement and the supplement product of such was not prevalent. While it is considered that there are possible business opportunities in the development of new product, Mr. Zhong lacked the relevant experience, expertise and network in the development and sale of health supplement products. Knowing the relationship between Bless Corporation Limited with our Group and our Group’s connection with Manning’s, Mr. Zhong approached Bless Corporation Limited for the cooperation in the commencement of the health supplement and products business, particularly for the development and sales of the fungus product through engaging our Group for sales promotion services. As such, Supplier K was established with the shareholding interest owned by Mr. Zhong as to 40% and Bless Corporation Limited as to 60%. Nonetheless, Mr. Zhong was primarily responsible for the operations of Supplier K, particularly, including the sourcing of the product of Brand A. Supplier K became an Independent Third Party after the disposal of the shares in Bless Corporation Limited by Ms. Lee Yuen Lim Vivian.

During the Track Record Period, our revenue generated from provision of sales promotion service to Supplier K amounted to nil, nil, approximately HK\$0.3 million and approximately HK\$39,000, accounting for nil, nil, approximately 0.3%, 0.1% of our total revenue, respectively. Our Directors confirm that all of the transactions that we entered into with Supplier K were on normal commercial terms and were determined after arm’s length negotiation among the parties. To the best of the knowledge of our Directors after making reasonable enquiries, Ms. Lee Yuen Lim Vivian disposed of her equity interests in Bless Corporation Limited (which controls Supplier K and Customer H) to Mr. Luk Wing Kwong Quintin on 28 March 2024 as she considered the businesses operated by the two subsidiaries of Bless Corporation Limited, namely Supplier K and Customer H, were not profitable and it was expected that more funding is required to invest in the development of new products to improve the business performances for these two companies. As she was not willing to further invest in the businesses of Supplier K and Customer H, Ms. Lee Yuen Lim Vivian disposed of her equity interests in Bless Corporation Limited at nominal value.

To the best of the knowledge of our Directors after making reasonable enquiries, after the disposal, (i) Customer H is wholly-owned by Bless Corporation Limited; (ii) Supplier K is owned as to 40% by Mr. Zhong Yongsheng (who is an Independent Third Party) and 60% by Bless Corporation Limited; and (iii) Bless Corporation Limited is owned as to 95% by Mr. Luk Wing Kwong Quintin, and 5% by Ms. Chung Sin Ying (who is an Independent Third Party). Mr. Luk Wing Kwong Quintin and Ms. Chung Sin Ying are principally engaged in the operation of Customer H, which is principally engaged in the sales of natural and organic ingredients, vegetables and fruits, coffee and tea, beverages, cereals, as well as dietary supplements.

Provision of sales promotion service to SST Healthy and Supplier K

On 15 July 2025 and 21 July 2025, we entered into a trade agent agreement (the “**Trade Agent Agreement(s)**”) with each of SST Healthy and Supplier K to formalise the trading arrangement for the provision of sales promotion service during the Track Record Period and going forward. Set out below are the principal terms of the Trade Agent Agreements:

Delivery

SST Healthy and Supplier K are responsible for procuring the manufacturers of their products to deliver their products to us and we are responsible for delivery of these products to our distribution channel.

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Commission	An agreed commission rate based on subsequent sales amount or sales amount through our sales promoters at our distribution channel.
Return policy	If the product is found defective and/or returned by the distribution channel, SST Healthy and Supplier K shall be responsible for the relevant return costs or replacement if required.
Credit term	Our distribution channel shall make payments to our Group for the products delivered to them. Our Group shall be entitled to retain such payments for deduction of the relevant commission. After the products are sold by our distribution channel, we will (i) provide the sales report to SST Healthy and Supplier K; and (ii) after deducting the relevant commission, remit SST Healthy and Supplier K the remaining balance amount within two months from the dates of their invoices.
Intellectual property rights	We are entitled to use their brands during the term of the Trade Agent Agreements.
Term	Three years.

In respect of the sales promotion services to SST Healthy and Supplier K, the commission rate was determined with reference to (i) the commission rates our Group charged to other independent customers on sales promotion services and whether the customer also engage us for key account services; (ii) the commission rates we pay to our promoters; and (iii) the market rate for provision of sales promotion services. Given that (i) the commission rates we charge to SST Healthy and Supplier K is around or slightly higher than the commission rates paid by our Group to the promoters; (ii) the rate charged by our Group is within the range of the market rate; and (iii) we charge similar rate for all our sales promotion services customers, our Directors consider that the provision of sales promotion services to SST Healthy and Supplier K are on normal commercial terms.

As mentioned above, Supplier K was established for the development and sales of the fungus health supplement products under Brand A which was considered to have possible opportunities. Recognising our network with Dairy Farm, Supplier K has engaged us to provide sales promotion service for a product under Brand A in the retail stores of Mannings in Hong Kong. The gross merchandise value of the relevant products of Supplier K sold in Mannings to end-customers was nil, nil, approximately HK\$1.7 million and HK\$0.2 million during the Track Record Period.

The brand owner of "iPro+" is SST Holdings Limited, a company listed on GEM of the Stock Exchange (stock code: 8200), which indirectly holds 60% of the entire issued share capital of SST Healthy. In 2022, SST Holdings Limited intended to commence the sale of NMN products business. Our Directors believe that SST Holdings Limited did not have the relevant experience in the sale of similar beauty supplement product. SST Holdings Limited cooperated with us to set up SST Healthy for the sale of NMN products business in the retail stores of Mannings in Hong Kong, whereas SST Holdings Limited was responsible for the investment cost and we were responsible for the provision of sales promotion service to SST Healthy. Our Directors consider that such cooperation arrangement was mainly attributable to that (i) we have established a long-term and stable relationship with Dairy Farm and are experienced in working with Dairy Farm, which can allow us to effectively market and distribute the products; (ii) SST Healthy can save the related sales and marketing expenses, in particular the cost of hiring sales promoters, which is one of our competitive strengths in the promotion of our products; (iii) Mannings may not allow SST Healthy to station its sales promoters in the retail stores of Mannings due to the lack of long-term relationship with Dairy Farm and lack of experience in distributing and marketing health and beauty supplements and products in retail networks in Hong Kong, which could adversely affect the sales of their products; and (iv) our Directors are experienced in the formulation, sourcing and sales of health and beauty supplement products with reputation in the industry.

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Our Directors believe that when Dairy Farm chooses a business partner, Dairy Farm does not only consider whether a business partner has capacity or resources to launch a product or have more bargaining power to negotiate the transactions with it, but it recognises a business partner which (i) is willing to maintain a stable and long term relationship; (ii) has a diversified product portfolio of health and beauty supplements and products; (iii) has a strong experience in distributing numerous types of products in the retail channel of Dairy Farm in an effective way (e.g. it is able to suggest how many products are sold in each retail store of Mannings or how to increase in the quantities of products sold in the retail store of Mannings); and (iv) has sufficient sales promoters with product or industry knowledge and sales skills in the retail stores of Mannings. Therefore, these factors may become obstacles for SST Healthy or SST Holding Limited to directly deal with Dairy Farm to distribute their products.

The gross merchandise value of the products of SST Healthy distributed by our Group through our distribution channel and through our promoters to the end-customers amounted to approximately HK\$2.7 million, HK\$2.8 million, HK\$113,000 and nil during the Track Record Period, respectively.

To the best of our Directors' knowledge and belief, SST Healthy has not engaged any other sale promotion services providers to distribute its products in Hong Kong.

Our Group became acquainted with SST Holdings Limited through introduction by a friend of Ms. Lee Yuen Lim Vivian, who has known Dr. Kwan Fei Ying, the chief executive officer of SST Holdings Limited, for years. The table below sets forth the chronology of events for the establishment of SST Healthy and the provision of sales promotion service to SST Healthy:

Time	Events
July 2022	Mr. Andrew Tsui, chief operation officer of SST Holdings Limited and Mr. Alex Cheung discussed the cooperation idea to produce and sell NMN products in Hong Kong. After negotiations, both parties agreed to establish SST Healthy to produce and sell NMN products, for which SST Holdings Limited would hold 60% shareholding interest in SST Healthy and be responsible for the investment and production costs of NMN products while our Group would hold 40% shareholding interest in SST Healthy and be responsible for the provision of sales promotion services to SST Healthy.
October 2022	Establishment of SST Healthy.
December 2022	Our Group commenced the provision of sales promotion service to SST Healthy.

Other than the events leading to the establishment of SST Healthy as set out above, on 8 August 2022, a subsidiary of SST Holdings Limited, being a licensed money lender, entered into a loan agreement of HK\$12.0 million with Aim Smart for a term of 36 months, with an interest rate of 8% per annum. The loan was secured by personal guarantee of Mr. Alex Cheung and 100% of the total number of issued shares of Herb Standard HK were pledged as security. The loan was fully repaid on 30 June 2024, and the personal guarantee and the pledge were released on the same date.

Taking into account that SST Healthy was an associate of our Group when we commenced the relationship with SST Healthy in December 2022, both parties had not entered into a formal agreement with SST Healthy and they only verbally agreed on the arrangement of such provision of sales promotion service and other principal terms such as commission rate and payment terms based on the trust among both parties. In order to enhance our internal control and strengthen the management, our Group decided to enter into a formal written agreement with SST Healthy on 15 July 2025 and the terms and conditions reflected the commercial substance of the arrangement for such sales promotion service during the Track Record Period and the relevant terms therein.

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To the best of the knowledge of our Directors after making reasonable enquiries, save as disclosed above, there are no other past or present relationships (family, trust, employment, shareholding, financing or otherwise) between SST Holdings Limited and our Company, our respective subsidiaries, directors, shareholders or senior management, or any of our respective associates.

Provision of sales promotion service to owners of other third-party brands

During the Track Record Period, we also entered into trade agent agreements (the “**Other Trade Agent Agreements**”) with other third-party brand owners, namely Customer B, Boiron Asia and Sante, for the provision of sales promotion service during the Track Record Period. Set out below are the principal terms of the Other Trade Agent Agreements:

Delivery	The relevant products will be delivered by the owners of third-party brands to our distribution channel directly after receiving information from our distribution channel or us, and the owners of third-party brands shall be responsible for any product defects.
Commission	(i) An agreed commission rate based on the net purchase amount by our distribution channel, and an agreed commission rate based on subsequent sales amount through our sales promoters at our distribution channel; or (ii) An agreed commission rate based on the net purchase amount by our distribution channel only; or (iii) an agreed commission rate based on subsequent sales amount through our sales promoters at our distribution channel only.
Return policy	If the product is found defective and/or returned by our distribution channel, the owners of third-party brands shall be responsible for the relevant return costs or replacement if required.
Credit term	For the scenario (i) in the commission above, the payment from our distribution channel is received by the owners of third-party brands, and the owners of third-party brands shall pay us (a) the relevant commission based on the net purchase amount by our distribution channel, within 7 days after receiving the actual payment from our distribution channel; and (b) the relevant commission based on subsequent sales amount through our sales promoters at our distribution channel, within four to eight weeks upon receipt of our invoices. For the scenario (ii) in the commission above, the payment from our distribution channel is received by us, and we shall, after deducting the relevant commission, pay the owners of third-party brands the remaining sales proceeds, within 7 days after receiving the actual payment from our distribution channel. For the scenario (iii) in the commission above, the owner of third-party brand shall pay us the relevant commission based on the subsequent sales amount through our sales promoters at our distribution channel, within 60 days upon receipt of our invoices.
Intellectual property rights	We are entitled to use the third-party brands and logos during the term of the Other Trade Agent Agreements, if applicable.

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Term Generally three months or one year and would be periodically extended for three months or one year unless the parties terminate the agreement in writing, or no definite terms unless the parties terminate the agreement in writing.

Our Directors confirm that all of the transactions that we entered into under provision of sales promotion service were on normal commercial terms and were determined after arm’s length negotiation among the parties and is in line with industry practice. According to Frost and Sullivan, it is not uncommon to provide sales promotion services to owners or owner groups of third-party brands in order for the sales promoters to assist the sale of products of the brand owners through distribution channels such as Dairy Farm for a commission, and the commissions our Group charge to the third-party brand owners are generally in line with the market range.

Management and packaging service

Our management and packaging service comprises (i) the provision of key account management and marketing services; and (ii) management and packaging services. In respect of the key account management and marketing services, we first commenced in June 2022 for assisting an independent third party brand owner to launch its products in Mannings.

In respect of the management and packaging services, we first commenced in April 2024 with Customer H as we entered into a management service agreement with Customer H (the “**Management Service Agreement**”).

As we generally carry out almost all the packaging and labelling in-house with a maximum production capacity of approximately 6,400 boxes per day depending on the complexity of the packaging, we have spare capacities to provide packaging services to our customers if required. As Customer H does not have a warehouse and packaging facilities and recognised our packaging and labelling in-house skills, we provided value-added packaging solution services including packaging, storage and inventory management for the products it purchased from us. The packaging service involves packing product boxes for Customer H and the storage service involves sharing of our warehouse storage space with Customer H, which were provided on normal or better commercial terms compared to the market rate. Customer H was a connected person of our Company from 6 July 2023 to 28 March 2024. Customer H was wholly-owned by Bless Corporation Limited, a company incorporated under laws of Hong Kong, in which Ms. Lee Yuen Lim Vivian, spouse of Mr. Alex Cheung, held 40% of its entire issued share capital from 7 February 2023 to 28 March 2024. Customer H became an Independent Third Party after the disposal. During the Track Record Period, our revenue generated from provision of management and packaging service to Customer H amounted to nil, nil, approximately HK\$0.6 million and HK\$0.3 million, accounting for nil, nil and approximately 0.5% and 0.6% of our total revenue, respectively. The total number of boxes packaged by our Group for Customer H was nil, nil, 102,436, 62,814 boxes during the Track Record Period.

Our Group did not enter into any long-term agreement with Customer H during the Track Record Period and it generally places orders with us from time to time. Set out below are the principal terms of the Management Service Agreement:

Subject matter	Our Group shall provide value-added packaging solution services, including packaging, storage and inventory management.
Term	1 April 2024 to 31 March 2025, and renewed for the period from 1 April 2025 to 31 March 2026 ^{Note 1}
Pricing policy	A monthly fixed fee (including packaging fee and storage fee) ^{Note 2}

Notes:

- Customer H has terminated the Management Service Agreement with our Group on 1 January 2026 as our Group require additional warehouse space for placing our products as we expanded our product portfolio.
- The fixed fee was determined with reference to (i) the monthly warehouse rent incurred by us and the area that is occupied by Customer H; (ii) the time required to pack product for Customer H per month; and (iii) resources of our packaging staff in providing the services and their monthly salary. Further, our Company has taken into account that the market rate for packaging of products based on a quotation from an independent company engaged in, among others, food packaging in Hong Kong.

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In addition to the provision of value-added packaging solution services, in light of our long-term and stable relationship with Dairy Farm, we have also provided key account management and marketing services to third-party brand owners under management and packaging services by assisting them to launch their products in our distribution channel in return for a fixed management fee. During the three years ended 31 March 2025 and the six months ended 30 September 2024 and 2025, our service fee for these services amounted to approximately HK\$0.2 million, HK\$0.5 million, HK\$0.4 million, HK\$0.2 million and HK\$0.2 million, respectively.

During the three years ended 31 March 2025 and the six months ended 30 September 2024 and 2025, revenue from our management and packaging service amounted to approximately HK\$0.2 million, HK\$0.5 million, HK\$1.0 million, HK\$0.5 million and HK\$0.5 million, representing approximately 0.5%, 0.4%, 0.8%, 0.9% and 0.9% of our total revenue, respectively. Revenue from our management and packaging service is recognised over time when the service is rendered.

Our Directors confirm that all of the transactions that we entered into under provision of management and packaging service were on normal commercial terms after arm’s length negotiation among the parties. Such management and packaging service is in line with industry practice. According to Frost and Sullivan, as compared to 182 outlets of another large-scale chain retailers of health and beauty products in Hong Kong as of February 2026, Manning has 306 outlets, such significantly greater number of outlets provides unmatched coverage, especially in high-density residential and tourist areas, which translates to higher visibility and sales velocity. As such, it is not uncommon for brand owners to require the key account management and marketing services so as to place their products in Mannings.

OUR BRANDS AND PRODUCTS

Our own brands

Since establishment, we have been focusing on developing and fostering our own brands as our Directors believe that our brand image stems from our ongoing marketing endeavours and the continuous enhancement and expansion of our product portfolio. As at the Latest Practicable Date, we carried a total of six own brands, namely (i) “Herb Standard (正品)”; (ii) “Tourmaline (炎痛消)”; (iii) “Organicpharm”; (iv) “Nihondou (日藥堂)”; (v) “Revive (維再生)”; and (vi) “Profix”, covering the needs of children, adults and the elderly. The following table sets out the pictures with respect to our own brands:



Our third-party brands

Apart from products under our own brands, we have sourced quality third-party brands to enrich our product portfolio with a wider range of products so as to enable us to better meet the needs of our end-customers.

In 2023 and 2024, we entered into separate strategic distribution agreements with Supplier G, a renowned manufacturer and wholesaler of healthcare and beauty products, including skincare and haircare products in Japan, under which we have been designated as the exclusive

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distributor for two of its brands, Brand B and Brand C, in Hong Kong and Macau, marking our milestone in expanding our product portfolio to cover Japanese health and beauty supplements and products. According to Frost & Sullivan, Brand B products primarily compete in the segment of vitamin C supplements which is popular but dominated by established brands with its innovative capsule technology appealing to trend-conscious consumers while Brand C products have carved out recognisable niche segments, particularly in the weight management and probiotic segments, due to their innovative formulations and popularity among consumers seeking diet support.

In addition, during 2022 to 2025, we entered into various distributorship or trade agent agreements with third-party brand owners, namely Supplier K, SST Healthy, Customer B, Boiron Asia and Sante, under which our Group acted as their representative to provide sales promotion service to them for the distribution of their products through our distribution channel including Dairy Farm, details of which are set out in “Our Business Model – Sales promotion service” in this section.

The following table sets out the pictures of some of our third-party brands:



Our products

Our products are divided into two categories: (i) health supplements and products, comprising (a) nutritional and herbal supplements, which are orally consumed products typically in the form of pills, tablets or liquids with an aim to supplement the diet and improve inner health/immune system, including heart, brain, liver, bones, eyes, promotion of sleep quality, etc.; and (b) external analgesic products used for relieving muscle or joint pain; and (ii) beauty supplements and products, comprising (a) preparations which aim to improve body shape/outward appearance; and (b) nutrients which aim to improve skin conditions, such as collagen, antiradicals and coenzymes of which the main functions include skin whitening, anti-oxidation, anti-ageing and anti-wrinkle. As at the Latest Practicable Date, our product portfolio consists of (i) 44 health supplements and products and 8 beauty supplements and products under our own brands; and (ii) 4 health supplements and products and 20 beauty supplements and products under third-party brands. Health supplements and products have been our major and top-selling products, the revenue of which amounted to approximately 81.9%, 77.8%, 71.6% and 76.8% of our total revenue during the three years ended 31 March 2025 and the six months ended 30 September 2025, respectively. Particularly, our Group's top five best-selling products for FY2025 were “Growth Calcium (生長鈣)”, “Deer Sinew (鹿筋骨痛丸)”, “Crocodile Pro (鱷肺補)” and “iLiver Clear (肝酵素)” under our own brand “Herb Standard (正品)” as well as “Revive NMN (維再生NMN)” under our own brand “Revive (維再生)”.

According to Frost & Sullivan, our Group ranked the seventh in terms of retail sales value of health and beauty supplements and products with a market share of approximately 1.6%, among all local health and beauty supplements and products providers in Hong Kong in 2024.

Our product portfolio consists of: (i) products under our own brands, which are supplied to us primarily by our manufacturers and suppliers; and (ii) products under third-party brands, which mainly include health and beauty supplements and products that are supplied by brand owners.

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Our revenue by brands and functions

The following table sets out the brands, number of products, suggested retail price range and revenue generated in respect of products under our own and third-party brands during the Track Record Period:

Brands	Number of products	Suggested retail price range ⁽¹⁾ HK\$	FY2023 Revenue HK\$000	% of total revenue	FY2024 Revenue HK\$000	% of total revenue	FY2025 Revenue HK\$000	% of total revenue	6M2025 Revenue HK\$000 (Unaudited)	% of total revenue	6M2026 Revenue HK\$000	% of total revenue
OUR OWN BRANDS												
Herb Standard (正品)			25,939	60.1	58,083	53.0	66,716	51.2	28,065	53.0	24,816	47.3
– children’s health	4	299	3,903	9.0	21,348	19.5	27,893	21.4	11,551	21.8	9,463	18.0
– joint and pain care	3	269-339	9,064	21.0	10,612	9.7	11,767	9.0	5,176	9.8	4,494	8.6
– respiratory system care	1	399	2,985	6.9	8,713	7.9	9,177	7.0	3,267	6.2	2,789	5.3
– anti-allergy	2	339-359	1,949	4.5	3,539	3.2	4,122	3.2	2,050	3.9	1,256	2.4
– men’s health	2	339	3,627	8.5	4,942	4.5	4,504	3.5	2,014	3.8	2,197	4.2
– cardiovascular and liver care	1	339	1,514	3.5	4,468	4.1	5,310	4.1	2,421	4.5	2,829	5.4
– yin-nourishing radiance	4	339-379	2,897	6.7	4,461	4.1	3,943	3.0	1,586	3.0	1,788	3.4
Tourmaline (炎痛消)			8,626	20.0	15,156	13.9	16,239	12.4	7,227	13.6	6,573	12.5
– joint and pain care	4	339	5,449	12.6	9,590	8.8	10,231	7.9	4,917	9.3	4,446	8.4
– anti-swelling pain relief wraps	9	299-419	3,177	7.4	5,566	5.1	6,008	4.5	2,310	4.3	2,127	4.1
Revive (維再生)			-	-	12,213	11.1	21,429	16.5	7,127	13.4	10,930	20.9
– women’s health	2	468-2,680	-	-	12,213	11.1	15,867	12.2	5,792	10.9	4,517	8.6
– cardiovascular and liver care	1	399	-	-	-	-	4,258	3.3	1,335	2.5	3,445	6.6
– eye health	1	329	-	-	-	-	1,304	1.0	-	-	1,027	2.0
– children’s series	2	299-329	-	-	-	-	-	-	-	-	1,047	2.0
– body weight and intestinal management	2	379-399	-	-	-	-	-	-	-	-	894	1.7

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Brands	Number of products	Suggested retail price range ⁽¹⁾ HK\$	FY2023 Revenue HK\$000	% of total revenue	FY2024 Revenue HK\$000	% of total revenue	FY2025 Revenue HK\$000	% of total revenue	6M2025 Revenue HK\$000	% of total revenue	6M2026 Revenue HK\$000	% of total revenue
(Unaudited)												
Nihondou (日藥堂)			3,297	7.6	7,886	7.2	1,274	1.0	450	0.8	995	1.9
– insomnia and stress relief	1	299	1,134	2.6	1,575	1.4	778	0.6	523	1.0	631	1.2
– body weight and intestinal management	1	439	1,151	2.7	1,427	1.3	905	0.7	335	0.6	364	0.7
– cardiovascular and liver care	1	339	1,012	2.3	4,884	4.5	(409)	(0.3)	(408)	(0.8)	–	–
Organicpharm			4,807	11.1	6,107	5.6	5,153	4.0	2,564	4.8	2,572	4.9
– body weight and intestinal management	3	229-299	4,807	11.1	6,107	5.6	5,153	4.0	2,564	4.8	2,572	4.9
Profix			–	–	7,820	7.1	2,806	2.2	1,513	2.9	1,188	2.3
– probiotics	6	299-369	–	–	7,820	7.1	2,806	2.2	1,513	2.9	1,188	2.3
THIRD-PARTY BRANDS												
Brand A from Supplier K			–	–	–	–	830	0.6	32	0.1	13	–
– brain health	1	388	–	–	–	–	830	0.6	32	0.1	13	–
Brand B from Supplier G			–	–	249	0.2	7,411	5.7	3,558	6.7	758	1.4
– women's health	6	299	–	–	–	–	2,809	2.1	1,453	2.7	498	0.9
– insomnia and stress relief	1	368	–	–	249	0.2	2,186	1.7	797	1.5	359	0.7
– body weight and intestinal management	1	368	–	–	–	–	2,416	1.9	1,308	2.5	(99)	(0.2)
Brand C from Supplier G			–	–	–	–	4,327	3.3	676	1.3	3,511	6.7
– body weight and intestinal management	12	198-329	–	–	–	–	4,327	3.3	676	1.3	3,511	6.7

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Brands	Number of products	Suggested retail price range ⁽¹⁾ HK\$	FY2023 Revenue HK\$000	% of total revenue	FY2024 Revenue HK\$000	% of total revenue	FY2025 Revenue HK\$000	% of total revenue	6M2025 Revenue HK\$000	% of total revenue	6M2026 Revenue HK\$000	% of total revenue
Others ⁽²⁾												
– cardiovascular and liver care	1	N/A	–	–	804	0.7	1,757	1.3	624	1.2	146	0.3
– women's health	1	N/A	–	–	591	0.5	222	0.2	74	0.2	–	–
– joint and pain care	1	N/A	–	–	213	0.2	810	0.6	231	0.4	146	0.3
Subtotal			42,669	98.8	108,318	98.8	127,942	98.2	51,836	97.8	51,502	98.2
Others ⁽³⁾			524	1.2	1,300	1.2	2,273	1.8	1,154	2.2	940	1.8
Total			43,193	100.0	109,618	100.0	130,215	100.0	52,990	100.0	52,442	100

Notes:

- (1) The suggested retail price range serves as recommended guidance for our wholesale customers who typically adhere to these pricing benchmarks for onward sale to end-customers. The variance between our suggested retail price range and the actual average selling price (calculated based on the actual revenue received by our Group for the sales of the products) is primarily due to our selling prices offered to our wholesale customers are wholesale price rather than the retail price.
- (2) For these products, we merely sourced them for particular wholesale customers and we did not sell or distribute these products ourselves, so the suggested retail price range is not applicable.
- (3) Represents revenue from sales promotion service and management and packaging service.

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Among our own brands, “Herb Standard (正品)”, “Tourmaline(炎痛消)” and “Revive (維再生)” represent our best-selling three brands in terms of revenue. During the three years ended 31 March 2025 and the six months ended 30 September 2024 and 2025, (i) revenue from sales of our products under “Herb Standard (正品)” were approximately HK\$25.9 million, HK\$58.1 million, HK\$66.7 million, HK\$28.1 million and HK\$24.8 million, representing approximately 60.1%, 53.0%, 51.2%, 53.0% and 47.3% of our total revenue, respectively; (ii) revenue from sales of our products under “Tourmaline (炎痛消)” were approximately HK\$8.6 million, HK\$15.2 million, HK\$16.2 million, HK\$7.2 million and HK\$6.6 million, representing approximately 20.0%, 13.9%, 12.4%, 13.6% and 12.5% of our total revenue, respectively; and (iii) revenue from sales of our products under “Revive (維再生)” were nil, approximately HK\$12.2 million, HK\$21.4 million, HK\$7.1 million and HK\$10.9 million, representing nil, approximately 11.1%, 16.5%, 13.4% and 20.9% of our total revenue, respectively.

The sales of our products under “Nihondou (日藥堂)” decreased by approximately 83.8% from HK\$7.9 million for FY2024 to HK\$1.3 million for FY2025, which was mainly due to (i) the voluntary product recall of a product containing red yeast rice produced by the Japanese Pharmaceutical Company in April 2024, details of which are set out in the sub-section headed “Our Business Model – Wholesale business – Sales of our products to Dairy Farm – Goods returns by Dairy Farm and provision policy” in this section; and (ii) temporary suspension of supply of a product under the insomnia and stress relief function to Dairy Farm since January 2025 for preparation of the launch of the upgraded new version of this product in May 2025. The sales of products under “Nihondou (日藥堂)” increased by approximately 121.1% from approximately HK\$0.5 million for 6M2025 to approximately HK\$1.0 million for 6M2026 as the revenue for 6M2025 was impacted by the voluntary product recall as mentioned above.

The sales of our products under “Organicpharm” decreased by approximately 15.6% from HK\$6.1 million for FY2024 to HK\$5.2 million for FY2025, which was primarily due to we increased our marketing effort on the new third-party body weight and intestinal management products under Brand B and Brand C that were launched in FY2025, which diverted our marketing effort on the sales and promotion of the body weight and intestinal management products under “Organicpharm”. In 6M2026, we launched a new product under “Organicpharm” and the overall sales under “Organicpharm” remained stable at approximately HK\$2.6 million for 6M2025 and HK\$2.6 million for 6M2026.

The sales of our products under “Profix” decreased by approximately 64.1% from HK\$7.8 million for FY2024 to HK\$2.8 million for FY2025, which was mainly due to we put more marketing effort on the sale when we initially launched the brand in FY2024. The sales of products under “Profix” decreased by approximately 21.5% from approximately HK\$1.5 million for 6M2025 to approximately HK\$1.2 million for 6M2026, mainly due to the gradual fade out of certain products under this category, and two products under this category discontinued during 6M2026.

The sales of our products under Brand B decreased by approximately 78.7% from approximately HK\$3.6 million for 6M2025 to approximately HK\$0.8 million for 6M2026, which was attributable to (i) the general decrease in demand for products under Brand B as affected by market competition; and (ii) promotional activities on a product under Brand B was carried out in Xiaohongshu during 6M2025 while no such promotional activity was carried out in 6M2026.

The sales of our products under Brand C increased by approximately 419.4% from approximately HK\$0.7 million for 6M2025 to approximately HK\$3.5 million for 6M2026, mainly due to we only commenced selling products under Brand C from June 2024, and the increase in promotional discounts on the body weight and intestinal management products under this brand during 6M2026 in order to boost the sales volume of certain slow moving products.

The deer-related health supplements under our own brand “Herb Standard (正品)” have been our best-selling products, accounting for approximately 41.6%, 35.6%, 34.5%, 36.7% and 31.0% of our total revenue during the three years ended 31 March 2025 and the six months ended 30 September 2024 and 2025, respectively. According to Frost & Sullivan, 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. In addition, 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.

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Our revenue by product categories and functions

The following table details a breakdown of our revenue by product categories and functions during the Track Record Period:

	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	%	HK\$'000	%
	<i>(unaudited)</i>									
Health supplements and products	35,370	81.9	85,299	77.8	93,289	71.6	38,101	71.9	40,287	76.8
– children’s health	3,903	9.0	21,348	19.5	27,893	21.4	11,551	21.8	10,510	20.0
– joint and pain care	14,512	33.6	20,415	18.6	22,808	17.5	10,324	19.5	9,086	17.3
– respiratory system care	2,985	6.9	8,713	7.9	9,177	7.0	3,267	6.2	2,789	5.3
– anti-allergy	608	1.4	858	0.8	1,168	0.9	517	1.0	318	0.6
– men’s health	3,627	8.4	4,942	4.5	4,504	3.5	2,014	3.8	2,197	4.2
– brain health	–	–	–	–	830	0.6	32	0.1	13	0.0
– insomnia and stress relief	1,134	2.6	1,823	1.7	2,964	2.3	1,320	2.5	990	1.9
– pain relief	3,177	7.4	5,566	5.1	6,008	4.6	2,310	4.3	2,127	4.1
– cardiovascular and liver care	2,527	5.9	9,353	8.5	9,884	7.6	3,667	6.9	6,274	12.0
– eye health	–	–	–	–	1,304	1.0	–	–	1,027	2.0
– probiotics	–	–	7,820	7.1	2,806	2.2	1,513	2.8	1,188	2.3
– yin-nourishing radiance	2,897	6.7	4,461	4.1	3,943	3.0	1,586	3.0	1,788	3.4
– women’s health	–	–	–	–	–	–	–	–	493	0.9
– body weight and intestinal management	–	–	–	–	–	–	–	–	1,487	2.8
Beauty supplements and products	7,299	16.9	23,019	21.0	34,653	26.6	13,735	25.9	11,215	21.4
– anti-allergy	1,341	3.1	2,682	2.4	2,954	2.3	1,533	2.9	938	1.8
– women’s health	–	–	12,803	11.7	18,898	14.5	7,319	13.8	4,522	8.6
– body weight and intestinal management	5,958	13.8	7,534	6.9	12,801	9.8	4,883	9.2	5,755	11.0
Subtotal	42,669	98.8	108,318	98.8	127,942	98.2	51,836	97.8	51,502	98.2
Others ⁽¹⁾	524	1.2	1,300	1.2	2,273	1.8	1,154	2.2	940	1.8
Total	43,193	100.0	109,618	100.0	130,215	100.0	52,990	100.0	52,442	100.0

Note:

(1) Represents revenue from sales promotion service and management and packaging service.

Health supplements and products have been our best-selling product category. During the three years ended 31 March 2025 and the six months ended 30 September 2024 and 2025, sales of our health supplements and products were approximately HK\$35.4 million, HK\$85.3 million, HK\$93.3 million, HK\$38.1 million and HK\$40.3 million, representing approximately 81.9%, 77.8%, 71.6%, 71.9% and 76.8% of our total revenue, respectively. Our health supplements and products generally have a shelf life of approximately 24-36 months from the date of production.

Revenue generated from sales of beauty supplements and products, on the other hand, amounted to approximately HK\$7.3 million, HK\$23.0 million, HK\$34.7 million, HK\$13.7 million and HK\$11.2 million, representing approximately 16.9%, 21.0%, 26.6%, 25.9% and 21.4% of our total revenue during the three years ended 31 March 2025 and the six months ended 30 September 2024 and 2025, respectively. Our beauty supplements and products generally have a shelf life of approximately 24-36 months from the date of production.

In terms of product functions, our products related to children’s health, joint and pain care, and women’s health represented our top three best-selling products for FY2025, contributing approximately 21.4%, 17.5% and 14.5% of our total revenue, respectively. In terms of product functions, our products related to children’s health, joint and pain care and body weight and intestinal management represented our top three best-selling categories for 6M2026, contributing approximately 20.0%, 17.3% and 13.8% of our total revenue, respectively.

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Our revenue by brands and product categories

Set out below is the breakdown of our revenue by our own and third-party brands and product categories during the Track Record Period:

	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	%	HK\$'000	%
	(unaudited)									
Our own brands	42,669	98.8	107,266	97.9	113,617	87.2	46,946	88.6	47,074	89.7
– Health supplements and products	35,370	81.9	84,838	77.4	88,738	68.1	36,722	69.3	39,770	75.8
– Beauty supplements and products	7,299	16.9	22,428	20.5	24,879	19.1	10,224	19.3	7,304	13.9
Third-party brands	–	–	1,052	0.9	14,325	11.0	4,890	9.2	4,428	8.5
– Health supplements and products	–	–	461	0.4	4,551	3.5	1,379	2.6	517	1.0
– Beauty supplements and products	–	–	591	0.5	9,774	7.5	3,511	6.6	3,911	7.5
Others⁽¹⁾	524	1.2	1,300	1.2	2,273	1.8	1,154	2.2	940	1.8
Total	43,193	100.0	109,618	100.0	130,215	100.0	52,990	100.0	52,442	100.0

Note:

(1) Represents revenue from sales promotion service and management and packaging service.

For detailed analysis of our revenue by brands and product categories, please refer to “Our Brands and Products – Our products – Our revenue by brands and functions” and “Our Brands and Products – Our products – Our revenue by product categories and functions” in this section above.

Our top five best-selling products

Our top five best-selling products in terms of revenue in FY2025 were “Growth Calcium (生長鈣)”, “Revive NMN (維再生NMN)”, “Deer Sinew (鹿筋骨痛丸)”, “Crocodile Pro (鱷肺補)” and “iLiver Clear (肝酵素)”, all of which are under our own brands.

“Growth Calcium (生長鈣)”



“Growth Calcium(生長鈣)” is a health supplement product launched under our own brand “Herb Standard (正品)” in the category of children’s health. The product was first launched in October 2015. This product primarily contains New Zealand deer bone calcium, IgF growth factor, magnesium, zinc and DHA and is presented in chewables form. “Growth Calcium (生長鈣)” aims to strengthen bones and teeth, enhance resistance to pits, and promote development in children.

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“Growth Calcium (生長鈣)” was our Group’s best-selling product for FY2025 and 6M2026. During the Track Record Period, revenue generated from sales of “Growth Calcium (生長鈣)” amounted to approximately HK\$2.5 million, HK\$16.7 million, HK\$23.7 million and HK\$7.9 million, representing approximately 5.9%, 15.3%, 18.2% and 15.1% of our total revenue, respectively.

“Revive NMN (維再生NMN)”



“Revive NMN (維再生NMN)” is a beauty supplement product launched under our own brand “Revive (維再生)” in the category of women’s health. The product was first launched in May 2023. This product primarily contains NMN (β -nicotinamide mononucleotide), starch (anti-caking agent), hydroxypropyl methylcellulose (capsule), calcium stearate (stabiliser) and fine crystalline cellulose (anti-caking agent) and is presented in capsules form. “Revive NMN (維再生NMN)” aims to promote anti-ageing effect and improve appearance. We have upgraded the product to “Revive NMN 40000+” in June 2025.

“Revive NMN (維再生NMN)” was our Group’s second best-selling product for FY2025 and the upgraded product “Revive NMN 40000+” was our Group’s third best-selling product for 6M2026. In FY2024 and FY2025, revenue generated from sales of “Revive NMN (維再生NMN)” amounted to approximately HK\$12.2 million and HK\$13.7 million, representing approximately 11.1% and 10.5% of our total revenue, respectively. In 6M2026, revenue generated from sales of “Revive NMN 40000+” amounted to approximately HK\$3.5 million, representing approximately 6.7% of our total revenue.

“Deer Sinew (鹿筋骨痛丸)”



“Deer Sinew (鹿筋骨痛丸)” is a health supplement product launched under our own brand “Herb Standard (正品)” in the category of joint and pain care. The product was first launched in July 2014. This product primarily contains New Zealand deer sinew extract, deer bone calcium, cherry powder extract and krill oil and is presented in capsules form. “Deer Sinew (鹿筋骨痛丸)” aims to relieve joint pain and improve joint health.

“Deer Sinew (鹿筋骨痛丸)” was our Group’s third best-selling product for FY2025 and second best-selling product for 6M2026. During the Track Record Period, revenue generated from sales of “Deer Sinew (鹿筋骨痛丸)” amounted to approximately HK\$9.0 million, HK\$10.6 million, HK\$10.6 million and HK\$3.7 million, representing approximately 20.8%, 9.7%, 8.1% and 7.1% of our total revenue, respectively.

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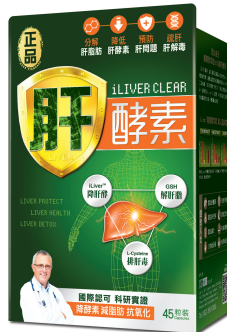
“Crocodile Pro (鱷肺補)”



“Crocodile Pro (鱷肺補)” is a health supplement product launched under our own brand “Herb Standard (正品)” in the category of respiratory system care. The product was first launched in September 2017. This product primarily contains Australian crocodile extract, cordyceps mycelium Cs-4 extract, quercetin extract and bromelain extract and is presented in capsules form. “Crocodile Pro (鱷肺補)” aims to relieve respiratory discomforts and strengthen the respiratory system.

“Crocodile Pro (鱷肺補)” was our Group’s fourth best-selling product for FY2025 and fifth best-selling product for 6M2026. During the Track Record Period, revenue generated from sales of “Crocodile Pro (鱷肺補)” amounted to approximately HK\$3.0 million, HK\$8.7 million, HK\$9.2 million and HK\$2.8 million, representing approximately 6.9%, 7.9%, 7.0% and 5.3% of our total revenue, respectively.

“iLiver Clear (肝酵素)”



“iLiver Clear (肝酵素)” is a health supplement product launched under our own brand “Herb Standard (正品)” in the category of cardiovascular and liver care. The product was first launched in June 2019. This product primarily contains Longan shell extract (iLiver™), glutathione, artichoke, lecithin and L-Cysteine Monohydrochloride and is presented in capsules form. “iLiver Clear (肝酵素)” aims to strengthen liver repair capability and support overall liver health.

“iLiver Clear (肝酵素)” was our Group’s fifth best-selling product for FY2025 and fourth best-selling product for 6M2026. During the Track Record Period, revenue generated from sales of “iLiver Clear (肝酵素)” amounted to approximately HK\$1.5 million, HK\$4.5 million, HK\$5.3 million and HK\$2.8 million, representing approximately 3.5%, 4.1%, 4.1% and 5.4% of our total revenue, respectively.

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Our major products under our own brands

In addition to our top five best-selling products above, our other major products under our own brands, as well as their major ingredients, are set out below:

Function	Product	Brand	Main ingredients	Sample picture
Joint and pain care	“Tourmaline lower back pain (炎痛消腰坐骨)”	“Tourmaline (炎痛消)”	Acetyl-L-carnitine, magnesium, green lip mussel, organic sulfur	
Cardiovascular and liver care	“Revive Natto Vessel Clean (維再生 血暢通)”	“Revive (維再生)”	Fermented rice bran extract (Actibody RB), natto bacteria cultured extract (containing soybeans and natto kinase activity 60,000 FU nattokinase), gymnema extract, vitamin B6, folic acid	
Anti-allergy	“Crocodile Oil (鱷膚油)”	“Herb Standard (正品)”	Australian crocodile oil	
Men’s health	“Deer Tail Essence (鹿尾 狍腎氣丸)”	“Herb Standard (正品)”	New Zealand deer tail, deer pizzle, flaxseed, ginkgo leaf extract, protein, collagen	
Anti-swelling pain relief wraps	“Knee-pad (炎痛消膝痛帶)”	“Tourmaline (炎痛消)”	Rubber, polyester fibre, resin powder, black tourmaline, porcelain powder	

Our Directors confirm that during the Track Record Period and up to the Latest Practicable Date, none of our products (i) is classified as “proprietary Chinese medicines” or “Chinese herbal medicines” and no registration or licensing is required for our Group or our products under the Chinese Medicine Ordinance (Chapter 549 of the Laws of Hong Kong); (ii) is classified as “medicine” or “pharmaceutical product” under the Pharmacy and Poisons Ordinance (Chapter 138 of the Laws of Hong Kong), and no registration or licensing is required for our Group or our products under the Pharmacy and Poisons Ordinance or the Pharmacy and Poisons Regulations (Chapter 138A of the Laws of Hong Kong); (iii) contains any antibiotics as set out in the Antibiotics Ordinance (Chapter 137 of the Laws of Hong Kong); and (iv) contains any substance which is governed by the Dangerous Drugs Ordinance (Chapter 134 of the Laws of Hong Kong).

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Product development and research under our own brands

We have established a product development team consisting two staff, including Mr. Alex Cheung, as at the Latest Practicable Date. For the purpose of evaluating and considering the needs to upgrade our existing products and launch new products, the team convenes meeting periodically to conduct thorough market assessments, review existing product performance metrics, and collaborate with suppliers on formulation improvements.

The following table illustrates the key stages of the product development and research under our own brands:

No.	Process name	Process description
1	Determination of initial product concepts	Our product development team closely monitors and analyses market trends and consumer demand, seeking to understand customers' preferences in relation to health and beauty supplements and products. This is accomplished through various market research methods, including conducting research on newly developed products launched by potential market competitors, discussions with our frontline sales personnel, customers and suppliers regarding the latest trend on products and ingredients, attending exhibitions and trade fairs worldwide and analysing e-commerce and social media trends for consumer insights. We then leverage the information gathered to determine our initial product concepts. Our Directors believe that the above comprehensive approach empowers us to continuously adapt our product portfolio, ensuring alignment with customer preferences and evolving market dynamics.
2	Initial product requirements/specifications on major ingredients	Our product development team follows a structured process to determine the initial product requirements/specifications. Such process begins with comprehensive industry research, where we analyse scientific reports, clinical studies, and regulatory publications to identify optimal nutritional and functional components. Based on our Group's market research and analyses, our product development team would source suppliers with suitable formulations which match our selected major ingredients.
3	Selection and assessment of suppliers	After coming up with initial product requirements/specifications on major ingredients, we proceed to select our suppliers. Our supplier vetting process employs a stringent quality-focused methodology. Potential suppliers must demonstrate that they are equipped with certified quality management systems, regulatory compliance records, and technical capabilities matching our specifications. We also visit their manufacturing sites, review their product range and compare their pricing, shipping logistics and payment terms. Once we engage a supplier, we will monitor its performance on an ongoing basis.
4	Request for quotation	Depending on the nature of the products, our product development team will approach Independent Third Party suppliers who are able to manufacture our products and request for quotation. For details of our quality control on our suppliers and our criteria for selecting suppliers, please refer to "Quality Control – Quality control relating to our suppliers" in this section below.

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No.	Process name	Process description
5	Pre-production sample review	We progressively work with the suppliers with suitable formulations to further refine their formulations through multiple review cycles until finalising production specifications. Suppliers then generate samples on which we will conduct quality-test against predetermined parameters, making preliminary evaluation on the products including their formulation, colour, shape and initiating revision rounds as needed. We discuss with our selected suppliers on how to refine our initial product requirements/ specifications and arrive at a final design. We also carefully determine the composition of raw materials for our products with our suppliers, including the combination and types used, by studying published reports, journals and research. Our product development team will evaluate the new products and decide whether to approve and launch the new products. While we do not possess any patented formulas for our products, we are entitled to sell the products under our own brand names and to register trademarks in that regard, and our suppliers are generally not allowed to provide the formulations of our products to their other customers.

Though we do not have a typical scheduled time frame for our product development process as it varies from product to product, it generally takes around six months for developing a new product, depending on the nature and complication of the requirements/specifications and formulations of the product.

To support the effectiveness and enhance the credibility of our products, in 2022, we collaborated with Professor Robert Kam Ming KO (高錦明) from a local university in Hong Kong to conduct scientific studies validating that “Deer Sinew (鹿筋骨痛丸)” has beneficial effect on muscle or joint strain caused by chronic inflammation. Further, in 2023, we collaborated again with Professor Robert Kam Ming KO (高錦明) to conduct scientific studies validating that “Crocodile Pro (鱷肺補)” and “Growth Calcium (生長鈣)” under our own brand “Herb Standard (正品)” are effective in suppressing the allergic response in the human airway and promoting bone growth during the growth period in humans, respectively. We believe that these scientific supports on the efficacy of our products enhanced our end-customers’ confidence in our products and improved our brand image among the general public.

Launch of new products

During the Track Record Period, in order to cater for different needs of end-customers and to respond swiftly to market trends and demands, we have launched 17 new products under our own brands, covering probiotics and the functions of women’s health, cardiovascular and liver care, eye care, joint and pain care, body weight and intestinal management and children’s health. Revenue attributable to the new products under our brands launched during the Track Record Period amounted to approximately HK\$20.0 million, HK\$25.4 million and HK\$13.5 million for FY2024, FY2025 and 6M2026, respectively.

OUR SUPPLIERS

We generally engage suppliers including manufacturers and trading company 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, our aggregate purchases from suppliers amounted to approximately HK\$7.2 million, HK\$28.7 million, HK\$27.7 million and HK\$16.9 million, respectively. Our Directors confirm that we did not experience any material price fluctuation for our products, third-party brand products and packaging materials throughout the Track Record Period and up to the Latest Practicable Date.

We collaborate closely with our upstream suppliers for the manufacturing and supplying of our products and procurement of packaging materials. Based on demand forecasts, sales projections and current inventory levels, we issue individual purchase orders to our suppliers as

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needed. Once an order is placed, the lead time typically required for our suppliers to deliver the required products and/or packaging materials to us varies depending on the nature and amount we purchased, generally ranging from one month to six months.

For details of our quality control on our suppliers and our criteria for selecting suppliers, please refer to “Quality Control – Quality control relating to our suppliers” in this section below.

Manufacturers and suppliers of our products and packaging materials

We engage manufacturers and suppliers, including trading companies for deer-related products, pharmaceuticals, cosmetics products and packaging materials, to provide us with products under our own brands. Such products primarily refer to health and beauty supplements and products pending labelling or packaging before they are ready for sale to consumers. We generally label and package the products we received from the manufacturers and suppliers within a short period of time after receipt of their shipments. The raw materials used by these manufacturers and suppliers are sourced from various regions, including, among others, Australia, New Zealand, Japan and Taiwan.

In relation to imports and exports law of Hong Kong, in view of a confirmation letter from the Custom and Excise Department confirming there was no conviction record of our Group under its purview during the Track Record Period and the non-compliances with the Food Safety Ordinance due to the lack of the food importer and/or distributor license of Herb Standard HK and Marvel Pro during the Track Record Period were immaterial, as advised by our Hong Kong Legal Counsel, our Group had not been and were not involved in any material non-compliance with relevant Hong Kong import and export laws and regulations during the Track Record Period and up to the Latest Practicable Date. For details, please refer to “Legal Proceedings and Compliance – Compliance” in this section of this Document.

We usually place orders with our manufacturers and suppliers for the products under our own brands on an order-by-order basis. Our manufacturers and suppliers for the products under our own brands are generally responsible for delivering the products to our designated location and handling the customs clearance. Except for Supplier E and Supplier H, we did not enter into any long-term agreements with our manufacturers and suppliers for the products under our own brands. The terms of each purchase, including pricing and settlement arrangements, are generally determined through negotiations between our Group and the respective manufacturers and suppliers at the time of each purchase order.

The following table provides a summary of the typical arrangements with our manufacturers and suppliers for the products under our own brands:

Role and obligations of our manufacturers and suppliers:	To produce or provide products or packaging materials.
Exclusivity:	Generally no exclusivity is granted by our manufacturers and suppliers.
Pricing:	The pricing is negotiated by us with our manufacturers and suppliers on a case-by-case basis.
Return policy:	We are entitled to return the products and/or request refund from our suppliers if product defects or quality issues are identified upon receipt.
Credit term:	(i) 50% or 70% deposit with the remaining balance before delivery; (ii) 100% payment before delivery; (iii) 30 days after the delivery; or (iv) 50% deposit with the remaining balance within 7 days after delivery

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Delivery term: Manufacturers and suppliers are generally responsible for arranging logistic and delivering the products to us. It generally takes approximately 1 month to 8 months.

The following table provides a summary of the major terms of our trading agreements entered with Supplier E and Supplier H during the Track Record Period:

Role and obligations of the suppliers:	To produce products under our own brands.
Exclusivity:	Generally no exclusivity is granted by the suppliers.
Delivery:	The suppliers will be responsible for delivering the products to us.
Term:	Effective from 1 January 2024 and will only be terminated by either parties by notice in writing for 30 days in advance.
Minimum purchase:	Nil

Supplier E and Supplier H generally deliver the products at their costs to us within or around 2 to 4 months after placement of purchase orders.

Our Directors confirm that we did not commit any breaches of the provisions of the agreements entered into between our manufacturers and suppliers and our Group that would have a material adverse impact on our business, financial condition or results of operations during the Track Record Period and up to the Latest Practicable Date.

During the Track Record Period, we did not experience any difficulties in the procurement of our products, interruptions in our operations due to a shortage or delay of supplies or significant fluctuations in the procurement costs. According to Frost & Sullivan, the manufacturers and suppliers of products in the health and beauty supplements and products markets are generally competitive and fragmented with a large number of multinational, national and regional companies. Therefore, our Directors believe that such manufacturers and suppliers of products are readily available in the markets. In case our existing manufacturers and suppliers fail to satisfy our order requirements in the future or terminate their agreements with us, our Directors consider that we will be able to source alternative manufacturers and suppliers in a timely manner at comparable quality and costs.

Owners of third-party brands

For sales of products under third-party brands, our Group generally purchases the relevant products from the brand owners directly and generate revenue through the sales and distribution of the products.

We usually place orders with the brand owners on an order-by-order basis. Owners of third-party brands are generally responsible for delivering the products to our designated location. We entered into long-term agreements with the brand owners and the terms of each purchase, including pricing and settlement arrangements, are generally determined through negotiations between our Group and the respective brand owners at the time of each purchase order.

The following table provides a summary of the major terms of the long-term agreements between the brand owners and us:

	Supplier G	Supplier K ^{Note (1)}
Role and obligations of brand owners:	To supply products under third-party brands	
Exclusivity:	Exclusivity is granted	No exclusivity

BUSINESS

	Supplier G	Supplier K ^{Note (1)}
Pricing:	Not fixed	Fixed price provided by Supplier K
Term:	Two years and will be renewed thereafter for successive two years if the minimum purchase amount is met. It can be terminated by either parties for six months in advance in writing.	Three years and may be renewed upon mutual agreement. It can be terminated by either parties for 30 days in advance in writing.
Credit term:	30 days after the issue of bill of lading	Within two months from the date of invoice
Minimum purchase:	There is an agreed minimum purchase amount.	Nil
Delivery terms:	Delivery will be arranged by Supplier G within 2 months after the receipt of orders and it is free on board.	Supplier K will be responsible for delivering the products to our warehouse.

Our Directors confirm that we did not commit any breaches of the provisions of the agreements entered into between owners of third-party brands and our Group that would have a material adverse impact on our business, financial condition or results of operations during the Track Record Period and up to the Latest Practicable Date.

Note:

- (1) Supplier K, established in November 2023, is principally engaged in trading of healthcare products. It generally delivers its products to us within two months after placement of purchase orders.

Service providers

We engage Independent Third Party service providers based in Hong Kong to provide logistic services. In selecting these service providers, we primarily consider factors such as the breadth and quality of the services offered, their track records and the competitiveness of their pricing.

Our top five suppliers

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 28.2% of our total purchases, respectively. For the details in relation to our risk on supplier concentration, please refer to “Risk Factors – Risks Relating to Our Business Operations – Concentration on a number of major suppliers may affect our operations. Any material adverse change to the operation, financial performance or financial condition of our major suppliers may result in material adverse impact on their business relationship with us” in this Document. The following tables set forth a breakdown of the purchases by our Group from our five largest suppliers during FY2023, FY2024, FY2025 and 6M2026:

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FY2023

Ranking	Supplier	Principal business/ background information	Major products purchased by us	Commencement year of business relationship	Typical credit term	Payment method	Purchase amount <i>HK\$'000</i>	% of total purchase amount %	Connected with us or not
1	Supplier A	Production of deer-related health supplements (<i>Note 1</i>)	Deer sinew joint blend capsules, deer milk blend tablets and crocodile respiratory blend capsules	2015	Payment before delivery	Bank transfer	3,985	55.6	N
2	Supplier B	Production, wholesale and retail of health and beauty supplements and products (<i>Note 2</i>)	Vegefiv tablets, sea cucumber and fish maw capsules and iLiver Clear	2013	50% deposit, remaining balance before delivery	Bank transfer	807	11.2	N
3	Hantech Bio-Technology Co., Ltd.	Production and sales of biotech foods, health foods and beauty products (<i>Note 3</i>)	Pectin slim detox	2021	50% deposit, remaining balance before delivery	Bank transfer	648	9.0	N
4	Supplier C	Trading, importing, and exporting of pharmaceuticals and cosmetics products (<i>Note 4</i>)	Natto supplement capsule and sleeping supplement tablet	2020	Payment before delivery	Bank transfer	420	5.9	N
5	Supplier D	Provision of printing, design and marketing services (<i>Note 5</i>)	Product boxes, stickers and inner tray	2020	30 days after the invoice is issued or by month end	Cheque	328	4.6	N
Total							6,188	86.3	

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FY2024

Ranking	Supplier	Principal business/ background information	Major products purchased by us	Commencement year of business relationship	Typical credit term	Payment method	Purchase amount <i>HK\$'000</i>	% of total purchase amount %	Connected with us or not
1	Supplier A	Production of deer-related health supplements (<i>Note 1</i>)	Deer calcium blend tablets, deer tail blend capsules and deer sinew blend capsules	2015	Payment before delivery	Bank transfer	9,900	34.5	N
2	Supplier E	Planning, manufacturing and sales of food, ingredients, cosmetics and miscellaneous products (<i>Note 6</i>)	Revive NMN supplement	2023	50% deposit, remaining balance before delivery	Bank transfer	6,299	22.0	N
3	Supplier F	Manufacturing of pharmaceutical products (<i>Note 7</i>)	Profix probiotics related products	2022	70% deposit, remaining balance before delivery	Cheque	2,714	9.5	N
4	Supplier B	Production, wholesale and retail of health and beauty supplements and products (<i>Note 2</i>)	Vegefiv tablets, sea cucumber and fish maw capsules and iLiver Clear	2013	50% deposit, remaining balance before delivery	Bank transfer	1,722	6.0	N
5	Kunion Creation Limited	Provision of marketing agency, consultancy, advertising, e-commerce and trading services (<i>Note 8</i>)	Deer sinew capsules, deer calcium blend tablets and osteo joint capsules	2022	50% deposit, remaining balance before delivery	Bank transfer	1,518	5.3	N
Total							22,153	77.3	

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FY2025

Ranking	Supplier	Principal business/ background information	Major products purchased by us	Commencement year of business relationship	Typical credit term	Payment method	Purchase amount <i>HK\$'000</i>	% of total purchase amount %	Connected with us or not
1	Supplier A	Production of deer-related health supplements (<i>Note 1</i>)	Deer calcium blend tables, deer placenta, deer sinew joint blend capsules and deer sinew blend capsules	2015	Payment before delivery	Bank transfer	7,710	27.8	N
2	Supplier E	Planning, manufacturing and sales of food, ingredients, cosmetics and miscellaneous products (<i>Note 6</i>)	Revive NMN supplement and natto Kinase supplement	2023	50% deposit, remaining balance before delivery	Bank transfer	5,883	21.2	N
3	Supplier G	Manufacturer and wholesaler of healthcare and beauty products, including skincare and haircare products (<i>Note 9</i>)	Brand B and Brand C products	2023	30 days after the bill of lading is issued	Bank transfer	5,043	18.2	N
4	Supplier H	Research, development, and manufacturing of health supplements, skincare, and dairy products (<i>Note 10</i>)	Crocodile capsules	2023	Payment before delivery	Bank transfer	2,210	8.0	N
5	Supplier D	Provision of printing, design and marketing services (<i>Note 5</i>)	Product boxes, stickers and inner tray	2020	30 days after the invoice is issued or by month end	Cheque	1,441	5.2	N
Total							22,287	80.3	

BUSINESS

6M2026

Ranking	Supplier	Principal business/ background information	Major products purchased by us	Commencement year of business relationship	Typical credit term	Payment method	Purchase amount <i>HK\$'000</i>	% of total purchase amount %	Connected with us or not
1	Supplier A	Production of deer-related health supplements (<i>Note 1</i>)	Deer calcium blend tablets, deer placenta, deer sinew joint blend capsules and deer sinew blend capsules	2015	Payment before delivery	Bank transfer	4,769	28.2	N
2	Supplier G	Manufacturer and wholesaler of healthcare and beauty products, including skincare and haircare products (<i>Note 9</i>)	Brand B and Brand C products	2023	30 days after the bill of lading is issued	Bank transfer	3,945	23.3	N
3	Supplier E	Planning, manufacturing and sales of food, ingredients, cosmetics and miscellaneous products (<i>Note 6</i>)	Revive NMN supplement and natto Kinase supplement	2023	50% deposit, remaining balance before delivery	Bank transfer	2,037	12.0	N
4	Supplier B	Production, wholesale and retail of health and beauty supplements and products (<i>Note 2</i>)	Vegefiv tablets, sea cucumber and fish maw capsules and iLiver Clear	2013	50% deposit, remaining balance before delivery	Bank transfer	1,191	7.0	N
5	Alpha Life	Sourcing of OEM products and trading of healthcare supplement and products (<i>Note 11</i>)	Revive probiotics for women V Health plus Cranberry& Revive probiotics for gut	2024	50% deposit, remaining balance within 7 days after delivery	Cheque	1,098	6.5	N
Total							13,040	77.0	

Notes:

1. This company, established in March 2015, is specialised in the sustainable harvesting and processing of wild venison and deer co-products in New Zealand.
2. This company is listed on the Taipei Exchange (TPEX). According to its annual report for the year ended 31 December 2024, it is mainly engaged in the production, wholesale and retail of health and beauty supplements and products in Taiwan. It was established in August 1980 with paid-up capital of TWD1,182.6 million.
3. This company is listed on the Taipei Exchange (TPEX). According to its annual report for the year ended 31 December 2024, it is mainly engaged in the production and sales of biotech foods, health foods and beauty products in Taiwan. It was established in October 2007 with paid-up capital of TWD276.2 million.
4. This company is mainly engaged in the trading, importing, and exporting of a wide range of products, including industrial chemicals, raw materials, pharmaceuticals, cosmetics, agricultural chemicals, semiconductor materials, physicochemical and precision equipment, as well as iron ore products and ceramic raw materials in Japan. It was established in September 1963 with paid-up capital of JPY80 million.
5. This company, established in August 2018, is mainly engaged in the provision of printing, design and marketing services and focuses on packing products such as gift box, product box, sales materials and paper bags in Hong Kong.

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6. This company is principally engaged in planning, manufacturing, sales, import or export, mail order, second-hand goods dealings, interpretation and translation, consulting services, and all related businesses for food, ingredients, cosmetics, and miscellaneous products in Japan. It was established in September 2021 with paid-up capital of JPY1.0 million. For details of the major terms of the long-term agreement with this supplier, please refer to “Our Suppliers – Manufacturers and suppliers of our products and packaging materials” in this section.
7. This company is a manufacturer and supplier of pharmaceutical products in Hong Kong. According to its company website, its brand name carries a wide variety of medicines and ointments to support scenarios related to colds, flu, fevers, coughing, itching, aches and pains, and digestion problems. It was established in April 1978 with paid-up capital of HK\$42.1 million.
8. This company, established in July 2022, is mainly engaged in the provision of marketing agency, consultancy, advertising, e-commerce and trading services in Hong Kong.
9. This company, headquartered in Shibuya-ku, Japan, is mainly engaged in manufacturing and wholesales of skin care, hair care, oral care, and slimming supplements in Japan. Currently, it has various brands and supplies numerous stores throughout Japan. It also has an active distribution network in Japan. It was established in August 1997 with paid-up capital of JPY30 million. For details of the major terms of the long-term agreement with this supplier, please refer to “Our Suppliers – Owners of third-party brands” in this section.
10. This company, established in June 2019, is mainly engaged in the research, development, and manufacturing of health supplements, skincare, and dairy products in Australia. For details of the major terms of the long-term agreement with this supplier, please refer to “Our Suppliers – Manufacturers and suppliers of our products and packaging materials” in this section.
11. This company, established in September 2020, is mainly engaged in sourcing of OEM products and trading of healthcare supplement and products in Hong Kong. Our Group sold probiotics related products during FY2024 and FY2025 to this customer, which they further distribute through their network in pharmaceutical stores and trading companies in Hong Kong and Macau. Please refer to “Business – Our Customers – Suppliers – Customer overlap” in this section for details.

To the best knowledge of our Directors after making reasonable enquiries, all the top five suppliers of our Group during FY2023, FY2024, FY2025 and 6M2026 were Independent Third Parties, and none of our Directors, their close associates or our Shareholders who owned more than 5% of our issued Shares as at the Latest Practicable Date had any interest in any of our top five suppliers at the relevant times.

OUR 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. For details, please refer to “Our Business Model” in this section.

Our top five customers

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.

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The table below sets forth certain information with respect to our top five customers during FY2023, FY2024, FY2025 and 6M2026:
FY2023

Ranking	Customer	Principal business / background information	Major products sold by us or services provided by us	Commencement year of business relationship	Typical credit term	Payment method	Sales amount HK\$'000	% of total sales amount	Connected with us or not
1	Dairy Farm	Chain retailer of health and beauty products (<i>Note 1</i>)	Health and beauty supplements and products including but not limited to Growth Calcium, Revive NMN, Deer Sinew, Crocodile Pro and iLiver Clear etc.	2013	30 or 60 days from month end	Bank transfer	38,493	89.1	N
2	SST Healthy	Sales of health supplements and skincare products (<i>Note 2</i>)	Provision of sales promotion service	2022	We are entitled to charge an agreed commission based on the sales amount of SST Healthy's products through our sales promoters at our distribution channel. We shall be entitled to retain the commission by deducting the payment made by our distribution channel to us through bank transfer, and remit the remaining amount to SST Healthy within two months from the date of its invoice.		270	0.6	N (<i>Note 2</i>)
3	Boiron Asia	Distribution of skin care, cough, cold, flu, pain relief and children's care products (<i>Note 3</i>)	Provision of key account management and marketing services	2022	A fixed monthly management fee payable on the first working day of each month	Bank transfer	200	0.5	N

BUSINESS

Ranking	Customer	Principal business / background information	Major products sold by us or services provided by us	Commencement year of business relationship	Typical credit term	Payment method	Sales amount HK\$'000	% of total sales amount	Connected with us or not
4	Customer A	Online retail and wholesale business (Note 4)	Health supplements and products including Growth Calcium	2023	Payment upon delivery	Bank transfer	119	0.3	N
5	Customer B	Sales of skin care, beauty and healthcare products (Note 5)	Provision of sales promotion service	2022	We are entitled to charge an agreed commission based on the purchase amount by our distribution channel. We shall be entitled to retain the commission by deducting the payment made by our distribution channel to us through bank transfer, and remit the remaining amount to Customer B within 7 days after receiving the payment from our distribution channel.		54	0.1	N
Total							39,136	90.6	

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FY2024

Ranking	Customer	Principal business/ background information	Major products sold by us or services provided by us	Commencement year of business relationship	Typical credit term	Payment method	Sales amount HK\$'000	% of total sales amount %	Connected with us or not
1	Dairy Farm	Chain retailer of health and beauty products (<i>Note 1</i>)	Health and beauty supplements and products including but not limited to Growth Calcium, Revive NMN, Deer Sinew, Crocodile Pro and iLiver Clear, etc.	2013	30 or 60 days from month end	Bank transfer	84,044	76.7	N
2	Customer C	Provision of marketing and public relations services (<i>Note 6</i>)	Health supplements and products including but not limited to Growth Calcium, Deer Sinew, Tourmaline lower back pain and Knee-pad, etc.	2024	50% deposit with remaining balance after issue of invoice	Cheque	4,880	4.4	N
3	Customer D	Individual customer (<i>Note 7</i>)	Health supplements and products including Profix probiotics related products	2023	Payment upon delivery	Cash	3,600	3.3	N
4	Customer E	Trading company (<i>Note 8</i>)	Health supplements and products including Profix probiotics related products	2024	180 days from date of invoice	Cheque	3,240	3.0	N
5	Customer F	Individual customer (<i>Note 9</i>)	Health and beauty supplements and products including but not limited to Revive NMN, Nihondou cardiometabolic, Deer Sinew, Tourmaline lower back pain and Knee pain relief belt, etc.	2023	Payment upon delivery	Cash and cheque	2,239	2.0	N
Total							98,003	89.4	

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FY2025

Ranking	Customer	Principal business/ background information	Major products sold by us or services provided by us	Commencement year of business relationship	Typical credit term	Payment method	Sales amount HK\$'000	% of total sales amount %	Connected with us or not
1	Dairy Farm	Chain retailer of health and beauty products (<i>Note 1</i>)	Health and beauty supplements and products including but not limited to Growth Calcium, Revive NMN, Deer Sinew, Crocodile Pro and iLiver Clear, etc.	2013	30 or 60 days from month end	Bank transfer	97,071	74.5	N
2	Customer G	Trading company (<i>Note 10</i>)	Health and beauty supplements and products including but not limited to Brand B and Brand C products from Supplier G, Revive NMN, Growth Calcium, Revive Natto Vessel Clean and Knee-pad, etc.	2022	120 days after the date of delivery	Cheque	4,879	3.8	N (<i>Note 10</i>)
3	Customer H	Sales of natural and organic ingredients, vegetables and fruits, coffee and tea, beverages, cereals, as well as dietary supplements (<i>Note 11</i>)	Health supplements and products including Revive Natto Vessel Clean and provision of management and packaging service	2024	90 days after the invoice is issued	Cheque	2,357	1.8	Y (<i>Note 11</i>)
4	Customer I	Individual customer (<i>Note 12</i>)	Health supplements and products including Crocodile Pro, Knee-pad and brain health	2025	90 days after the invoice is issued	Cash and credit card	2,353	1.8	N
5	Customer Group J	Trading company and beauty centre (<i>Note 13</i>)	Health and beauty supplements and products including Revive NMN and other Revive products	2025	90 days after the invoice is issued	Cash and credit card	1,902	1.5	N
Total							108,562	83.4	

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6M2026

Ranking	Customer	Principal business/ background information	Major products sold by us or services provided by us	Commencement year of business relationship	Typical credit term	Payment method	Sales amount HK\$'000	% of total sales amount %	Connected with us or not
1	Dairy Farm	Chain retailer of health and beauty products (<i>Note 1</i>)	Health and beauty supplements and products including but not limited to Growth Calcium, Revive NMN, Deer Sinew, Crocodile Pro and iLiver Clear, etc.	2013	30 or 60 days from month end	Bank transfer	48,170	91.9	N
2	Customer G	Trading company (<i>Note 10</i>)	Health and beauty supplements and products including but not limited to Brand B and Brand C products from Supplier G, etc.	2022	120 days after the date of delivery	Cheque	2,013	3.8	N (<i>Note 10</i>)
3	Customer H	Sales of natural and organic ingredients, vegetables and fruits, coffee and tea, beverages, cereals, as well as dietary supplements (<i>Note 11</i>)	Health supplements and products including Osteo Joint Capsules and provision of management and packaging service	2024	90 days after the invoice is issued	Cheque	446	0.9	Y (<i>Note 11</i>)

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Ranking	Customer	Principal business/ background information	Major products sold by us or services provided by us	Commencement year of business relationship	Typical credit term	Payment method	Sales amount HK\$'000	% of total sales amount %	Connected with us or not
4	Boiron Asia	Distribution of skin care, cough, cold, flu, pain relief and children's care products (<i>Note 3</i>)	Provision of sales promotion service and key account management and marketing services	2022	Key account management and marketing services: a fixed monthly management fee payable on the first working day of each month, and a commission based on net purchase amount by our distribution channel, payable within 7 days after receiving the actual payment from our distribution channel.		315	0.6	N
5	Sante	Sales of skincare products, beauty care and products (<i>Note 14</i>)	Provision of sales promotion service	2024	Provision of sales and promotion service: a commission calculated based on subsequent sales amount through our sales promoters at our distribution channel, payable within four to eight weeks upon receipt of our invoices.	60 days after the invoice is issued	160	0.3	N
Total							51,104	97.5	

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Notes:

1. According to Frost & Sullivan, Mannings, being operated by Dairy Farm, is the largest chain retailer of health and beauty products in Hong Kong, with 306 stores in Hong Kong and 20 stores in Macau as at February 2026. Established in August 1896 with paid-up capital of HK\$187.9 million, Dairy Farm is part of a leading pan-Asian retailer group which operates in 13 countries and territories with a focus on supermarkets, health and beauty stores, convenience stores, home furnishings stores and restaurants. The said retail group is listed on the London Stock Exchange with secondary listings on the Singapore Stock Exchange and Bermuda Stock Exchange. According to its annual report for the year ended 31 December 2024, the said retail group has operated over 10,700 outlets as at 31 December 2024.
2. This company is principally engaged in sales of health supplements and skincare products and operates an online store to sell health supplements and skincare products in Hong Kong. It was established in October 2022 and is a subsidiary of SST Holdings Limited, which is principally engaged in the provision of beauty and slimming services, distribution of cosmetic and skin care products, sale of other health and beauty products, investments in securities and money lending business. It is also an associate of our Group as our Company indirectly holds 40% of its issued share capital. For further details on the establishment of SST Healthy and relationship with SST Holdings, please refer to “Sales promotion service – Provision of sales promotion service to SST Healthy and Supplier K” in this section.
3. This company is principally engaged in the distribution of skin care, cough, cold, flu, pain relief, and children’s care products in Asia under the brand name “Boiron”. It was established in March 2020 with paid-up capital of EUR500,000. It is a subsidiary of a company listed on Euronext Paris, which is a France-based pharmaceutical company engaging in the provision of homeopathic medicines. According to Reuters, the said group develops, manufactures and markets single homeopathic medicines and drugs which are in the form of tablets, syrups, single-dose liquids and ointments. It also produces medicines based on trace elements, phytotherapy remedies, food supplements, as well as health and beauty care products. In addition, the said group owns a research centre which works for the development of homeopathy within the world of medicine and operates through a number of subsidiaries based in, among others, Italy, Spain, Belgium, the Czech Republic, Slovakia, Russia, Romania, Poland, Hungary, the United States, Canada and Brazil. Our Group became acquainted with Boiron Asia from the introduction by a shareholder of Customer C and a senior management of Customer G, who know the chief operating officer of a former distributor of Boiron Asia.
4. This company, established in November 2021, is principally engaged in the online retail and wholesale business in Hong Kong. Customer A was initially a walk-in customer and our Group became acquainted with it afterwards.
5. This company, established in August 2020, is principally engaged in the sales of skin care, beauty and healthcare products all over the world. Our Group became acquainted with Customer B from the introduction by the shareholder of Customer C and a senior management of Customer G.
6. This company, established in March 2015, is principally engaged in the provision of marketing and public relations services such as influencer marketing, social media management, public relation and event management and video production in Hong Kong. During the Track Record Period, this company held the shares of Marvel Pro on trust for and on behalf of Aim Smart. Please refer to “History, Reorganisation and Corporate Structure – Corporate Development of our Group – Our subsidiaries – Marvel Pro” in this Document for details. In addition, we procured advertising services from this company to promote our products during the Track Record Period. Please refer to “Business – Our Customers – Supplier-customer overlap” in this section for details. The shareholders of this company and another business partner set up another company in April 2024 to engage in wholesales of health supplements and products in Hong Kong and overseas, which was also our customer. Our Group became acquainted with Customer C through personal relationship of Mr. Alex Cheung.
7. To the best knowledge of our Directors, this individual customer is a parallel trader and a business merchant, and he would resell our products to his customers in the PRC. Based on the available public information, this individual has been granted a bankruptcy order in October 2024. Our Group became acquainted with Customer D through personal relationship of Mr. Alex Cheung.
8. This company, established in January 2020, is principally engaged in the retail sales of electrical household appliances and general trading in Hong Kong. One of the directors of this company is Customer I which was one of our top five customers for FY2025. Our Group became acquainted with Customer E through personal relationship of Mr. Alex Cheung.
9. To the best knowledge of our Directors, this individual customer is a parallel trader and he would resell our products to his customers in the PRC. Customer F was initially a walk-in customer and our Group became acquainted with him afterwards.
10. This company, established in June 1997, is a trading company in Hong Kong. The downstream customers of this company included some local pharmacies, local trading companies and chain retail stores which mainly sell health supplements and products and beauty care products in Hong Kong. Ms. Yin, one of our Pre-[REDACTED] Investors, had been one of the shareholders of this company holding 50% equity interests before she transferred her all shares to her spouse in March 2025. Our Group became acquainted with Customer G through the senior management of this company, who had business relationship with the Group while he worked in Mannings before.
11. This company, established in January 2014, is principally engaged in the sales of natural and organic ingredients, vegetables and fruits, coffee and tea, beverages, cereals, as well as dietary supplements. Its products are available for sales at its online store and large-scale retailers in Hong Kong. During the Track Record Period, we provided packaging services to this company for packaging and storage of its products. This company was a connected person of our Company from 6 July 2023 to 28 March 2024. Customer H was wholly-owned by Bless Corporation Limited, a company incorporated under laws of Hong Kong, in which Ms. Lee Yuen Lim Vivian, spouse of Mr. Alex Cheung, held 40% of its entire issued share capital from 7 February 2023 to 28 March 2024. During the Track Record Period, the revenue contributed by this customer was nil, approximately HK\$0.8 million, HK\$2.4 million and HK\$0.4 million, respectively, representing nil, 0.7%, 1.8% and 0.9% of total revenue, respectively. Our Directors confirmed that all of the transactions that we entered into with this customer were on normal commercial terms. Please refer to “Our Business Model – Sales promotion service” in this section for the reasons for the disposal of Bless Corporation Limited by Ms. Lee Yuen Lim Vivian and the identities of its existing shareholders. Our Group became acquainted with Customer H through personal relationship of Ms. Lee Yuen Lim Vivian.
12. To the best knowledge of our Directors, this individual customer is a business merchant and is a director of some private companies in Hong Kong which are principally engaged in the sales of health supplement and products and the provision of medical services in Hong Kong, and he would resell our products to parallel traders. This customer is one of the directors of Customer E. Our Group became acquainted with Customer I through personal relationship of Mr. Alex Cheung.

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13. These companies consist of two beauty shops and a trading company in Hong Kong, which were established in October 2023, July 2021 and October 2023, respectively, and owned by the same group of shareholders. Our Group became acquainted with Customer Group J through personal relationship of Mr. Alex Cheung.
14. This company was established in December 2013, originating in Italy, with “La Bella Vita” (Beautiful Life) as its core spirit sales and distributes personal care products. Our Group became acquainted with this company from the introduction by the marketing director of our Group.

Save as disclosed above, there were no past or present relationships (including, without limitation, family, business, financing, trust, shareholding or otherwise) between each of our top five customers during the Track Record Period and our Group, their controlling or substantial shareholders, directors, or senior management, or any of their respective associates.

Save for Dairy Farm, with whom our Group has established business relationship since 2013, our Group generally became acquainted with our major customers during the Track Record Period through personal relationship of Mr. Alex Cheung and Ms. Lee Yuen Lim Vivian, other business personnels who cooperated with our Group, or walk-in customers.

To the best of the knowledge of our Directors after making reasonable enquiries, save for SST Healthy which is an associate of our Company, and Customer H which was a connected person of our Company from 6 July 2023 to 28 March 2024 (Customer H was wholly-owned by Bless Corporation Limited, a company incorporated under laws of Hong Kong, in which Ms. Lee Yuen Lim Vivian, spouse of Mr. Alex Cheung, held 40% of its entire issued share capital from 7 February 2023 to 28 March 2024), all the other top five customers of our Group during FY2023, FY2024, FY2025 and 6M2026 were Independent Third Parties, and none of our Directors, their close associates or our Shareholders who owned more than 5% of our issued Shares as at the Latest Practicable Date had any interest in any of our top five customers at the relevant times.

Our dealings with Dairy Farm

Our Group has established a long-term and stable business relationship with Dairy Farm for about 12 years since 2013. During FY2023, FY2024, FY2025 and 6M2026, Dairy Farm was our largest customer and almost all of our Group’s current products, including products of our Group’s own brands and third-party brands, were made available at the retail stores of Mannings. During the Track Record Period, revenue generated from our sales to 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, respectively. In other words, Dairy Farm was our largest customer for FY2023, FY2024, FY2025 and 6M2026.

According to Frost & Sullivan, it is an industry norm for the health and beauty supplements and products providers to establish business relationship with major large-scale chain retailers of health and beauty products in Hong Kong, such as Mannings, for their onward sales to end-customers. Leveraging on the extensive retail network of Dairy Farm, our Directors believe that we are able to effectively enhance our product visibility in Hong Kong among different consumer groups as well as tourists from the PRC and overseas who are looking to buy health and beauty supplements and products from reputable chain retailers in Hong Kong.

For the risks relating to our reliance on Dairy Farm, please refer to “Risk Factors – Risks Relating to Our Business Operations – 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” in this Document.

Background of Dairy Farm

According to Frost & Sullivan, Mannings is the largest chain retailer of health and beauty products in Hong Kong, with 306 stores in Hong Kong and 20 stores in Macau as at February 2026, accounting for a market share of approximately 34.4% in terms of the total retail sales value of health and beauty supplements and products in Hong Kong in 2024. Dairy Farm is part of a leading pan-Asian retailer group which operates in 13 countries and territories with a focus on supermarkets, health and beauty stores, convenience stores, home furnishings stores and restaurants. The said retail group is listed on the London Stock Exchange with secondary listings on the Singapore Stock Exchange and Bermuda Stock Exchange.

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Our wholesale arrangement with Dairy Farm

We generally maintain a conventional buyer-seller relationship with Dairy Farm, fulfilling its individual purchase orders for products which it subsequently sells to end-customers through both offline and online channels. The wholesale prices for our products sold to Dairy Farm are determined on a case-by-case basis based on negotiations between Dairy Farm and us, which are typically set at a discount to our suggested retail prices. Dairy Farm sourced a wide range of our health and beauty supplements and products under our own and third-party brands during the Track Record Period.

Our Directors recognise significant commercial advantages in our negotiated wholesale arrangement with Dairy Farm. This arrangement enables bulk sales that improve our production efficiency and accelerate sales realisation when compared to a consignment or retail sale model. According to Frost & Sullivan, (i) the widespread presence of chain stores like Mannings drives the health and beauty supplements and products markets by enhancing accessibility, visibility, and consumer trust; (ii) prominent displays, promotions, and trusted international brands at the retail stores of Mannings will further attract diverse consumers; and (iii) complementing e-commerce and chain stores cater to varied needs, from ageing population to younger demographics, contributing to the market growth of health and beauty supplements and products in Hong Kong.

During the Track Record Period, generally all the retail stores of Mannings in Hong Kong, which has more than 300 outlets, sold certain of our products.

As at the Latest Practicable Date, we had (i) 49 sales promoters stationed at 48 retail stores of Mannings; and (ii) set up 16 GEDs in selected stores of Mannings in Hong Kong to sell and promote our products and to receive instant feedback from end-customers. Our sales promoters interact with end-customers directly by providing them with advice and recommendations on product usage and selection such that the end-customers can gain instant knowledge of our products.

Each of Herb Standard HK and Marvel Pro entered into the Trading Terms Agreement with Dairy Farm in 2018 and 2022, respectively. Subject to the stipulation under each purchase order placed by Dairy Farm, we are subject to the terms and conditions of the Trading Terms Agreements (such as general credit terms, pricing and return policies) with Dairy Farm regarding our sales to them as we may agree with them from time to time. Our Group decided to enter into the wholesale arrangement with Dairy Farm over other chain retailers after taking into consideration of (i) Mannings being the largest chain retailer of health and beauty products in Hong Kong with the largest number of outlets and accounting for a market share of approximately 34.4% in terms of the total retail sales value of health and beauty supplements and products in Hong Kong in 2024; (ii) the brand image of Mannings being specialised in healthcare and beauty products in Hong Kong rather than daily necessities, which coincides with our Group’s brand positioning; and (iii) the established brand position and reputation of Mannings in Hong Kong. According to Frost & Sullivan, With 306 outlets of Mannings as compared to 182 outlets of another large-scale chain retailers of health and beauty products in Hong Kong as of February 2026, Mannings provides unmatched coverage, especially in high-density residential and tourist areas, which translates to higher visibility and sales velocity. For details of our trading arrangement with Dairy Farm during the Track Record Period, please refer to “Our Business Model – Wholesale business – Sales of our products to Dairy Farm” in this section.

Our sustainable business relationship with Dairy Farm

While Dairy Farm represented our significant revenue source during the Track Record Period, our Directors believe that our business relationship with Dairy Farm is sustainable and our business dealings with Dairy Farm do not give rise to excessive risks in our business operations for the following reasons:

- (i) ***It is an industry norm to establish business relationship with major chain retailers of health and beauty supplements and products in Hong Kong***

According to the Frost & Sullivan, Mannings is the largest health and beauty chain retailer in Hong Kong, offering a vast array of products ranging from health and beauty supplements to cosmetics and skincare products with 306 stores in Hong Kong and 20 stores in Macau as at February 2026, accounting for a market share of approximately 34.4%

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in terms of the total retail sales value of health and beauty supplements and products in Hong Kong in 2024. As a result, retail sales in both health and beauty supplements and products markets are led by health and beauty products chain retailers such as Mannings.

Given the leading market position of Mannings, it is an industry norm for the health and beauty supplements and products providers to establish business relationship with major large-scale chain retailers of health and beauty products in Hong Kong, such as Mannings, for their onward sales to end-customers.

- (ii) ***While we rely on Dairy Farm to distribute our products, there will be sufficient market demand for our products to warrant our continued business relationship with Dairy Farm as evidenced by our market position and strong historical revenue growth***

According to Frost & Sullivan, our Group ranked the seventh in terms of retail sales value of health and beauty supplements and products with a market share of approximately 1.6%, among all local health and beauty supplements and products providers in Hong Kong in 2024. During the three years ended 31 March 2025, our revenue generated from Dairy Farm amounted to approximately HK\$38.5 million, HK\$84.0 million and HK\$97.1 million, representing a CAGR of approximately 58.8% between 2023 and 2025 which was much higher than the market growth of the health and beauty supplements and products markets in Hong Kong of approximately 2.9% and 3.3% between 2020 and 2024 in terms of retail sales value, respectively. This indicated the increasing demand from Dairy Farm for our products.

While we offer a wide range of products covering the needs of men, women and children across all ages, we specialise in the niche segments of deer-related health supplements as well as joint and pain care and external analgesic products.

According to Frost & Sullivan, 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. During the three years ended 31 March 2025, sales of our deer-related health supplements under our own brand “Herb Standard (正品)” amounted to approximately HK\$18.0 million, HK\$39.0 million and HK\$44.9 million, respectively, representing a CAGR of approximately 58.1%, which was much higher than the market growth of deer-related health supplements and products market in Hong Kong of approximately 8.7% between 2020 and 2024 in terms of retail sales value. This indicated the sustained market demand for our deer-related health supplements.

In addition to deer-related health supplements, we also specialise in joint and pain care and external analgesic products. 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, sales of our joint and pain care and anti-swelling pain relief wraps amounted to approximately HK\$17.7 million, HK\$26.0 million and HK\$28.8 million, representing a CAGR of approximately 27.6% which was much higher than the market growth of the joint and pain care market and the external analgesic products market in Hong Kong of approximately 2.5% and 5.3% between 2020 and 2024 in terms of retail sales value, respectively. This indicated the sustained market demand for our joint and pain care and external analgesic products.

Taking into account (a) our market position in the local health and beauty supplements and products markets, particularly those in the niche segments of deer-related health supplements as well as joint and pain care and external analgesic products; and (b) our strong revenue growth during the Track Record Period, our Directors consider that there will be sufficient market demand for our products to warrant our continued business relationship with Dairy Farm.

- (iii) ***Our long-established and stable business relationship with Dairy Farm indicates its willingness to continue its business dealings with us***

According to Frost & Sullivan, large chain retailers generally have stringent selection criteria for their suppliers, which may constitute an entry barrier for new entrants when they seek to establish business relationships with them. When evaluating and assessing a supplier, Dairy Farm will generally take into account, among others: (a) whether the

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suppliers have proven track records in the industry; (b) whether the products offered are authentic products; (c) whether the products in the portfolio can meet the prevailing demand of end-customers; (d) whether the suppliers are able to ensure stability in product supply; and (e) whether the suppliers can demonstrate their abilities to promote their products in the market. In particular, Dairy Farm may request its suppliers to submit a written proposal for introduction of new products.

We have established and maintained a long-term and stable business relationship with Dairy Farm for about 12 years since 2013. This indicates that we have always been able to fulfil the stringent selection criteria of Dairy Farm for its suppliers. Particularly, we have been able to develop and provide Dairy Farm with suitable health and beauty supplements and products which can meet the prevailing market trends, as evidenced by our market position and strong historical revenue growth.

Our enduring partnership with Dairy Farm has also enabled us to accumulate an in-depth understanding of the product requirements of Dairy Farm, which enhances our ability to tailor proposals that meet its requirements and provides us with a competitive edge to secure ongoing orders from it.

During the Track Record Period, we did not experience any product recall requested by, dispute with, or complaint from, Dairy Farm relating to product quality or delivery timeliness which had a material adverse impact on our business operations and results of operations. Given our long-established business relationship with Dairy Farm for about 12 years since 2013, we do not foresee any barrier to a sustainable business relationship between us and Dairy Farm.

Views of our Directors

Based on the foregoing analysis, our Directors believe that our business relationship with Dairy Farm is sustainable in nature and there are no foreseeable indicators suggesting relationship termination or material order reduction. Our Directors also believe that our Group can continue our business relationship with Dairy Farm on reasonable terms and ensure our continued business relationship with Dairy Farm. Our Directors consider that the current customer concentration risk remains within acceptable parameters. Given that (i) our Group has maintained a long-established business relationship with Dairy Farm for about 12 years without termination; and (ii) during the three years ended 31 March 2025, our revenue generated from Dairy Farm increased at a CAGR of approximately 58.8% between 2023 and 2025 which indicated the increasing demand from Dairy Farm for our products, which implied there is a mutual reliance to our Group and Dairy Farm each other. As such, our Directors consider the risk of termination with Dairy Farm at similar term is low provided that we are able to continue to supply diversified and high-quality products, particularly products in niche segments, to Dairy Farm. Our Directors consider that maintaining the current sustainable business relationship with Dairy Farm is in the best interests of our Group and our Directors have not attempted to enter into similar arrangements with other comparable chain retailers in the market, so as to maintain our loyalty and commitment to Dairy Farm.

Further diversification of customer base

Notwithstanding our Group's historical dealings with Dairy Farm, which our Group expects to continue, we shall continue to seize growth opportunities and further diversify our sales channels and customer base to minimise the risks associated with any adverse change which may occur to our wholesale business. To diversify and optimise our offline sales network, in October 2025, we opened our first self-operated store at Fanling in Hong Kong, which has achieved breakeven in November 2025. Our Group will adopt a phased approach in establishing self-operated stores in Hong Kong. Currently, we are planning to further open nine self-operated stores by the year ending 31 March 2029 with our net [REDACTED] from the [REDACTED]. While it is our long-term objective to build more self-operated stores, the subsequent expansion plans will be determined based on our sales performance and the then market conditions. We intend to apply approximately [REDACTED] of the net [REDACTED] from the [REDACTED] for the establishment of our self-operated stores in Hong Kong.

In addition, we are implementing a comprehensive offline marketing and promotional activities to increase our brand awareness and recognition, as well as further developing our e-commerce business to reach a broader spectrum of customers in Hong Kong, the PRC and

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overseas by (i) developing and optimising our self-operated e-commerce platforms at our Company’s websites to increase its visibility and web traffic; and (ii) setting up more online stores targeting end-customers in the PRC on various popular e-commerce platforms in the PRC, such as Douyin (抖音), while at the same time further developing and optimising our existing online stores at Tmall.hk (天貓國際) and Xiaohongshu (小紅書) to increase visibility and web traffic of our online stores.

By adopting a multipronged strategy to diversify our sales channels, our Directors believe that our Group will be well-positioned to effectively mitigate any adverse impacts arising from changes in our wholesale business.

Supplier-customer overlap

During the Track Record Period, we had three instances of overlapping customer and supplier:

- For FY2025 and 6M2026, (i) our Group directly purchased brain health related products in the amount of approximately HK\$0.2 million and HK\$3,000 from Supplier K which was accordingly our supplier; and (ii) our Group provided sales promotion service to Supplier K for distribution of its products through Dairy Farm in return for a commission of approximately HK\$0.3 million and HK\$39,000, under which Supplier K was our customer.

Revenue, gross profit and purchase amounts associated with this overlap were as follows:

	Sales revenue ⁽¹⁾ HK\$'000	% of total revenue %	Purchase amount HK\$'000	% of total purchase amount %
FY2023	—	—	—	—
FY2024	—	—	—	—
FY2025	339	0.3	211	0.8
6M2026	39	0.1	3	0.02

Note 1: The gross profit margin of the sales promotion service is 100% as there is no direct cost of goods sold under this business segment.

- Customer C, which is principally engaged in the provision of marketing and public relations services such as influencer marketing, social media management, public relation and event management and video production in Hong Kong, ranked the second among our top five customers in FY2024 and this customer procured our health supplements and products including but not limited to “Growth Calcium (生長鈣)”, “Deer Sinew (鹿筋骨痛丸)”, “Tourmaline lower back pain (炎痛消腰坐骨)” and “Knee-pad (炎痛消膝痛帶)”, etc. During the Track Record Period, we also procured advertising services from this company, including (i) social media setting and monitoring; and (ii) the engagement of a KOL to promote a product under our own brand.

Revenue, gross profit and procurement cost of advertising and promotion expenses associated with this overlap were as follows:

	Revenue HK\$'000	% of total revenue %	Gross profit ⁽²⁾ HK\$'000	Procurement cost of advertising and promotion expenses HK\$'000	% of total selling and distribution expenses %
FY2023	—	—	—	444	3.0
FY2024	4,880	4.4	4,004	268	0.9
FY2025	—	—	—	101	0.3
6M2026	—	—	—	51	0.3

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Note 2: The relevant costs of goods sold was approximately HK\$876,000. The gross profit was approximately HK\$4.0 million and the gross profit margin was approximately 82.0%.

- Alpha Life, which is principally engaged in sourcing of OEM products and trading of healthcare supplement and products, ranked the fifth among our top five suppliers in 6M2026 and our Group procured “Revive probiotics for women V Health plus Cranberry” and “Revive probiotics for gut” from this supplier during FY2025 and 6M2026. During FY2024 and FY2025, Alpha Life also procured probiotics products from us for their sales and distribution in pharmaceutical stores and trading companies in Hong Kong and Macau under their network. Since FY2025, our Group commenced to purchase Revive Probiotic products from Alpha Life, which they could be able to source from Canadian factories at competitive prices under their network.

Revenue, gross profit and purchase amounts associated with this overlap were as follows:

	Sales revenue <i>HK\$'000</i>	% of total revenue %	Gross profit <i>HK\$'000</i>	Purchase amount <i>HK\$'000</i>	% of total purchase amount %
FY2023	—	—	—	—	—
FY2024	152	0.1	32	—	—
FY2025	84	0.1	19	283	1.0
6M2025	—	—	—	1,098	6.5

Our Directors confirm that all of the transactions that we entered into with the above overlapping suppliers and customers were on normal commercial terms after arm’s length negotiation among the parties.

According to Frost & Sullivan, in Hong Kong’s health supplements and products market, customer and supplier overlap is not uncommon due to the market’s compact size and companies’ tendency to diversify revenue streams. Brand owners often experience overlapping relationships where suppliers also become customers and vice versa, typically occurring when (i) a product supplier provides goods to the brand owner for distribution while simultaneously engaging the brand owner’s sales promotion service; or (ii) when a marketing agency purchases products from the brand owner while also providing advertising and promotional services to that same brand owner. This business pattern reflects how companies in Hong Kong’s health supplement industry naturally extend their core competencies – product suppliers leverage brand owners’ distribution expertise while brand owners utilise suppliers’ manufacturing capabilities, and marketing agencies combine their promotional services with product procurement needs, creating mutually beneficial arrangements that strengthen both parties’ market positions while minimising the costs and risks of engaging multiple separate partners.

PRICING POLICY

We generally determine the pricing for our own brands using a cost-plus approach. For our wholesale business, product prices are either based on a quantity discount or negotiated individually with our wholesale customers, typically offering a discount from the suggested retail prices of our products. Our principal considerations include procurement costs, order volume, product positioning, retail market prices of competitive products, background of the wholesale customers, product inventory levels and demand, marketing campaign and ongoing market trends. For our retail business, when determining the retail prices, our principal considerations include procurement costs, product positioning, retail market prices of competitive products, marketing campaign and ongoing market trends.

We provide a suggested retail price list of our products to our wholesale customers who generally follow our suggested retail price for each product. Dairy Farm organises promotional campaigns from time-to-time, and we will generally participate in the one-day special sales events (出位價) several times a year, in which certain products will be selected to be offered at a limited discount off the suggested retail prices in the event. We generally coordinate with Dairy Farm to finalise details such as timing and pricing before the promotional event. In respect of the retail business on our Company’s website, we initiate promotional campaigns for end-customers, offering discounts based on factors such as inventory levels, product popularity, profit margins, shelf life, and customer feedback.

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SALES AND MARKETING

As at the Latest Practicable Date, our sales team consisted of 56 staff, including 49 sales promoters stationed at selected stores of Mannings in Hong Kong. Our sales promoters are mainly responsible for maintaining ongoing relationships with existing customers by offering product advice and recommendations, and gathering feedback from them in the retail stores of Mannings. Other than the sales promoters, the other members of our sales team consisted of 5 staff, including Mr. Alex Cheung, and our sales team is primarily responsible for (i) approaching potential wholesale customers; (ii) obtaining purchase orders; (iii) monitoring sales promoters’ performance and provide training to them; and (iv) working together with our marketing team to provide support to the product development function of our Group. In addition, our Group’s sales team is in charge of the customer services function of our Group and provides response to consumers’ enquiries and complaints. The sales promoters are remunerated with a basic salary and sales commissions based on the sales of our products in the retail stores of Mannings.

As at the Latest Practicable Date, our marketing team consisted of 11 staff. Led by Mr. Alex Cheung and our sales manager, our marketing team is primarily responsible for, among others, conducting market research, formulating marketing plans and promoting our own brands and products. Mr. Alex Cheung holds weekly meetings with all department heads to discuss all relevant matters in relation to the operation of our Group. In particular, our marketing team will analyse the sales performance of our products, evaluate advertising feedback and strategies, discuss marketing ideas and formulate marketing plans with our sales team from time to time. We have adopted a comprehensive marketing strategy to market and promote our own brands and products by conducting various marketing activities coupled with the engagement of entertainers (such as actors and singers), KOLs and medical professionals. We conduct marketing activities through various media and channels. During the three years ended 31 March 2025 and the six months ended 30 September 2024 and 2025, our advertising and promotion expenses amounted to approximately HK\$6.8 million, HK\$11.2 million, HK\$13.5 million, HK\$7.6 million and HK\$6.6 million, representing approximately 15.7%, 10.2%, 10.4%, 14.4% and 12.6% of our total revenue, respectively.

We conduct regular reviews of our marketing materials to ensure compliance with the relevant requirements under the laws of Hong Kong. To maintain strict adherence to the laws and regulations, we allocate significant resources to thoroughly research relevant laws and guidelines, and proactively engage with government authorities for clarification when necessary prior to finalising any packaging designs or promotional content. The marketing materials are approved by our management before they are published. 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 our product advertisements, in which the Department of Health confirmed that no outstanding action was required in respect of these warning letters. For details, please refer to “Risk Factors – Risks Relating to our Business Operations – Any failure to deal with complaint or warning letters from the government authorities involving our Group’s business operation or products could materially affect our business and results of operations” and “Legal Proceedings and Compliance – Compliance – Product Advertisements” in this section of this Document.

Seasonality

Our business is affected by seasonality, with our sales typically peaking in the first and fourth quarters of the year, i.e. during the spring and winter seasons. Our Directors believe that this seasonal pattern is primarily due to (i) increased demand for respiratory related health supplements and products as the weather during the spring and winter seasons may cause more allergies and other symptoms; and (ii) the timing of exhibitions and trade fairs, such as the Hong Kong Brands and Products Expo (香港國際工業出品展銷會), which are usually held in winter.

Advertisements

Offline channel

We conduct advertising to promote products under our own brands from time to time in various forms, including advertisements on major television channels and newspapers, to draw the public attention to our products and to keep the public informed about our promotional activities.

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Online channel

Recognising the growing influence of online media on end-customers’ spending behaviour in recent years, we have placed emphasis on online marketing and promotion. This approach has proven to be both effective and cost-efficient in promoting our products. During the Track Record Period, we have been promoting our products (including our newly launched products) by posting advertisements on social media platforms and websites, including but not limited to YouTube, Facebook, Instagram, and Xiaohongshu (小紅書). We have also engaged a number of KOLs in Hong Kong to introduce our products and to share their user experiences by posting articles, videos and/or photos on social media platforms.

In addition, we established our own online e-commerce platform at our Company’s website in 2023 and commenced operation of our cooperated store on Tmall.hk (天貓國際) in 2024 and our self-operated store on Xiaohongshu (小紅書) in 2024. These e-commerce platforms allow us to expand our business in Hong Kong and facilitate our sales in the PRC.

In relation to online marketing and advertisements in Hong Kong, as advised by our Hong Kong Legal Counsel, such online marketing and advertisements activities are subject to the same statutory regime that governs traditional advertising. The primary laws and regulations applicable to our Group on our online advertisements in Hong Kong are the Trade Description Ordinance, the UMAO and the Sale of Goods Ordinance. For further details, please refer to “Regulatory Overview – Hong Kong – Trade” in this Document.

Based on (i) we had not received any complaints from any regulatory authorities regarding our advertisement practice during the Track Record Period and up to the Latest Practicable Date, saved for the 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 and the investigation results letter from the Customs and Excise Department regarding potential contravention of Section 7 of the Trade Descriptions Ordinance as certain of our product did not contain the amount of content as stated on the product packaging as mentioned in “Business – Legal Proceedings and Compliance – Compliance” in this Document; (ii) we have obtained a confirmation letter from the Customs and Excise Department confirming that there was no conviction record of our Group under its purview during the Track Record Period; (iii) we have obtained a confirmation letter from the Department of Health and the Pharmacy and Poisons Board Hong Kong confirming that saved for the 5 aforementioned warning letters, there was no conviction record against our Group in Hong Kong during the Track Record Period, our Directors, to the best of their knowledge and belief, are of the view that, and the Sole Sponsor concurs, our Group, saved as disclosed above, had been in compliance with the Trade Description Ordinance, the UMAO and the Sale of Goods Ordinance in all material respect during the Track Record Period and up to the Latest Practicable Date.

Engagement of entertainers (such as actors and singers), KOLs and medical professionals

During the Track Record Period, we engaged over 19 entertainers (such as actors and singers), KOLs and medical professionals who fit our own brand and product image in Hong Kong for promoting our products. During the three years ended 31 March 2025 and the six months ended 30 September 2024 and 2025, our expenses in relation to engagement of entertainers, KOLs and medical professionals amounted to approximately HK\$0.7 million, HK\$1.0 million, HK\$0.6 million, HK\$0.3 million and HK\$0.2 million representing approximately 1.7%, 0.9%, 0.5%, 0.5% and 0.4% of our total revenue, respectively.

The following table provides a summary of the salient terms of the agreements entered into between our entertainers (such as actors and singers), KOLs and medical professionals and us:

Role and obligations of our entertainers, KOLs and medical professionals:	The roles and responsibilities of entertainers, KOLs and medical professionals are generally related to (i) promotion of our products; (ii) production of a specific number of promotional materials, such as advertisement videos, social media posts or other forms of media; and/or (iii) participation in our promotional activities.
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Duration:	The agreements with the entertainers and medical professionals are generally for a fixed term, and the use of the promotional materials by our Group are generally limited to a specific time period. The agreements with KOLs generally have no fixed term.
Release of promotional materials:	Any promotional materials, such as recorded advertisement videos or social media posts, are only released upon the final agreement by both our Group and each entertainer or KOL.
Pricing:	The pricing for each agreement is subject to negotiations with the entertainers, KOLs or medical professionals, taking into account various factors, such as (i) the level of work, type and medium of advertisements involved and the type of products to be promoted in the engagement of the entertainers, KOLs or medical professionals; and (ii) the popularity, image and follower base of the respective entertainers or KOLs at the time of the engagement.
Exclusivity:	There are generally no exclusivity arrangements between (i) the entertainers or KOLs; and (ii) our Group. The entertainers and KOLs are generally free to represent and promote other products. There are generally exclusivity arrangements between the medical professionals and our Group.

Our Directors believe that our dependence on such entertainers, KOLs and medical professionals is insignificant, given that (i) we have our own sales channels, including Dairy Farm, online retail sales through e-commerce platforms and offline retail sales through exhibitions and trade fairs; (ii) our Group employs a diversified marketing strategy, and is not reliant on any single entertainer or KOL for driving sales; (iii) our expenses for engaging entertainers, KOLs and medical professionals represented approximately 10.9%, 9.1%, 4.4%, 3.6% and 3.6% of our total advertising and promotion expenses during the three years ended 31 March 2025 and the six months ended 30 September 2024 and 2025, respectively; and (iv) there were changes of entertainers, KOLs and medical professionals during the Track Record Period but there was no material adverse change in the sales of our promoted products.

We generally select entertainers and KOLs through marketing agents based on a number of factors, including their popularity, scope of audience, image alignment with our brands etc. In respect of medical professionals, we generally select them based on a number of factors, including their qualifications, area of expertise, relevant experience and past working relationship.

We have implemented the following internal policies on the selection and management of entertainers, KOLs and medical professionals:

- (i) we require a comprehensive background search on the entertainers, KOLs and medical professionals through desktop search in relation to his or her public opinions and public image;
- (ii) we monitor if there are any negative behaviors or speeches of the entertainers, KOLs and medical professionals; and
- (iii) our marketing team maintains close communications with external legal advisers to ensure ongoing compliance.

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Collaboration with a university professor

During the Track Record Period, we collaborated with Professor Robert Kam Ming KO from a local university in Hong Kong to conduct scientific studies on our products. On 12 May 2022, our Group entered into an agreement with Professor Robert Kam Ming Ko to conduct scientific studies on our deer sinew products for 12 months and we signed another agreement on 8 February 2023 with this professor to conduct scientific studies on our “Crocodile Pro (鱷肺補)” and “Growth Calcium(生長鈣)” for 12 months. During the Track Record Period, our expenses in relation to collaboration with the university professor amounted to approximately HK\$27,000, HK\$133,000, nil and nil, representing approximately 0.1%, 0.1%, nil and nil of our total revenue, respectively.

The following table provides a summary of the salient terms of the agreements entered into between the research institute of Professor Robert Kam Ming KO (the “**Research Institute**”) and us:

Role and obligations of the Research Institute:	The Research Institute is responsible for validating the efficacy of our products by conducting scientific experiments and a report on experimental results will be provided.
Duration:	12 months
Pricing:	The pricing for each agreement is subject to negotiations and is on a fixed fee basis.
Exclusivity:	There are no exclusivity arrangements between the Research Institute and our Group.

In-store promotion

As at the Latest Practicable Date, we had 49 sales promoters, who were our employees, stationed at 48 retail stores of Mannings in Hong Kong to promote our products and to receive instant feedback from end-customers. We had also set up 16 GEDs in selected stores of Mannings in Hong Kong to sell and promote our products. Our Group’s marketing personnel work closely with Dairy Farm to implement our marketing strategy and organise promotional events.

Our Group usually participates in the large-scale promotional activities of Mannings, such as one-day special sales events (出位價), which are one-day promotions where selected specific products or bundles of certain products are sold at discounted prices through the shelves and the online store of Mannings. Our Group participates in these events several times a year. Our Group collaborates with Dairy Farm to estimate product demand during these events. While the overall demand could be reasonably estimated, the demand from each specific retail store of Mannings is more difficult to be estimated precisely. As it is a one-day event, in order to avoid out-of-stock situations at any particular store and maximise revenue for both our Group and Dairy Farm, Dairy Farm strategically placed purchase orders for additional stock of our Group’s products, and our Group agrees to supply. Products remain unsold (“**Promotion Products Return**”) after the one-day special sale event (出位價) will be returned to our Group by Dairy Farm within one month. In the preparation of financial statement, our Group takes into the consideration of the actual amount of the Promotional Products Return and adjust the revenue into actual sales amount directly. Accordingly, our Directors consider that it is unlikely that the sales revenue will be over-stated for any given period and no refund liabilities were recognised during the Track Record Period. For details of the return of products from Dairy Farm, please refer to “Our Business Model – Wholesale business – Sales of our products to Dairy Farm – Goods returns by Dairy Farm and provision policy” in this section.

Membership programme

As at the Latest Practicable Date, we had a membership programme in place at our Company’s website. Our customers can register as our members by providing their email address, phone number and basic personal information without purchase on our Company’s website.

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Under the membership programme, we will provide discounts, rebates and special birthday offers which we believe can help to enhance the customer loyalty, thereby boosting repeated purchases and sustaining our revenue growth.

Exhibitions and trade fairs

We regularly participate in exhibitions and trade fairs, such as the Hong Kong Brands and Products Expo (香港國際工業出品展銷會) and International Baby/Children Products Expo (國際嬰兒、兒童用品博覽) to promote products under our own brands and enhance our own brand awareness.

QUALITY CONTROL

At the core of our operations lies our dedication to product quality, safety, and reliability. We adhere to stringent standardised procedures that govern our supply chain and production processes, ensuring that all products meet the quality standard and are safe for consumption or use. Our Directors confirm that we had not experienced any product quality issue that would have a material adverse impact on our business operations, financial condition or results of operations during the Track Record Period and up to the Latest Practicable Date.

Our Group's senior management team is actively involved in setting internal quality control policies and monitoring the product quality control process. As at the Latest Practicable Date, we had assigned two staff in the warehouse team to be responsible for overseeing the quality control procedures. Our management also oversees the quality control function to ensure that all relevant warehouse staff are aware of the quality control procedures to implement the quality control policies of our Group.

Quality control relating to our suppliers

We generally engage Independent Third Party manufacturers to produce products under our own brands. We also purchase packaging materials for packaging the products in-house at our warehouses and engage Independent Third Party suppliers for services such as logistic services. Our supplier vetting process employs a stringent quality-focused methodology. Potential suppliers must demonstrate that they are equipped with certified quality management systems, regulatory compliance records, and technical capabilities matching our specifications. We also visit their manufacturing sites, review their product range and compare their pricing, shipping logistics and payment terms. Once we engage a supplier, we will monitor its performance on an ongoing basis.

In general, we select manufacturers to produce our products based on their capacity, the suitability and quality of their product formulations as well as their quality control and production environments. We adopted the following approach in the selection of manufacturers for our products:

- (i) conducting research on the corporate background and reputation of the manufacturers for assessing their credibility and track record;
- (ii) inspection of the certificates, licences, permits and all other supporting documents in respect of the credentials of the manufacturers, such as whether they have GMP certification issued by the Therapeutic Goods Administration or ISO certification issued by the International Organisation for Standardisation or other issuing authorities or similar certification, patent proofs and test reports in respect of the ingredients of the products produced;
- (iii) inspection of the production facilities of the manufacturers to ascertain whether their manufacturing process is under stringent supervision and complies with the relevant safety standards; and
- (iv) requesting for proposal or quotation from the identified manufactures for evaluation, including their proposed formulations, credit and payment terms and delivery arrangements.

Our Directors confirm that we did not encounter any major difficulties in finding suitable suppliers and we did not have disputes with any suppliers that would have a material adverse impact on our business, financial condition or results of operations during the Track Record Period and up to the Latest Practicable Date.

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Quality control relating to our products

We implement rigorous quality control measures throughout the procurement process to ensure that all our products (including products under third-party brands) strictly adhere to specified requirements, industry standards, and relevant regulatory frameworks. For our products (including any newly launched products), we obtain and examine the certificates of analysis provided by the relevant suppliers, which set out the specifications and testing results of our products including the physical characteristics and ingredients. We also generally arrange a safety test on heavy metals, pesticide residues and microbial contaminants on a sampling basis by Hong Kong government-accredited organisations to ensure that our products (including products under third-party brands) meet the relevant safety standards required by the governing authorities in Hong Kong. Furthermore, we inquire about the sources and origins of the raw materials to be used by our suppliers in manufacturing our products to evaluate the quality and effectiveness of the raw materials.

In respect of the manufacturers of our products which are our top five suppliers, we generally visit their manufacturing sites at least once every two years, in order to ascertain whether their manufacturing process is under appropriate supervision and complies with the relevant safety standards. Our Directors confirm that the manufacturers have passed their GMP certificates to us.

We also perform general checks on the packaging, product specification and expiry dates on our products stored in our warehouses. Our marketing department reviews and assesses the descriptions of the products on the packaging to ensure such packaging strictly adheres to relevant regulatory frameworks in Hong Kong. Our management oversees the quality control function to ensure that all relevant warehouse staff are aware of the above quality control procedures to implement the quality control policies of our Group.

Product liability and return

To uphold our stringent quality standards, we have established arrangements with our suppliers regarding product returns and replacements. Should any defects or quality issues be identified in the products supplied to us, we are allowed to return the non-conforming products for either replacement or full refund.

End-customers, who directly purchase our products at our own e-commerce platforms at our Company’s websites or our online stores on third-party online platforms including Tmall.hk (天貓國際) and Xiaohongshu (小紅書), can (i) request refund or replacement if the products are found defective or with other quality issues; or (ii) for our own e-commerce platforms, within a predetermined period of 7 days, request for replacement upon approval by us.

For Dairy Farm, we provide additional return privileges under specific conditions to ensure business flexibility and satisfaction. In particular, they are entitled to return our products to us where the products are (i) damaged, expired and/or non-sale stock for an agreed sales period or with quality issues upon receipt; (ii) discontinued products (i.e. products which are discontinued by us due to reasons such as launch of new products); or (iii) excess products after a promotional event. For other wholesale customers, they are entitled to return our products to us where product defects or quality issues are identified upon receipt, subject to mutual agreement.

During the Track Record Period, the total sales value of products returned by our customers amounted to approximately HK\$1.8 million, HK\$1.2 million, HK\$5.0 million and HK\$2.6 million, which were primarily contributed by Dairy Farm as a result of unsold products after a promotional campaign. For details of the product return by Dairy Farm, please refer to “Our Business Model – Wholesale business – Sales of our products to Dairy Farm – Goods returns by Dairy Farm and provision policy” in this section.

Our Group ensures that all customer enquires and complaints are addressed promptly upon receipt. Our sales team is tasked with managing complaints and responding to product-related enquires, ensuring timely resolutions of their concerns. To enhance our customer service, our Group has established various communication channels with customers, including email, direct messenger and social media platforms, allowing our customers to directly communicate with us regarding our products.

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Our Group recorded 6, 12, 19 and 7 customer complaints during the Track Record Period, respectively. Most complaints involved minor issues, such as feeling discomfort after use, strange smell, feeling poor effect and change in quality, etc., with no reports of harmful substances, severe injuries, or significant side effects from product use. Upon receiving a complaint, our sales team acts swiftly to resolve the matter, through guidance on proper product usage, product replacements, payment refund, or other appropriate measures.

Save as disclosed, our Directors confirm that during the Track Record Period and up to the Latest Practicable Date, (i) we had not experienced any significant recalls or returns of our products; (ii) we had not been subject to any fines, negative findings, product liability exposure or other penalties from government authorities or other regulatory bodies on our products; and (iii) we had not received any material complaints or claims from our customers in respect of the quality of our products, which would have a material adverse impact on our business, financial condition or results of operations.

INVENTORY AND WAREHOUSING

Our inventory comprises primarily of our products and packaging materials, and our inventory level varies according to the demands of our customers as well as our marketing, sales and production plans. We place purchase orders for our products and packaging materials as and when necessary and our warehouse team packages the products received from manufacturers and suppliers in house. We store our products and packaging materials in the warehouses located in Hung Hum, Hong Kong.

Our health supplements and products generally have a shelf life of approximately 24-36 months from the date of production. We monitor our inventory level and their expiry date from time to time in order to minimise the risk of overstock. Our inventory management system follows a carefully calibrated approach to optimise our inventory level and operational efficiency by placing orders with our manufacturers and suppliers regularly to replenish our inventory to a pre-determined level. During the Track Record Period, our inventory turnover days were approximately 113, 79, 66 and 94 days, respectively, which were shorter than our products’ shelf life. If we have unsold near-expiry inventories, our sales team regularly monitor the near-expiry inventories level and will generally conduct sales events or provide greater discounts to wholesale customers to sell such products in order to decrease the level of these inventories. For the remaining unsold near-expiry inventories, they will be written off or disposed and the details of these inventories will be documented. Our standard practice is to keep an inventory level at the warehouse that is sufficient for our sales for about three to four months on average. Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, we had not experienced any material shortage or write off of inventory.

LOGISTICS

During the Track Record Period, we engaged logistics service providers for the delivery of our products from our warehouses to the designated locations of our customers. We have not entered into any long-term contract with such service providers. We incurred freight and transportation expenses of approximately HK\$0.1 million, HK\$0.4 million, HK\$0.6 million and HK\$0.3 million during the Track Record Period, respectively.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material disruption in the delivery arrangement of our products and had not suffered any material loss as a result of delays in delivery or poor handling of our products by the logistics service providers engaged by us.

MARKET AND COMPETITION

According to the Frost & Sullivan, the health and beauty supplements and products market in Hong Kong, in which we operate, is highly competitive and fragmented, with hundreds of companies from international, domestic and local backgrounds offering a wide range of products and brands. Overall, international brands from the U.S., Canada, New Zealand, etc., have established a significant market presence, primarily due to their mature supply chains, diverse product portfolios, global research and development capabilities, and strong brand recognition. For more information of the competitive landscape of our markets and industries, please refer to “Industry Overview” in this Document.

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According to Frost & Sullivan, (i) 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; (ii) 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 (iii) 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 established and maintained a long-term and stable business relationship with Dairy Farm for about 12 years since 2013. During the three years ended 31 March 2025, our revenue generated from Dairy Farm amounted to approximately HK\$38.5 million, HK\$84.0 million and HK\$97.1 million, respectively, representing a CAGR of approximately 58.8% between FY2023 and FY2025 which was much higher than the market growth of the health and beauty supplements and products markets in Hong Kong of approximately 2.9% and 3.3% between 2020 and 2024 in terms of retail sales value, respectively.

Given (i) our market position in the local health and beauty supplements and products markets, particularly those in the niche segments of deer-related health supplements as well as joint and pain care and external analgesic products; and (ii) our strong revenue growth during the Track Record Period, our Directors believe that we are in a favourable position to compete with the existing market players and the new entrants and will be able to remain competitive. Our Directors are confident that the implementation of our business strategies with the net [REDACTED] from the [REDACTED] will enable us to expand our business so as to reinforce and further enhance our market position. Please refer to “Our Competitive Strengths” and “Our Strategies” in this section for further information.

USER PRIVACY AND DATA SECURITY

In the ordinary course of business, we collect, store and use certain personal information of our employees, customers and suppliers from time to time, such as (i) when customers register as members with us, we collect their particulars including without limitations, names, ages, phone numbers and date of birth; (ii) when customers place online orders through online platforms, such as our Company’s websites, Tmall.hk (天貓國際) and Xiaohongshu (小紅書), we collect their account names, phone numbers, transaction information and other information; and (iii) during the selection process of our suppliers, we collect their corporate information including identities of shareholders and directors.

We maintain strict compliance with all applicable laws and regulations governing the collection and processing of personal data. Our Group implements a comprehensive data protection framework to ensure maximum protection of personal information. For details of our risks associated with the protection of personal information, please refer to “Risk Factors – Risks Relating to Our Business Operations – Our business collects and processes a large amount of customer data, and any improper use or disclosure of or unauthorised access to such data may harm our business and reputation and may result in threats of lawsuits, administrative penalty and related liabilities” in this Document.

To ensure proper and sufficient protection of user privacy and data security, we have implemented internal data security and protection protocols which provide for data management responsibilities, data protection and confidentiality procedures. We also update our policies and internal control measures for data protection based on evolving regulatory requirements and industry standards. We implement several detailed measures with respect to cybersecurity and personal data protection. For example, we notify end-customers and obtain consents from them on how we collect and use their personal data. Data regarding end-customers’ online purchases made through third-party platforms are managed subject to those third-party platforms’ data governance policies.

During the Track Record Period, our Group did not have any existing business contracts signed with e-commerce platform companies established in the PRC. Our Group only had signed business contracts with Taobao China Holding Limited and Chuanshen Holding Limited (the companies through which our Group’s products were launched on Tmall.hk) and Youtong Trading (Hong Kong) Limited (the company through which the relationship with Xiaohongshu (小紅書)

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has been established), which are companies incorporated in Hong Kong. Thus, our Group did not collect data from customers via e-commerce platforms in the PRC during the Track Record Period.

As advised by our Hong Kong Legal Counsel and PRC Legal Counsel, our Group had not been and were not involved in any material non-compliance with the relevant applicable personal data privacy laws and regulations material to the business of our Group in Hong Kong and the PRC, respectively, during the Track Record Period and up to the Latest Practicable Date.

Our Directors believe that our existing information technology and data security measures are sufficient to support our current operations and future growth. During the Track Record Period and up to the Latest Practicable Date, we had complied with applicable laws and regulations relating to user privacy and data security in all material aspects. We will closely monitor further regulatory developments and take appropriate measures in a timely manner.

INTELLECTUAL PROPERTY RIGHTS

The protection of our core intellectual property rights is crucial to our success. We have registered certain trademarks and domain names in Hong Kong.

As at the Latest Practicable Date, our Group had 13 registered trademarks in Hong Kong, with “Herb Standard (正晶)” being our primary trademark. For details of the intellectual property rights which are material to our Group’s business, please refer to “Statutory and General Information – B. Further Information About Our Business – 2. Intellectual Property Rights of our Group” in Appendix IV to this Document. Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, we were not aware of any material infringement (i) by us of any intellectual property rights owned by third parties; or (ii) by any third parties of any intellectual property rights owned by us.

PROPERTIES

As at the Latest Practicable Date, we did not own any property in Hong Kong and details of our leased properties are as follows:

No.	Location	Principal usage	Duration of tenancy
1	Office E, 18/F., YHC Tower, No. 1 Sheung Yuet Road, Kowloon Bay, Kowloon	Office	7 November 2025 – 6 November 2026
2	Car Parking Space No. 4, 1st Floor YHC Tower, No. 1 Sheung Yuet Road, Kowloon Bay (No. 4 Car Park)	Car park	15 November 2025 – 14 November 2026
3	Unit 1, 9/F., Harbour Centre, Tower 1, No. 1 Hok Cheung Street, Hunghom	Warehouse	15 July 2023 – 14 July 2026
4	Unit 8, 9/F., Harbour Centre, Tower 1, No. 1 Hok Cheung Street, Hunghom	Warehouse	8 March 2024 – 7 March 2027
5	Shop No. 33A on Level 2, Fanling Town Centre, No.18 Fanling Station Road, Fanling, New Territories	Retail store	21 July 2025 – 20 July 2027

Pursuant to Chapter 5 of the Listing Rules and section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong), this Document is exempted from the requirement under section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, which mandates a valuation report for all interests in land or buildings, as stipulated in paragraph 34(2) of the

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Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance. The exemption applies because, as of 31 March 2025, we had no single property with a carrying amount of 15% or more of our combined total assets.

Our Directors confirm that we did not have any issue or dispute with the landlords in securing or renewing our leases which would have a material adverse impact on our business, financial condition or results of operations during the Track Record Period and up to the Latest Practicable Date.

EMPLOYEES

As at Latest Practicable Date, we had a total of 85 employees (including 77 full-time and 8 part-time employees), all of whom were based in Hong Kong. Set forth below is an analysis of our employees by functions as at the Latest Practicable Date:

Function	Number of employees
Management	3
Sales	56
Marketing	11
Accounting and finance	4
Human resources and administration	1
Warehousing	10
Total	85

Recruitment and training

We generally recruit our employees from the open job markets through, among others, online job portals and the Labour Department of Hong Kong. As advised by our Hong Kong Legal Counsel, we have been in compliance with the applicable laws and regulations in relation to recruitment and employment in all material respects during the Track Record Period.

Our recruitment policy is based on a number of factors including the level of knowledge and experience required for our employees. We provide introductory training at the time when our sales promoters first join us and thereafter regular on-the-job training, depending on his or her role. We believe such initiatives have contributed to the increased employee productivity. In particular, we recognise that the service etiquette and product knowledge of our frontline sales promoters are vital to presenting the image of our products and our own brands.

In order for our sales promoters to better serve the end-customers visiting the retail stores of Mannings, we provide trainings to them from time to time, in particular when there are new product launches, such that they can establish a solid knowledge on health issues, nutrition and our products, enhance their communication skills and stay updated on the latest market trend and consumer preference.

We enter into a standard employment contract with our employees which sets out terms such as remuneration and period of employment. For our sales promoters, they are generally remunerated with a basic salary and sales commissions based on the sales of our products in the retail stores of Mannings. During the three years ended 31 March 2025 and the six months ended 30 September 2024 and 2025, our staff cost attributable to our sales promoters, including, salaries, commissions and mandatory provident fund contributions, were approximately HK\$7.3 million, HK\$18.4 million, HK\$21.9 million, HK\$9.8 million and HK\$11.4 million, respectively.

There is no labour union established for our employees. Our Directors confirm that, during the Track Record Period, and up to the Latest Practicable Date there was no material dispute with our employees in the course of our business operations. As such, we believe that we maintain a positive working relationship with our employees.

INSURANCE

As of the Latest Practicable Date, we have nine insurance policies in place to manage our operational risks and comply with applicable laws and regulations. We maintain insurance policies which cover, among others, (i) statutory employee compensation insurance; (ii) medical insurance for our employees; (iii) commercial insurance for, *inter alia*, property damage, contents and stocks; and (iv) property insurance for, among others, water damage, theft and stocks. We do

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not maintain product liability insurance covering product liability claims arising from the use and consumption of our products, which are not required by any applicable laws or regulations in Hong Kong.

Our Directors consider that our insurance coverage is adequate and consistent with industry norm. We will review and assess our risks and make necessary adjustments to our insurance coverage in line with our needs and industry practice. According to Frost & Sullivan, our Group’s insurance coverage is in line with the industry practice.

For details of the risk relating to our Group’s insurance coverage, please refer to “Risk Factors – Risks Relating to Our Business Operations – Our Group has limited insurance coverage, and any claims beyond our insurance coverage may result in our Group incurring substantial costs and a diversion of resources” in this Document. Our Directors confirm that we did not make and were not subject to any insurance claims that would have a material adverse impact on our business, financial condition or results of operations during the Track Record Period and up to the Latest Practicable Date.

LICENCES, APPROVALS AND PERMITS

The following table sets forth certain of our licenses, permits, and certificates:

License/Permit/ Certificate	Issuing authority	Holder	Issue/ registration date	Expiry date
Food importer/distributor registration	Food and Environmental Hygiene Department	Herb Standard HK	21 November 2023	19 November 2026
Food importer/distributor registration	Food and Environmental Hygiene Department	Marvel Pro	29 August 2025	28 August 2028

As advised by our Hong Kong Legal Counsel, save as disclosed above, (i) we are not required to possess any specific licence, permit, approval or certificate to carry out our business activities in Hong Kong; and (ii) during the Track Record Period and up to the Latest Practicable Date, we had obtained all the licences and permits from the relevant regulatory authorities in Hong Kong for our business operations in all material aspects. For details of the historical non-registration as a food importer/distributor, please refer to “Legal Proceedings and Compliance – Compliance” in this section.

For a summary of such relevant laws and regulations in Hong Kong, please refer to the “Regulatory Overview” in this Document.

AWARDS AND RECOGNITION

We have received some awards that acknowledge our achievements in business development and market leadership.

The following table sets out some of the significant awards and recognitions we have received:

Award/Recognition	Award year	Awarding institution/authority
2023 Hong Kong Top Brand (香港名牌)	2023	Hong Kong Brand Development Council and Chinese Manufacturers’ Association of Hong Kong
World Quality Awards – Bronze Award, for three of our products, namely (i) “Crocodile Pro (鱷肺補)”; (ii) “Deer Sinew (鹿筋骨痛丸)”; and (iii) “Growth Calcium (生長鈣)”	2024	Monde Selection

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INTERNAL CONTROL AND RISK MANAGEMENT

Key risks relating to our business are set out in “Risk Factors” in this Document. The following sets out the key measures adopted by our Group under our risk management and internal control system for managing the more particular operational and financial risks relating to our business operation:

- (i) **Customer concentration risk management.** Please refer to “Our Customers – Our dealings with Dairy Farm” in this section.
- (ii) **Credit risk management.** We are subject to risks in relation to the collectability of our trade and other receivables, please refer to “Risk Factors – Risks Relating to our Business Operations – 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” in this Document for further details. We normally grants credit terms up to 180 days from the date of invoice. We review the credit terms of our existing and prospective corporate customers from time to time. The settlement and credit terms granted to wholesale customers are determined with reference to, among other things, (a) the length of the business relationship with us; (b) the payment history of the customer; and (c) the financial strength and creditability of the customer. Material overdue payments are closely monitored and evaluated on a case-by-case basis in order to deduce the appropriate follow-up actions having regard to our business relationship with the customer, its history of making payments, its financial position as well as the general economic environment.
- (iii) **Regulatory risk management.** We keep ourselves abreast of any changes in government policies, regulations, and licensing requirements in Hong Kong in relation to our business operations, as well as the relevant environmental and safety requirements. We will ensure that any changes of the above are closely monitored and communicated to our senior management for proper implementation and compliance.

We have established and currently maintain risk management and internal control systems consisting of policies and procedures that we consider to be appropriate for our business operations. Our Directors are responsible for formulating, supervising and overseeing the effectiveness of our risk management system and implementation of our internal control systems.

Internal control review

In preparation for the [REDACTED], our Group engaged an external consultant to undertake a review on the adequacy and effectiveness of our risk management and internal control system associated with the major business processes of our Group, and to identify findings and provide recommendations to us. The scope of the review covered the following areas:

- (i) **Entity level controls:** control environment, risk management, control activities, information and communication and monitoring.
- (ii) **Process level controls:** sales, accounts receivable and collection, procurement, accounts payable and payment, inventories management, including quality control and logistics, human resources (HR) and payroll, fixed assets, intellectual property, cash and treasury management, financing management, financial reporting and disclosure controls, taxation, IT general controls, insurance, expenses and payment, licensing and compliance and environment and safety.

Major findings from the external consultant include but are not limited to (i) insufficient pricing and discount approval documentation and review of agreements; (ii) handling of cash receipts for sales; (iii) insufficient guidelines concerning the review of advertising descriptions; (iv) insufficient guidelines concerning control over approval of online bank payments and transfers; (v) late tax filing and payments; and (vi) irregular insurance coverage assessments.

Following the recommendation of the external consultant, we have adopted a series of internal control measures to enhance our internal control system, which include but are not limited to (i) establishing procedures for approval of prices and review of agreements; (ii) formalising cash handling policies and deadlines for depositing cash received; (iii) establishing

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written procedures for review of advertising materials; (iv) updating written procedures for handling of online payments; (v) updating policies and procedures on tax filing and assignment of responsibilities; and (vi) updating and reviewing the list of insurance policies on regular basis.

The external consultant performed follow-up review on those actions taken by our Company and did not identify any further deficiencies in the internal control system. Based on the results of the follow-up review, our Directors confirmed that our Group has adopted all the applicable internal control measures and policies suggested by the external consultant and did not have any significant deficiencies in its internal control system as at the Latest Practicable Date. In respect of the specific enhanced internal control measures adopted in response to our historical non-compliance incidents, please refer to the subsection “Legal Proceedings and Compliance – Compliance” in this section.

To monitor the continuous implementation of risk management policies and corporate governance measures after the [REDACTED], we have adopted or will adopt, among other things, the following risk management and internal control measures:

- (i) establish an audit committee to review and supervise our financial reporting process and internal control system. Our Audit Committee comprise three independent non-executive Directors, for details, please refer to “Directors and Senior Management – Board Committees – Audit Committee” in this Document;
- (ii) promulgate well-rounded policies and procedures to enhance our internal control and risk management, especially in the key areas of corporate governance as a [REDACTED] company on the Stock Exchange. For instance, we plan to establish policies and procedures in relation to board diversity, management override, anti-fraud and whistle-blowing, business continuity and contingency planning, conflict of interest, declaration of interest, inside information and shareholders’ communication, among others;
- (iii) improve other key aspects of general internal control, such as streamlining our internal corporate structures to implement operating efficiency, setting down engagement and management procedures for independent directors, company secretaries and accounting personnel, conducting group-wide periodic internal control and risk management assessment, developing new accounting system, enhancing product quality management, improving compliance management procedures, among others; and
- (iv) provide trainings to our Directors, senior management and employees to continuously raise their awareness of the importance of internal controls and legal compliance. We intend to continue to provide trainings for Directors and senior management with respect to the Listing Rules and duties of directors of a [REDACTED] company on the Stock Exchange.

To ensure the above compliance culture is embedded into everyday workflow and set the expectations for individual behaviour across the organisation, we will regularly conduct internal compliance checks and inspirations, adopt strict accountability internally and conduct compliance training.

Based on the above, our Directors are of the view that our Company has taken reasonable steps to establish an internal control system and procedures to manage the risks exposed to us and enhance the control environment in both the daily operation and management levels. Accordingly, our Directors are of the view that the internal control system currently implemented by our Group is adequate and effective to our operations.

IMPACTS OF THE OUTBREAK OF COVID-19 PANDEMIC ON OUR BUSINESS

The COVID-19 pandemic had a broad impact on our operations and financial performance during 2022 and 2023 as border closures between Hong Kong and mainland China resulted in weak tourist flows, which reduced demand for our products. Global public health measures, such as lockdowns, travel bans, and logistics restrictions, also led to certain degree of supply chain disruptions and delays in transportation. To prevent transmission of COVID-19 to and among our employees, we had implemented a series of preventive measures to monitor the health conditions of our employees and maintain a hygienic working environment inside our office.

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On the other hand, the heightened public health awareness following the COVID-19 outbreak and the subsequent economic recovery after the easing of COVID-19 restrictions in 2023 have led to a rise in demand for our products. According to Frost & Sullivan, heightened health consciousness following the outbreak of the COVID-19 has normalized daily supplement consumption and increased proactive approach to preventive care among the general public across age groups, broadening the consumer base especially beyond traditional silver-market segments. As a result, health supplement companies are afforded a strategic opportunity to broaden their market reach and meet the rising demand for health supplements and products.

The increased demand can be witnessed by the substantial growth in our revenue recorded during FY2023 and FY2024, which increased from approximately HK\$43.2 million to HK\$109.6 million. In particular, healthcare supplements and products related to preventative care were among our products that recorded the highest growth rate, such as respiratory system care and cardiovascular and liver care, each had recorded revenue at least double and triple of the respective amount in FY2023.

In light of the factors mentioned above, our Directors believe that the COVID-19 outbreak (i) has not resulted in any material adverse impact on our business and financial performance during the Track Record Period; and (ii) has indeed brought a positive effect on our Group’s business operations and financial condition in the long run mainly due to the heightened public health awareness among the general public.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We have implemented effective measures to embrace environmental, social and governance (“ESG”) practices in every aspect of our business operations. To do so, we established an ESG management structure, set down ESG responsibilities at each level of our Group, and enhance our ESG management level and execution capabilities on an ongoing basis.

Governance structure

Our Board establishes our strategic direction ensuring that our ESG strategy is seamlessly integrated with our values and core business objectives. The ESG strategy is developed through evaluating, prioritising, and managing these issues and risks. Our Board will adopt the following approaches to manage material ESG issues:

- (i) *Identify and assess*: our Board will engage internal stakeholders to identify material ESG issues and risks inherent in our business operations. We firmly believe that fostering open and transparent dialogue with stakeholders is essential to maintain our business sustainability.
- (ii) *Review*: our Board will review the metrics and progress made against ESG-related goals annually to guide us to achieve better ESG performance. Our Board will consider establishing targets, potentially aligned with those adopted by our peers, to enhance our strategic focus and accountability in ESG matters.

Process to identify, assess and manage ESG-related risks

Our Group actively engages with stakeholders through regular dialogue to gain insight into their expectations and areas of concern. This valuable input enables our Group to make strategic decisions with greater clarity and to evaluate and address any resulting impacts effectively.

Our Group prioritises the principle of materiality by focusing on the critical ESG issues that have a significant impact on our business operations. To assess the relevance and priority of ESG factors, our Group has undertaken a comprehensive evaluation process, which includes benchmarking against industry standards, engaging with stakeholders and confirming key material issues.

We have identified the following material ESG issues and their potential impacts:

Material ESG issues

Potential risks, opportunities and impacts

Environmental aspects

Use of resources

As a provider of health supplements, our primary resource consumption involves electricity in our office and warehouses, as well as packaging materials for our products.

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Climate change

With plans to expand our sales network, we anticipate increased total energy demand and packaging usage, which could lead to higher operating costs and a greater environmental impact.

To mitigate our environmental impact, we implement various environmental-friendly measures in our business operations to reduce our energy consumption and packaging use.

For details, please refer to “Environmental, Social and Governance – Environment” in this section.

We recognise the potential impacts of climate change on our business operations and value chain, from supply and operations to market dynamics and regulatory compliance.

With the increasing focus on climate action, we also anticipate stricter regulations regarding emissions reduction.

For details, please refer to “Environmental, Social and Governance – Responsible sourcing – Climate change” in this section.

Biodiversity

We are dedicated to preserving the natural environment and honouring all forms of life on Earth.

We are committed to operating responsibly and embracing sustainability as a key driver for achieving long-term growth, ensuring that our business practices align with environmental and ethical principles.

For details, please refer to “Environmental, Social and Governance – Responsible sourcing – Biodiversity conservation” in this section.

Social aspects

Employment and labour standards

We consider attracting, recruiting, and retaining quality staff to be important aspects of our business.

To create a positive work environment, ensure compliance, and maintain a skilled workforce, we have adopted policies and implemented measures to address the various aspects of employment, including compensation and dismissal, equal opportunities, diversity, anti-discrimination, training and development, and other benefits and welfare.

For details, please refer to “Environmental, Social and Governance – Responsible sourcing – Employee caring” in this section.

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Product responsibility

Product responsibility is crucial in our industry as our health supplements can directly impact end users. To provide safe, reliable and consistent products, we have standardised quality control procedures to ensure our products are of quality, safety and suitable for consumption or use and fully comply with relevant laws and regulations.

For details, please refer to “Quality Control” in this section.

Supply chain management

Supply chain quality plays an important role in ensuring our product quality as we rely on our suppliers to supply the required products, key raw materials, packaging materials and to provide services to us.

For details, please refer to “Environmental, Social and Governance – Responsible sourcing” in this section.

Environment

We diligently track updates in legislation and ensure adherence to environmental compliance requirements. Our operations are swiftly adapted to align with evolving regulations and policies, guaranteeing full compliance with environmental matters. Recognising the influence of our business activities on the climate and ecosystem, we implement targeted strategies in our operations to reduce environmental impact. Additionally, we actively foster environmental consciousness and advocate for sustainable practices to enhance resource efficiency.

We adopt the following environmental-friendly measures in business operations:

Use of resources

Our Group places great importance on the efficient use of resources and is committed to reducing natural resource consumption and minimising environmental impact. This is achieved through the implementation of energy-saving and emission-reduction initiatives, water conservation measures, and the optimisation of office resource management, all while enhancing operational efficiency. We take the following environmental-friendly measures in our business operations for achieving the Scope 2 GHG emission, energy efficiency and water efficiency targets set by the Group:

Energy and water efficiency and emissions management

- Strive to reduce water consumption as much as possible.
- Staff are required to turn off water taps after use to prevent unnecessary consumption of water.
- Posting water conservation notices next to water supply facilities to remind staff on responsible water use.
- Proactively turn off lighting equipment and air conditioning systems when not in use or not needed.
- Indoor temperatures should not exceed 20°C in winter and should not fall below 24°C in summer, with reminder signs posted near each temperature control panel.
- When replacing high-energy-consuming equipment, prioritise energy-efficient products.

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Waste management

- Handle waste properly in strict accordance with relevant laws and regulations.
- Make every effort to reduce the generation of various types of waste. Adjust computer printing settings to double-sided printing to reduce paper usage.
- Minimise unnecessary printing and prioritise the use of emails and electronic documents for communication and storage.
- Reuse resources as much as possible and actively participate in recycling initiatives.

Water resources

Our Group recorded minimal water usage during the Track Record Period, primarily in restrooms. Our Group encourages employees to adopt water-saving practices in their daily routines and strives to maximise the reuse and recycling of water resources whenever feasible.

The table below sets out our use of water resources for FY2023, FY2024, FY2025 and 6M2026, respectively:

	Unit	FY2023	FY2024	FY2025	6M2026
Total water consumption	m ³	3.00	6.00	44.75	34.00
Water consumption intensity	m ³ / no. of employees	0.08	0.11	0.56	0.43

Note:

1. The significant rise in total water consumption from FY2024 to FY2025 is attributed to business expansion.
2. There are no specific standards on water consumption concerning the health product industry in Hong Kong against which our Company can benchmark.

Environmental metrics and targets

Our Group has set multiple environmental targets, committed to capping carbon dioxide emissions by 2030 and striving to achieve carbon neutrality by 2060. By reducing carbon emissions and enhancing energy efficiency, our Group can lower energy consumption and related costs, while also creating positive impacts for society and laying the foundation for future sustainable growth. To achieve these targets, our Group has established quantifiable environmental key performance indicators, aiming to meet the following emission and waste reduction goals by 2030.

Key performance indicators

Target

Greenhouse gas emissions
 (“GHG”) (Scope 2)

Our Group has established FY2025 as the baseline year for our GHG Scope 2 target. We target to reduce 1% of our Scope 2 greenhouse gas (GHG) emissions intensity in FY2026. This target is achievable due to our commitment to enhancing energy efficiency and implementing carbon reduction strategies across our operations.

Furthermore, we aim to reach the peak intensity of GHG emissions by 2030, considering the anticipated operational expansion over the next five years. Following this peak, our Group is dedicated to reducing emissions in alignment with Hong Kong’s goal of achieving carbon neutrality by 2060, as well as adhering to the objectives set forth in the Paris Agreement.

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The Group will further transition to renewable energy sources, optimise our supply chain and continue to monitor of emissions in order to achieve the target set.

Energy use efficiency

Our Group has designated FY2025 as the baseline year for our energy use efficiency target. We aim to maintain energy consumption intensity at below 0.60MWh/no. of employees in FY2026. This target is achievable as the Group will further foster advanced technologies and process optimisations to enhance our energy efficiency.

We aim to reach the peak intensity of energy use by 2030, considering the anticipated operational expansion over the next five years. After this peak, our Group is committed to implementing strategies to reduce energy consumption in line with Hong Kong's goal of achieving carbon neutrality by 2060 and the objectives outlined in the Paris Agreement.

The feasibility of this target is supported by our ongoing investments in energy-efficient practices and employee training programs focused on sustainability.

Water use efficiency

Our Group has established FY2025 as the baseline year for our water use efficiency target. We target to maintain water consumption intensity at below 0.60m³/no. of employees in FY2026. This target is attainable as we are implementing comprehensive water management strategies to optimise our water usage.

Looking ahead, we aim to reach the peak intensity of water use by 2030, considering the anticipated operational expansion over the next five years. After this peak, our Group is committed to reducing water consumption in alignment with Hong Kong's goal of achieving carbon neutrality by 2060 and the objectives set forth in the Paris Agreement.

The achievability of this target is underpinned by our proactive approach, which includes regular assessments of water usage, identifying opportunities for conservation, and engaging employees in sustainability initiatives.

Going forward, we will continue to monitor ESG-related metrics, review our progress against existing targets, and considering setting new targets as our ESG strategy evolves.

The energy consumption of our Group encompasses the electricity utilised in our office and warehouses. We track both direct emissions and indirect emissions related to energy use.

Throughout the Track Record Period, our Group did not possess any motor vehicles, nor did we operate cold storage systems or other equipment that directly release greenhouse gases. As a result, our direct emissions (Scope 1) are considered negligible. The majority of our energy-related indirect emissions (Scope 2) stem from the electricity we purchase. As for other indirect emissions (Scope 3), which include emissions generated across our value chain and outside our direct control, we are actively collaborating with our business partners and are dedicated to gathering and assessing this data in the coming years.

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The table below sets out our GHG emissions for FY2023, FY2024, FY2025 and 6M2026, respectively:

	Unit	FY2023	FY2024	FY2025	6M2026
Direct GHG emissions (Scope 1)	tCO ₂ e	–	–	–	–
Indirect GHG emissions (Scope 2)	tCO ₂ e	0.75	11.47	15.08	16.70
Other indirect GHG emissions (Scope 3)	tCO ₂ e	62.27	84.37	132.00	91.28
Total GHG emissions	tCO₂e	63.01	95.84	147.08	107.98
GHG emissions intensity	tCO₂e / no. of employees	1.70	1.68	1.84	1.37

Note:

1. With reference to Reporting Guidance on Environmental KPIs in Appendix 2 to How to Prepare an ESG Report issued by the Stock Exchange, our Scope 2 emissions are calculated based on the emission factors provided by utility providers in Hong Kong.
2. The significant rise in GHG emissions during the Track Record Period is attributed to business expansion.
3. There are no specific standards on GHG emissions concerning the health product industry in Hong Kong against which our Company can benchmark.

The table below sets out our energy consumption for FY2023, FY2024, FY2025 and 6M2026, respectively:

	Unit	FY2023	FY2024	FY2025	6M2026
Purchased electricity	MWh	1.92	29.42	39.70	43.95
Total energy consumption	MWh	1.92	29.42	39.70	43.95
Energy consumption intensity	MWh / no. of employees	0.05	0.52	0.50	0.56

Note:

1. With reference to Reporting Guidance on Environmental KPIs in Appendix 2 to How to Prepare an ESG Report issued by the Stock Exchange, our Scope 2 emissions are calculated based on the emission factors provided by utility providers in Hong Kong.
2. The significant rise in total energy consumption during the Track Record Period is attributed to business expansion.
3. There are no specific standards on electricity consumption concerning the health product industry in Hong Kong against which our Company can benchmark.

As we anticipate an increase in the number of shops and employees due to the expansion of our business operations, we recognise the potential for higher overall energy consumption.

Going forward, we will consistently track ESG-related indicators, evaluate our performance against current goals, and explore the possibility of establishing new objectives as our ESG strategy develops. Although these efforts may result in higher operational expenses, such as the need for additional resources and personnel to oversee ESG metrics and targets, they are crucial for strengthening our strategic direction and accountability in ESG areas.

As our business grows, our Group foresees a rise in the demand for packaging materials. To address this, we have adopted cost-efficient and eco-friendly practices. We diligently manage the packaging materials supplied to us, ensuring they are preserved with care. These materials are then repurposed for packing our final products before delivery to customers. This method not only aids in cost reduction but also reflects our dedication to sustainability by minimising waste and encouraging resource reuse.

The table below sets out our packaging materials used for FY2023, FY2024, FY2025 and 6M2026, respectively:

Type of packaging materials used ¹	Unit	FY2023	FY2024	FY2025	6M2026
Paperboard	kg	6.60	9.13	13.07	6.72
Product Packaging Box	kg	17.11	22.52	35.03	17.42

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Type of packaging materials used ¹	Unit	FY2023	FY2024	FY2025	6M2026
Product Packaging Bag	kg	1.35	1.84	2.77	1.39
Product Label and Booklet	kg	5.11	6.84	9.62	5.03
Bottle and Bottle Cap	kg	5.19	7.29	14.69	8.34
Total packaging materials usage	kg	35.36	47.62	75.18	38.90

Note:

1. The packaging materials used comprise cardboard boxes used for delivering products to customers purchased, as well as materials used for final product packaging, including product boxes, product bags, labels, booklet, bottle and bottle cap.
2. The significant rise in the total packaging materials consumption from FY2023 to FY2025 is attributed to business expansion.
3. There are no specific standards on packaging material consumption concerning the health product industry in Hong Kong against which our Company can benchmark.

Waste management

Our Group is committed to reducing waste at the source and maximising resource value by minimising waste through maintenance, recycling, and reuse. We proactively manage office waste from the outset, promote efficient use of printing paper, set up paper recycling stations, and provide guidelines for paper usage. For example, we adjust computer printing settings to double-sided printing to save paper.

During the Track Record Period, our Group’s waste generation was minimal, mainly comprising paper waste. To further reduce waste, our Group has implemented paper recycling initiatives. No disruptions or waste-related issues were encountered. Due to the low volume of waste produced, our Group has not set formal waste reduction targets at this time. However, should future operational changes lead to a substantial increase in waste, our Group will reassess the necessity of establishing specific reduction objectives.

Responsible sourcing

Our Group incorporates several factors such as product quality, quality control management and product environment during our supplier selection process. We prioritise suppliers located in close proximity to our facilities when sourcing raw materials, aiming to minimise transportation distances and reduce our carbon footprint in upstream logistics. We also encourage suppliers to limit the use of unnecessary packaging materials during logistics operations to further mitigate environmental impact.

To ensure product quality and assess suppliers’ adherence to our requirements in minimising ESG-related risks, we conduct annual supplier evaluations. These evaluations focus on quality control while also reviewing suppliers’ ethical practices and identifying any potential ESG-related risks, and other relevant policies, including their commitment to environmental sustainability, labour rights, and business integrity. If our Group identifies a serious legal breach or a substantial ESG-related risk associated with a supplier, we will assess the potential for terminating the contract with that supplier. For details of our supply chain management, please refer to “Quality Control – Quality control relating to our suppliers” in this section.

Biodiversity conservation

We place a high priority on the protection of biodiversity and acknowledge that the procurement of certain supplements from suppliers may involve animal extracts or ingredients, potentially impacting ecosystems. We carefully select suppliers who strictly adhere to local government regulations and laws to ensure that the animals used for producing our supplements come from responsible husbandry practices. This approach guarantees that no endangered species are involved and that natural habitats remain unharmed. This approach helps to minimise any potential adverse impact of our business activities on natural habitats.

Climate change

Given that our Group’s core business involves retail and wholesale of health supplements, with products primarily sourced from manufacturers, the primary climate-related risk we encounter is the infrequent disruption in product supply caused by severe weather events.

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Nevertheless, this risk remains minimal for our Group, as we source products from a diverse range of suppliers, ensuring that the impact of a shortage from any single supplier is negligible. Additionally, extreme weather conditions could temporarily halt our operations and pose risks to the safety of our employees. To address this, we have developed and enforced emergency work protocols for extreme weather situations to safeguard our staff. We are also aware of the transition risks tied to evolving environmental regulations and Hong Kong's push towards carbon neutrality, as highlighted in the Hong Kong SAR Government's Climate Action Plan 2050. These developments may affect our operations and supply chain, potentially increasing operational costs. To counteract these risks, our Group is committed to enhancing resource efficiency and cutting down on greenhouse gas emissions. We will remain vigilant in tracking both the challenges and opportunities arising from climate change.

Social responsibilities

We are committed to promoting corporate social responsibility and sustainable development and integrating it into all major aspects of our business operations. Corporate social responsibility is integral to our core growth philosophy in the health and wellbeing sector, playing a crucial role in our ability to deliver sustainable value to our shareholders. We actively demonstrate our dedication through meaningful contributions, such as donations of supplements to support those in need, which not only underscore our strong commitment to the communities we serve but also reflect our mission to improve health outcomes and foster well-being across diverse populations.

Employment and labour standards

During the Track Record Period, our Group have been in compliance with the applicable laws and regulations in relation to employment in Hong Kong in all material respect, including but not limited to the Employment Ordinance (Chapter 57 of the Laws of Hong Kong), the Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong), and the Sex Discrimination Ordinance (Chapter 480 of the Laws of Hong Kong), ensuring that all labour practices comply with statutory requirements. We explicitly outline provisions related to employment terms, working hours, leave entitlements, labour protection, working conditions, and the code of discipline in the employee handbook, while ensuring employees are fully informed of these terms. Our recruitment processes, documentation, and procedures are aligned with both national and regional regulatory standards. Our Group actively monitors updates to relevant government laws and regulations, making timely adjustments to internal systems and procedures as needed. Additionally, at the start of each year, we undertake a thorough review and assessment of existing policies and systems to enhance and optimise them.

Our Group firmly stands against any form of child labour or forced labour. We strictly comply with applicable laws and regulations and have implemented strong management systems to ensure that all employees are voluntarily employed and meet the legal minimum working age. During recruitment, we diligently verify candidates' identification documents to prevent the illegal employment of children. We also prohibit our management from exerting undue pressure on labour for their interest or by forcing them to work via any form of threat or extortion.

Moreover, we conduct regular inspections of workplaces, closely monitoring employees' working hours, rest periods, and living conditions. Any detected violations or irregularities are addressed immediately. Should instances of child labour or forced labour be identified, we take swift action to terminate such employment and pursue legal accountability for those responsible, in line with the law. We are deeply committed to protecting employees' legitimate rights and interests, as we believe this is fundamental to building harmonious and stable labour relations, which ultimately supports the sustainable growth and development of the organisation.

Employee caring

Our Group's human resources and administration team oversees the development and management of our employee support systems. We maintain a comprehensive employee handbook that details our HR policies, encompassing areas such as recruitment, termination, remuneration, benefits and welfare programs, career advancement, equal opportunity, diversity, behavioural standards, and mechanisms for addressing employee grievances and complaints. In our business operations, we have implemented the following policies and practices:

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Recruitment and dismissal & training and development

Our Group has put in place clear protocols and guidelines for the recruitment process, as well as for managing terminations and dismissals. We assess our employees based on their performance to determine their salary, promotion and career development. To enhance employee growth, we offer onboarding programs and periodic training sessions that cover essential topics like product expertise.

During the Track Record Period, the training activities organised by our Group included seminars on current industry trends and products, as well as business-related training. The initiatives aimed to enhance their professional expertise and strengthen our Group’s competitive edge and ensure alignment with industry’s best practices.

Remuneration, compensation and benefits

Our Group evaluates and reviews employee compensation based on relevant factors such as their conduct, performance, experience, position, educational background and professional level. Our Group has established an employee performance appraisal management system to evaluate employees’ performance. To attract and retain talent, we provide remuneration and welfare packages to employees, including medical insurance, education sponsorship, maternity leave, marriage leave, bereavement leave and examination leave.

Diversity of workforce

Our Group actively promotes diversity and inclusion in the workplace to build a truly inclusive culture. We provide equal opportunities to all individuals, regardless of race, nationality, religion, physical condition, disability, gender, pregnancy, sexual orientation, political status, age, or any other form of discrimination prohibited by applicable laws and regulations. Our Group strictly prohibits discrimination, harassment, and retaliation in all aspects of employment. Furthermore, we offer a suitable channel and feedback mechanism for employees to raise internal grievances or complaints, ensuring their concerns are addressed appropriately.

Our Group will continue to uphold diversity and inclusion, focusing on delivering solutions, products, and services to meet the needs of stakeholders and the evolving market. We remain committed to creating a professional and positive workplace for our employees, working together to achieve sustainable growth. During the Track Record Period, we did not identify any non-compliance issues with the applicable laws and regulations in relation to recruitment and employment in all material respects.

As advised by our Hong Kong Legal Counsel, we have been in compliance with the applicable laws and regulations in relation to recruitment and employment in all material respects during the Track Record Period.

As at 31 March 2025 and 30 September 2025, the distribution of our Group’s workforce by gender, employee category, age, and geographical region is as follows:

	As at 31 March 2025	As at 30 September 2025
Total workforce by gender		
Male	11	11
Female	69	68
Total	80	79
Total workforce by age group		
Below 30	2	2
30 to 50	36	43
Above 50	42	34
Total	80	79
Total workforce by employment type		
Full time	69	73
Part time	11	6
Total	80	79
Total workforce by geographical region		
Hong Kong	80	79
Total	80	79

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During the Track Record Period, the overall employee turnover rates of our Group were 23% and 15% in FY2025 and in 6M2026 respectively. The employee turnover rates by gender, age, and geographical region are shown in the table below:

Employee turnover rate by gender	FY2025	6M2026
Male	18%	9%
Female	23%	16%
Employee turnover rate by age group	FY2025¹	6M2026¹
Below 30	100%	–
30 to 50	25%	26%
Above 50	17%	3%
Employee turnover rate by geographical region	FY2025	6M2026
Hong Kong	23%	15%

Note:

1. Employee turnover rate in the specified category = Number of employees leaving in the specified category / Number of employees in the specified category

The distribution of trained employees by gender and employee category, as well as the average training hours, are as follows:

Employees trained by gender	Percentage of employee trained (%)¹		Average training hours completed per employee²	
	FY2025	6M2026	FY2025	6M2026
Male	–	30%	–	1.00
Female	100%	70%	0.35	–
Employees trained by employee category	Percentage of employee trained (%)¹		Average training hours completed per employee²	
	FY2025	6M2026	FY2025	6M2026
Senior management	–	20%	–	4.00
Middle management	–	–	–	–
General staff	100%	80%	0.34	–

Notes:

1. Percentage of employees trained by the relevant category = Number of employees trained in the specified category / Total number of employees trained
2. Average training hours completed per employee = Total number of training hours for employees in the specified category / Total number of employees in the specified category

Occupational health and safety

We are dedicated to ensuring a secure and healthy workplace for our employees while adhering to all relevant laws and regulations. Additionally, we have established occupational health and safety guidelines that our staff must follow diligently. The details of our occupational health and safety policy are outlined as follows:

- (i) ensuring a safe and healthy working environment and systems for all employees; and
- (ii) allocating sufficient resources to support the implementation of the health and safety plan, as well as employee training and supervision.

Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, we were not subject to any material claims, lawsuits, penalties or disciplinary actions as a result of any material accidents. We did not experience any material accidents involving property damage or work-related fatalities occurred in each of the past three years. We recorded 30 lost days due to work injury during the business operations. In case of significant safety risks or accidents, employees and managers are required to promptly report the incident to management and collaborate on implementing necessary corrective and improvement measures to prevent recurrence.

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Supply chain management

Our Group places great emphasis on the impact of our business operations on the environment and society, and actively implements measures to minimise the negative environmental and social effects caused by our Group, as well as our suppliers. Our Group fully recognises the critical role of supply chain management in our business development and attaches significant importance to the environmental and social performance of our suppliers.

Our Group requires our supply chain partners to adhere to the reasonable ethical business principles recognised by our Group and continuously monitors their business conduct to minimise negative impacts on society. When selecting and evaluating suppliers and service providers, our Group not only focuses on key indicators such as product and service quality, cost, delivery efficiency, stability, safety management, and relevant certifications, but also places great emphasis on suppliers’ environmental compliance records and their commitment to social responsibility, prioritising partnerships with those who value environmental protection and sustainable development. To ensure product quality and verify suppliers’ compliance with our Group’s requirements, our Group conducts comprehensive annual supplier evaluations, which focus on quality control while also reviewing suppliers’ ethical practices and other relevant policies. At the end of each year, the procurement department evaluates all qualified suppliers and gathers feedback from departments that have used their materials or services. For suppliers whose performance falls below standards, our Group proactively engages with them to drive positive change across the supply chain. If a supplier consistently fails to meet our Group’s expectations, they will be removed from the list of qualified suppliers.

The breakdown of major suppliers by geographical regions is as follows:

Number of suppliers by geographical regions	FY2025	6M2026
Hong Kong	13	8
Mainland China	1	2
Taiwan	2	3
Australia	2	3
New Zealand	1	2
Japan	3	3
Total	22	21

Product responsibility

Our Group remains steadfast in our dedication to maintaining the highest standards of safety and quality, addressing the increasingly stringent scrutiny of consumers and regulatory bodies on the ingredients and finished products of health supplements. To ensure compliance with industry standards, consistency across batches, and customer satisfaction, our Group has established a robust framework of standardised quality assurance protocols that fully align with applicable legal and regulatory requirements.

During the Track Record Period, our Group did not experience any product recalls due to safety or health issues, or any significant customer complaints, that would have a material impact on our business operation.

Advertising and labelling

Our Group is committed to promoting our products responsibly through advertisements, including placements on major online platforms. All product information provided in advertisements is accurate, with special attention given to the comprehensive listing of ingredients. Before releasing any advertisement or labelling material, a rigorous review process is conducted to ensure quality and compliance standards are upheld. Our Group has also established clear compliance guidelines to provide employees with detailed instructions regarding advertising and product labelling practices. These measures ensure adherence to relevant laws and regulations, including the UMAO.

Anti-corruption

Our Group is committed to conducting our business with utmost integrity and in strict compliance with all applicable legal standards. We recognise that fraudulent activities, commercial bribery, and other forms of misconduct could lead to significant financial losses, harsh penalties from government or regulatory bodies, and severe damage to our Group’s

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reputation. As a result, we adopt a firm zero-tolerance approach to corruption, bribery, extortion, and fraud, ensuring adherence to all relevant laws, including the Prevention of Bribery Ordinance, while embedding these values deeply into our governance framework.

Under our Group's policy, employees are expressly forbidden from soliciting or accepting any form of advantage-such as gifts, loans, expenses, remuneration, positions, employment, contracts, services, or privileges-from or to any business partners. Upon joining our Group, every employee must declare or confirm any potential conflicts of interest. If a conflict arises at a later stage, the employee is obligated to disclose it to management without delay. By consistently strengthening our internal control mechanisms, our Group also actively cultivates a robust culture of integrity that serves as the foundation for building and maintaining trust with all stakeholders.

During the Track Record Period, we were not aware of any concluded legal cases or proceedings related to corrupt practices involving our Group or our employees. Furthermore, our Group has taken proactive measures to ensure that all directors and staff remain well-informed and aligned with the latest anti-corruption guidelines and regulations. This includes actively disseminating the most up-to-date information and directives from regulatory authorities such as the Stock Exchange and the Securities and Futures Commission. Through internal communications and policy updates, we ensure that every employee fully understands and complies with the ethical standards and legal obligations that govern our business practices.

Community engagement

Recognising our responsibility towards the community, our Group is dedicated to contributing valuable resources to support local initiatives. We strongly encourage our employees to explore opportunities to collaborate with charitable organisations and take part in a wide range of philanthropy efforts. These activities are designed to raise awareness within the community and inspire deeper employee engagement in service-oriented projects. Our Group firmly believes that by actively participating in community service, employees can develop a profound sense of social responsibility. Moreover, such involvement enhances our reputation as a proactive and positive contributor to community development.

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, we had not been and were not a party to any material legal, arbitral or administrative proceedings, and we were not aware of any pending or threatened legal, arbitral or administrative proceedings against us or our Directors that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

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 the aggregate, have a material adverse effect on our business, financial condition and results of operations.

Food Importer/Distributor Registration

Under the Food Safety Ordinance, any person who carries on a food importation/distribution business is required to register with the director of Food and Environmental Hygiene Department as a food importer/food distributor. During the Track Record Period and up to the Latest Practicable Date, Herb Standard HK and Marvel Pro did not register as a food importer/distributor prior to 21 November 2023 and 29 August 2025, respectively.

In relation to Herb Standard HK, as it was engaged in the importation and distribution of health and beauty supplements and products, failure to register as a food importer/distributor prior to 21 November 2023 constituted a breach of Section 4(1) and Section 5(1) of the Food Safety Ordinance. As advised by our Hong Kong Legal Counsel, the maximum penalty for the breach would be a fine of HK\$50,000 and imprisonment for six months. However, under Section 26 of the Magistrates Ordinance (Cap. 227), there exists statutory time bar of six months for the commencement of prosecution for summary offences, which includes contraventions of Section 4(1) and/or Section 5(1) of the Food Safety Ordinance. As advised by our Hong Kong Legal

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Counsel, given Herb Standard HK completed the relevant registration on 21 November 2023, any prospection in respect of the past non-compliance for the failure to register as a food importer/distributor by Herb Standard HK shall have been commenced by no later than May 2024. As no enforcement action had been commenced as of the Latest Practicable Date, any potential enforcement action for such non-compliance has been time-barred. Therefore, our Company, as advised by our Hong Kong Legal Counsel, considers such non-compliance to be an immaterial non-compliance.

In relation to Marvel Pro, as it was engaged in the distribution of health and beauty supplements and products, failure to register as a food importer/distributor prior to 29 August 2025 constituted a breach of Section 5(1) of the Food Safety Ordinance. As advised by our Hong Kong Legal Counsel, the maximum penalty would be a fine of HK\$50,000. Given that Marvel Pro had registered as a food importer/distributor on 29 August 2025, as advised by our Hong Kong Legal Counsel, any prosecution in respect of the past non-compliance for the failure to register as a food importer/distributor by Marvel Pro shall have been commenced by no later than end of February 2026. As no enforcement action had been commenced as of the Latest Practicable Date, any potential enforcement action for such non-compliance has been time-barred. Therefore, our Company, as advised by our Hong Kong Legal Counsel, considers such non-compliance to be an immaterial non-compliance.

The above non-compliances arose primarily due to the unfamiliarity of the relevant laws and regulations and the inadvertent oversight of the relevant finance and administrative staff who was responsible for the registration. In the registration form, it contains different categories of food and examples of the food falling within such categories. As the responsible staff did not find a category with food examples similar to our Group's products, the staff mistakenly believed that our Group's products did not fall within the requirements for registration. However, as our Group learned about the requirement that an importer of health and beauty supplements and products provider is required to apply for registration, Herb Standard HK promptly applied for such registration. For Marvel Pro, as it only engages in the distribution (not importation) of health and beauty supplements and products, our Group mistakenly believed that Marvel Pro was not required to be registered as a food importer/distributor. It was upon the specific advice from our Hong Kong Legal Counsel that the relevant staff became aware that Marvel Pro is also required to be registered as a food distributor and thereupon Marvel Pro promptly submitted an application for registration on 17 July 2025 and has been registered as a food importer/distributor on 29 August 2025.

Our Hong Kong Legal Counsel has assisted our Group to review its contracts with its top five customers for each period during the Track Record Period and the failure to register as a food importer/distributor by Herb Standard HK or Marvel Pro would not constitute a breach of the agreements with them.

In view that (i) the lack of registration as a food importer/distributor would not (a) render our Group's business transactions void or unenforceable, (b) affect the legality, quality, or commercial viability of our Group's products themselves, (c) impair our Group's ability to carry out our core business operations in substance or (d) result in the income legitimately derived from our Group's sale of its products being liable to confiscation by the Hong Kong Government solely by reason of non-registration under the Food Safety Ordinance; (ii) the statutory consequences of non-registration are confined to liability in the form of prosecution (maximum imprisonment for six months) and the imposition of a fine at level 5 (up to HK\$50,000) under Section 4(2) and Section 5(2) of the Food Safety Ordinance; (iii) the registration is mainly administrative and procedural in nature, and does not require specific requirements or condition to be fulfilled; and (iv) the legislative intent of the Food Safety Ordinance was not to prohibit unregistered food businesses outright, but rather to ensure traceability and access to information as evidence under Section 19 of the Food Safety Ordinance which empowers the director of Food and Environmental Hygiene Department to require people carrying on a food importation or wholesale supply business, who are not registered, to provide the information that they would be required to give if they were registered, our Hong Kong Legal Counsel is of the view that the historical non-registration as a food importer/distributor is an immaterial non-compliance and the registration is not a material license nor crucial to the core business of our Group.

In order to prevent recurrence of the above non-compliance incidents with the Food Safety Ordinance, we conducted a documented review of licensing needs as of August 2025, which includes licenses relevant to the Food Safety Ordinance. As an internal control measure, we will

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monitor our list of licenses and their respective validity periods on at least an annual basis and update our relevant internal checklist for record keeping, to ensure compliance with relevant licensing requirements.

Product Advertisements

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. For instance, those advertisements mentioned that some of the products of our Group can reduce or improve blood cholesterol, inhibit blood sugar level, prevent high blood pressure, reduce risks of liver diseases, and improve symptoms of musculo-skeletal diseases or made reference to COVID-19 and influenza. We have been notified that, such wordings may have fallen within the restrictions under Sections 3 and/or 3B of the UMAO which prohibits advertisements claiming to treat or prevent certain diseases or conditions. In response, our Group discontinued or rectified the content of the relevant advertisements following the receipt of the warning letters. The incidents were due to the inadvertent oversight by the relevant marketing officer and operation officer who were responsible for the publication of advertisements and their unfamiliarity of the UMAO.

Under Section 6 of the UMAO, any person who contravenes the provisions of, among others, Section 3 or 3B shall be guilty of an offence and shall be liable upon a first conviction to a fine at level 5 (up to HK\$50,000) and imprisonment for 6 months and upon a second or subsequent conviction for an offence under the same section to a fine at level 6 (up to HK\$100,000) and imprisonment for 1 year. Pursuant to Section 26 of the Magistrates Ordinance, prosecution for a summary offence (including Sections 3 and 3B of the UMAO) must generally be initiated within six months from the date of the alleged offence. No charge had been laid against and no penalty had been imposed on our Group in respect of the above potential contraventions during the Track Record Period and up to the Latest Practicable Date. In light of the fact that any potential prosecution in relation to 4 of the warning letters is now time-barred under the applicable statutory limitation period and no enforcement action was taken by the relevant authorities on our Group in respect of these 4 letters, our Hong Kong Legal Counsel advised us that there is no risk of our Group would be prosecuted in respect of these warning letters. In relation to the remaining 1 warning letter, although the limitation period has not expired, we had revised the relevant wording in such product advertisement upon receipt of the warning letter and no follow-up enforcement action had been taken against us as of the Latest Practicable Date. 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. Therefore, our Directors, as advised by our Hong Kong Legal Counsel, are of the view that the warning letters in aggregate do not have a material adverse effect on the operations, business, or financial performance of our Group and consider the non-compliances to be immaterial non-compliances.

Further, our Directors confirm that we had not received any complaints from the Consumer Council regarding our products or sales practice during the Track Record Period and up to the Latest Practicable Date. In order to prevent recurrence of the above non-compliance incidents with the UMAO, we have adopted relevant internal control guideline on the planning, design and production of marketing materials which includes, in particular:

- (i) adopting a guideline providing an overview on the applicable laws and regulations on advertisement laws of Hong Kong which provides guidance with reference to the relevant guidance materials published by the Department of Health and the Hong Kong Customs and Excise Department;
- (ii) our marketing department will review all of our marketing materials (and a pharmacist will be consulted, if necessary) to ensure compliance with the relevant requirements under the laws of Hong Kong and all the marketing materials must be approved by our senior management before they are published;
- (iii) distributing the guideline to our Directors, senior management and our marketing staff who are involved in the planning, design and production of marketing materials. Training, especially in respect of the UMAO and the Trade Descriptions Ordinance, will be provided to all newly hired marketing staff and regular training will be provided to all our staff on an annual basis; and

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- (iv) conducting regularly review as to whether there is any update on the relevant advertising laws and regulations and providing updates on the compliance requirements to the relevant staff when required.

Food Labelling

During the Track Record Period and up to the Latest Practicable Date, Herb Standard HK received a letter dated 8 September 2025 from the Centre of Food Safety of the Food and Environmental Hygiene Department in relation to a customer complaint concerning the labelling of one of our Group's products. The complaint alleged that the product failed to comply with the applicable nutrient labelling requirements according to the Regulation 4A or Regulation 4B of the Food and Drugs (Composition and Labelling) Regulations. In response, our Group immediately reviewed the packaging of the product concerned and noted that the calcium content was not specifically set out. After the review, our Group updated the labelling to ensure compliance with the Food and Drugs (Composition and Labelling) Regulations. The incident was due to the advertent oversight by the relevant operations staff who was responsible for reviewing the product nutrient labelling.

Under Regulations 4A and 4B of the Food and Drugs (Composition and Labelling) Regulations, prepackaged food shall be marked or labelled with, among others, certain nutrient information. Contravention of the regulations may result in a fine at level 5 (up to HK\$50,000) and imprisonment of 6 months.

Our Hong Kong Legal Counsel had reviewed the updated labelling of the relevant product and is of the view that the updated labelling is in compliance with the Food and Drugs (Composition and Labelling) Regulations. Further, as at the Latest Practicable Date, no further follow-up enforcement action had been taken by the Food and Environmental Hygiene Department against Herb Standard HK in relation to the above matter. In view of the above, our Hong Kong Legal Counsel is of the view that the likelihood of Herb Standard HK being prosecuted for breach of the Food and Drugs (Composition and Labelling) Regulations is remote. Therefore, our Directors, as advised by our Hong Kong Legal Counsel, are of the view that the non-compliance incident does not have a material adverse effect on the operations, business, or financial performance of our Group and consider such non-compliance is an immaterial non-compliance.

In order to prevent recurrence of the above non-compliance incident with the Drugs (Composition and Labelling) Regulations, we had engaged a licensed pharmacist to review the advertising and packaging descriptions of our products as of February 2026 and we will continue to consult the licensed pharmacist on new advertisements and new product packaging of our products that relate to efficacy and health claims and product ingredients.

Product Descriptions

During the Track Record Period and up to the Latest Practicable Date, Herb Standard HK received an investigation results letter dated 13 November 2025 from the Customs and Excise Department in respect of one of its products, Herb Standard Deer DHA+ Essence 60 Chewables (the "Product"). Upon examination by the Government Chemist of the Product, it was noted that the DHA content of the Product differed from the DHA content stated on the product packaging. Herb Standard HK was therefore suspected to be in breach of Section 7 of the Trade Descriptions Ordinance, which provides, among others, no person shall apply a false trade description to any goods.

Under Section 18 of the Trade Descriptions Ordinance, any person who commits an offence under 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. Pursuant to Section 19 of the Trade Descriptions Ordinance, no prosecution may be brought after the expiration of three years from the date of commission of the offence or one year from the date of its discovery by the prosecutor, whichever is earlier.

In the investigation results letter, the Customs and Excise Department 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 in relation to the above matter. Our Hong Kong Legal Counsel is, therefore, of the view that the likelihood of the Customs and Excise Department revisiting or

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retracting its positions as set out in its investigation results letter is highly remote. In any event, our Hong Kong Legal Counsel is of the view that the prosecution against Herb Standard HK is now time-barred. Therefore, our Directors, as advised by our Hong Kong Legal Counsel, are of the view that the non-compliance incident does not have a material adverse effect on the operations, business, or financial performance of our Group and consider such non-compliance is an immaterial non-compliance.

In order to prevent recurrence of the above non-compliance incident with the Trade Descriptions Ordinance, we have adopted an internal control policy requiring certificates evidencing the ingredients of the products to be provided by our suppliers for all new products and also for each product on an annual basis.

Late Tax Filing and Payments

During the Track Record Period and up to the Latest Practicable Date, both Herb Standard HK and Marvel Pro did not pay their respective tax payables within the stipulated time set out in the relevant notice of assessment for 2022/2023 and 2023/2024. The aggregate tax payable by Herb Standard HK and Marvel Pro was approximately HK\$2.2 million for the year of assessment for 2022/2023 and HK\$13.4 million 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. Accordingly, Herb Standard HK and Marvel Pro received late payment surcharge notices for profit tax with a 5% surcharge for the year of assessment for both 2022/2023 and 2023/2024. The aggregate surcharge payable by Herb Standard HK and Marvel Pro was approximately HK\$0.1 million for the year of assessment of 2022/2023 and HK\$0.7 million for the year of assessment of 2023/2024. All outstanding tax payables and surcharges for the year of assessment for 2022/2023 and 2023/2024 were fully paid within 6 months of the date of payment specified in the relevant notice of assessment and late payment surcharge notice. As advised by our Tax Consultant, as there is no express provision in the Inland Revenue Ordinance which empowers the Inland Revenue Department to impose other penalties in respect of the late tax payments, except the surcharge which had already been imposed and duly settled, our Company considers that there are no further penalties which may be imposed on Herb Standard HK and Marvel Pro in relation to their late tax payments for the years of assessment for 2022/2023 and 2023/2024.

For the late tax payments for the year of assessment for 2022/2023, it was primarily due to the oversight of the relevant accounting staff regarding the available funds in the bank accounts of our Group. Upon the receipt of the late payment surcharge notice, our director became aware that there were insufficient funds in the bank accounts to settle the tax payments, who then immediately took actions, including by applying for loan facilities from a bank, to arrange for funds to settle the payments.

For the late tax payment for the year of assessment for 2023/2024, it was primarily due to the oversight of the relevant handling staff who did not make an application for holdover of provisional tax for 2024/25 or an application for instalment payment before the relevant stipulated due date. The Inland Revenue Department subsequently issued a late payment surcharge notice to each of Herb Standard HK and Marvel Pro. Upon the receipt of the late payment surcharge notice, our director immediately took actions, including by applying for loan facilities from a bank, to arrange for funds to settle the payments.

During the Track Record Period and up to the Latest Practicable Date, 3R Pharmaceutical did not file its profit tax return for the year of assessment for 2023/2024 by the stipulated due date. Although the profit tax return was issued and sent to the registered address of 3R Pharmaceutical, 3R Pharmaceutical did not receive such profit tax return. It was only upon the receipt of a late tax return filing notice issued by the Inland Revenue Department that the relevant staff realised 3R Pharmaceutical had been previously issued with the profit tax return. 3R Pharmaceutical then promptly arranged for the filing of its profit tax return and requested the Inland Revenue Department to waive the penalty of HK\$1,200 on the late filing of the profit tax return.

Under Section 80(2) of the Inland Revenue Ordinance, any person who without reasonable excuse failed to furnish a tax return in time is subject to a fine of HK\$10,000 and a further fine of treble the amount of the tax undercharged. 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

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Pharmaceutical would be subject is a fine of HK\$10,000. As of the Latest Practicable Date, 3R Pharmaceutical did not receive any further notice from the Inland Revenue Department on the payment of such fine after 3R Pharmaceutical requested the waiver of the fine.

To ensure that our Group's tax obligations during the Track Record Period have been properly recorded and there was no other breach by our Group of the relevant tax laws and regulations in Hong Kong during the Track Record Period, we had engaged our Tax Consultant to conduct a review of our tax filings and payments during the Track Record Period. Our Tax Consultant had (i) cross checked the profits tax computations prepared by our Group for the Track Record Period with the singleton level of audited financial statements, and no inconsistency in revenue and profits or losses before tax was found; (ii) reviewed all tax payments and settlement records of the profits tax liabilities of our Group for the Track Record Period; and (iii) reviewed all tax assessments of our Group for the Track Record Period. Based on the above review, our Tax Consultant is of the view that (i) our Group's tax obligations during the Track Record Period had been properly recorded; (ii) our Group had properly settled all tax liabilities during the Track Record Period; (iii) no attempt of any tax evasion for the Track Record Period was noted; and (iv) save for the late tax payments and late tax filing as mentioned above and the late filings of employer's return below, our Group had been in compliance with relevant Hong Kong tax laws and regulations in all material respect during the Track Record Period and up to the Latest Practicable Date.

In order to prevent recurrence of the above non-compliance incidents in relation to late tax filing and late tax payments, we have established a set of policies and procedures mandating the punctual and accurate tax filings and payment of taxes to the relevant bodies. Tax filing and tax payment shall be prepared and executed by local tax representatives and members of the finance department in accordance with the deadlines provided by the Inland Revenue Department, with oversight from the chief financial officer and the executive Directors, to ensure that tax filing and tax payment are conducted in compliance with the Inland Revenue Department requirements.

Late Filings of Employer's Return

During the Track Record Period and up to the Latest Practicable Date, Marvel Pro did not file its employer's return for the year of assessment for 2023/2024 within the stipulated due date and Aim Smart did not file its employer's return for the year of assessment for 2022/2023 within the stipulated due date. The late filings were primarily due to the inadvertent oversight of the relevant staff who overlooked the filing deadline of a terminated employee.

Under Section 80(1) of the Inland Revenue Ordinance, an employer who, without reasonable excuse, failed to comply with a requirement under the Inland Revenue Ordinance (including the failing to file an employer's return) is subject to a fine not exceeding HK\$10,000. As of the Latest Practicable Date, neither Marvel Pro nor Aim Smart had received any notice from the Inland Revenue Department on the imposition of such fine. As such, our Hong Kong Legal Counsel is of the view that the likelihood of Marvel Pro or Aim Smart being prosecuted for the above non-compliance is remote. Therefore, our Directors, as advised by our Hong Kong Legal Counsel, are of the view that the non-compliance incident does not have a material adverse effect on the operations, business, or financial performance of our Group and consider such non-compliance is an immaterial non-compliance.

In order to prevent recurrence of the above non-compliance incident in relation to late filing of employer's return, we have adopted a standard checklist to timely record the commencement and termination of our employees to ensure relevant employer's return is filed on a timely basis.

Directors and Sole Sponsor's View

Having considered the nature and reasons for the non-compliance incidents above, the corrective actions taken and the internal control measures adopted by us, our Directors are of the view, and the Sole Sponsor concurs, that (i) our enhanced internal control measures are adequate and effective having regard to the obligations of our Company and our Directors under the Listing Rules and other relevant legal and regulatory requirements; and (ii) the past non-compliance incidents would not affect the suitability of our Directors to act as directors of a listed issuer under Rules 3.08 and 3.09 of the Listing Rules or the suitability for [REDACTED] of our Company under Rule 8.04 of the Listing Rules on the following basis:

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- the occurrence of the non-compliance incidents was not due to the dishonesty, gross negligence or recklessness of our Directors nor for illegitimate purposes;
- all the non-compliance incidents are immaterial non-compliances which did not have any material impact on our business operations and financial position;
- since the implementation of the enhanced internal control measures and up to the Latest Practicable Date, our Directors confirmed that our Group had not had any material breach of the relevant laws and regulations; and
- our Directors are aware of the requirements and obligations as directors of a listed issuer pursuant to the Listing Rules and have undertaken to observe and comply with all the relevant rules and regulations.