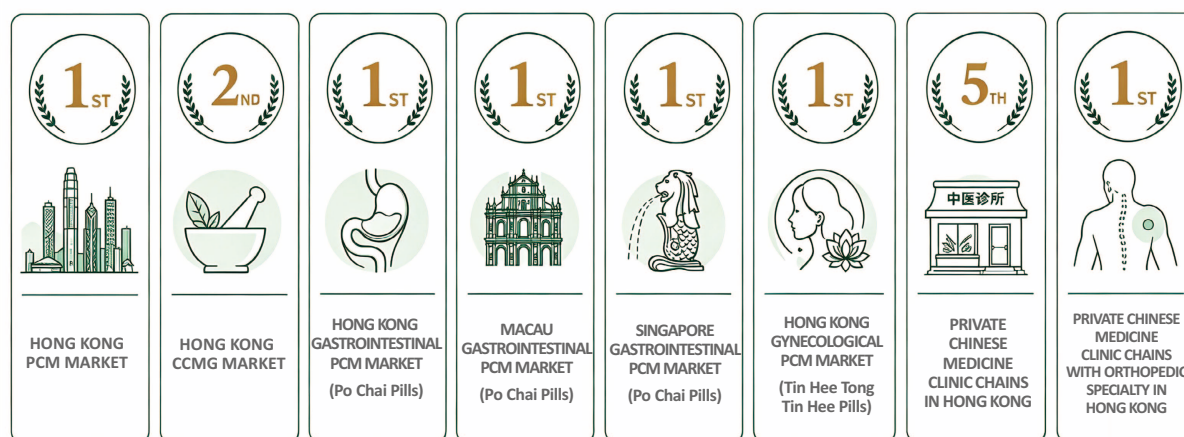


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OVERVIEW

We are the largest PCM group in Hong Kong by end-market sales, with a market share of 9.2% in 2025 according to the Frost & Sullivan Report. Since entering the branded PCM market in 2003, we have steadily built a portfolio of trusted heritage brands and developed a vertically integrated Chinese medicine platform centered on our heritage brands, integrating formulation development, quality system management, manufacturing and extending to brand management, sales and distribution, and Chinese medicine clinic services. Together, these capabilities connect products, practitioners and patients across the Chinese medicine value chain, supporting our brand development, market expansion and long-term growth.

RANKING IN KEY MARKETS



* Ranked by end-market sales in 2025 or, in the case of private Chinese medicine clinic chain rankings, by number of clinics as of June 30, 2026.

Source: Annual reports of listed companies, interviews with industry experts, Frost & Sullivan analysis

Our business is built on a portfolio of heritage household PCM brands with long operating histories, which form the foundation of our vertically integrated Chinese medicine platform. Our heritage brands include Po Chai Pills (保濟丸), with 130 years of history, and Tin Hee Tong Tin Hee Pills (天喜堂天喜丸), with a history of over 120 years. Each flagship product under these brands ranked first in its respective therapeutic PCM market in Hong Kong in 2025, according to the Frost & Sullivan Report. We also carry Flying Eagle Wood Lok Medicated Oil (飛鷹活絡油), a well-recognized medicated oil brand; Tong Tai Chung (唐太宗), a “Hong Kong Top Brand” with approximately 30 years of history; and Shiling Oil (十靈油), a centenary household brand. The strength of our branded PCM portfolio is further supported by Hoi Tin (海天), one of the first CCMG brands in Hong Kong. We carry a comprehensive CCMG portfolio of over 700 single-herb (單味) and combo-formula (複方) products, and ranked second in the CCMG market by end-market sales in 2025, according to the Frost & Sullivan Report.

Building on our branded PCM product portfolio, we expanded holistically into the Chinese medicine clinic service segment during the year ended March 31, 2026, creating a vertically integrated Chinese medicine platform. We offer Chinese medicine clinic services covering internal medicine, orthopedic and traumatology, acupuncture and other Chinese medicine consultation and treatment services through our established clinic brands “Kenford Medical Group 健福堂,” “King Pui TCM Clinic

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景培中醫”和“Hong Kong Orthopaedic & Chiropractic Specialist Chinese Medical Clinic 香港骨傷及脊椎專科診所。”As of March 31, 2026, we operated 40 clinics with over 50 registered Chinese medicine practitioners providing professional consultation services mostly in populated residential areas. According to the Frost & Sullivan Report, we were the fifth largest private Chinese medicine clinic chain, and the largest private Chinese medicine clinic chain with an orthopedic specialty, in Hong Kong by number of clinics as of June 30, 2026. We believe the integration of our branded PCM products with our clinic network provides differentiated insights into practitioner and patient needs, while strengthening our brand development and consumer engagement.

Our market position is underpinned by our proven brand management and marketing ingenuities, as evidenced by our award-winning, multi-channel marketing campaigns, including the Merit Award received at the 41st Kam Fan Awards for the launch campaign of the Po Chai Pills sachet pack and, for Flying Eagle Wood Lok Medicated Oil, the MARKies Silver Award for Best Idea — Launch/Rebranding and the HKMA/ViuTV & Now TV Award for Excellence in TV Commercial in 2025. For our heritage household brands, we strive to rejuvenate their brand positioning to adapt to the changing demographics and consumer behavior. Our multi-channel online and offline marketing initiatives have enabled us to strengthen end consumer engagements and gather valuable market insights to drive our brand positioning strategies and product development drives.

We operate two GMP-accredited Hong Kong facilities, in which we manufacture Po Chai Pills, Tin Hee Tong Tin Hee Pills and our medicated oils, including Flying Eagle Wood Lok Medicated Oil, Shiling Oil, Tong Tai Chung Medicated Oil and Konsodona Medicated Oil. As GMP accreditation is not mandatory for PCM manufacturing in Hong Kong, only 21 of 195 licensed PCM manufacturers, or 10.8%, were GMP-accredited as of June 30, 2026, and we held 2 of those 21 accreditations, according to the Frost & Sullivan Report. We also outsource the production of our own brand CCMG products and other miscellaneous branded PCM products to third-party manufacturers. Meanwhile, we maintain a comprehensive, end-to-end quality management system in strict compliance with GMP requirements, covering the full quality assurance lifecycle from supplier selection and raw material procurement to manufacturing, finished product release, stability studies and post-market product safety monitoring, with all quality control testing of self-manufactured products performed in-house, supporting consistent product quality throughout our branded PCM portfolio.

We have established a broad sales and distribution network anchored in Hong Kong, with geographic reach spanning China, Macau, Singapore, Malaysia, Indonesia, Thailand, as well as select markets in North America and the Caribbean Islands. We adopt a hybrid model comprising direct sales, distributor arrangements and select online channels tailored to product and market characteristics. A distinguishing feature of our network is our direct access to the Hong Kong Chinese medicine practitioner community and patients, providing a robust distribution channel and strengthening the connectivity between products, practitioners and patients across our vertically integrated Chinese medicine platform. We believe that our heritage brands, vertically integrated Chinese medicine platform and quality management capabilities provide a strong foundation for our sustained development and long-term growth.

Our strengths and capabilities have allowed us to achieve strong financial performance during the Track Record Period as evidenced by the increase in revenue from HK\$339.3 million for the year ended March 31, 2024 to HK\$463.8 million for the year ended March 31, 2026, representing a CAGR of 16.9%, as well as the growth in profit for the year at a CAGR of 11.1% from HK\$65.5 million to HK\$80.9 million over the same period.

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OUR COMPETITIVE STRENGTHS

Our competitive strengths are built upon the high level of brand recognition and user loyalty amongst a portfolio of heritage PCM brands, differentiated brand management capabilities, and extensive practitioner relationships, supported by a broad sales and distribution network anchored in Hong Kong with overseas reach and robust quality management systems. We believe these strengths reinforce one another to create a resilient and scalable business model, support our long-term growth, and enhance our competitive position in the Chinese medicine market. Our principal competitive strengths include:

A leading PCM group with a portfolio of trusted heritage PCM brands

Our portfolio of trusted heritage PCM brands forms the foundation of our business, carrying Chinese medicine formulations grounded in traditional theory and stringent quality standards. We are a leading Hong Kong-based PCM group that manufactures, markets and distributes PCM brands with deep heritage, refined formulation and strong consumer recognition. Our portfolio includes traditionally inspired, scientifically refined formulations of Chinese medicine developed under rigorous manufacturing and testing standards. We also offer Chinese medicine formulas with standardized, stable and convenient dosage forms — reflecting current expert consensus on branded PCM products.

We ranked first in the Hong Kong PCM market by end-market sales in 2025, according to the Frost & Sullivan Report. Our focus on brand management and portfolio development has enabled us to build a portfolio of trusted heritage PCM brands with strong market recognition and enduring market relevance. Our heritage PCM brands include Po Chai Pills, with 130 years of history, and Tin Hee Tong Tin Hee Pills, with a history of over 120 years. Each flagship product under these brands ranked first in its respective therapeutic PCM market in Hong Kong in 2025, according to the Frost & Sullivan Report. We also carry Flying Eagle Wood Lok Medicated Oil, a well-recognized proprietary Chinese medicated oil brand; Tong Tai Chung, a “Hong Kong Top Brand” with approximately 30 years of history; and Shiling Oil, a centenary household brand. The strength of our branded PCM portfolio is further supported by Hoi Tin, one of the first CCMG brands in Hong Kong.

Our branded PCM product portfolio covers diverse indications, including gastrointestinal health, gynecological conditions, and musculoskeletal discomfort. This focus underpins stable and recurring consumer demand and reinforces the resilience of our brand portfolio. In addition to our branded PCM products in the retail market, we were one of the major CCMG suppliers in Hong Kong in 2025, according to the Frost & Sullivan Report. We have a comprehensive CCMG portfolio consisting of over 700 single-herb and combo-formula products, supporting our leading presence across both consumer and practitioner channels. Leveraging the heritage, user loyalty, and strong market recognition of our brands, we believe we are well-positioned to further strengthen our product offerings, deepen market penetration and consolidate our leading position in the branded PCM market.

Proven brand management and rejuvenation capabilities with creative, multi-channel marketing execution

Our success is underpinned by a proven ability to rejuvenate heritage household brands through disciplined brand management and creative marketing strategies crafted to broaden our consumer base while retaining the trust and loyalty of existing customers. We have rejuvenated the positioning of our heritage brands based on changing demographics and consumer behavior through product line extensions, formulation refinements and coordinated marketing initiatives across online and offline

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channels, including celebrity endorsements and diversified consumer touchpoints spanning digital, physical and experiential engagements. For example, we repositioned Po Chai Pills by extending its appeal to a younger demographic and consumers with a more dynamic lifestyle, contributing to it capturing the largest market share in the gastrointestinal PCM market in Hong Kong in 2025, according to the Frost & Sullivan Report.

In particular, we drive product innovation and leverage high-impact, award-winning marketing campaigns to reinforce distinctive brand identities and deepen consumer affinity. Our integrated multi-channel strategy combines high-profile celebrity-led campaigns, television title sponsorships and advertisements, targeted outdoor placements in prime tourist locations, concert sponsorships, social media engagement and experiential events to enhance brand visibility, broaden our reach to younger demographics and support sales growth. We believe these capabilities enable us to effectively communicate the indications and efficacy of our products, facilitating conversion of brand-agnostic and competitor-loyal consumers. For example, the launch of our Po Chai Pills new sachet pack format, designed to address convenience-driven consumer needs, was supported by an integrated advertising campaign that effectively combined product reinvention with engaging storytelling to enhance accessibility and appeal, and received a Merit Award at the 41st Kam Fan Awards, recognizing its successful revitalization of a heritage brand. Similarly, the successful repositioning of Flying Eagle Wood Lok Medicated Oil, supported by creative marketing execution, received multiple industry recognitions in 2025, including the MARKies Award for Best Idea — Launch/Rebranding and the HKMA/ViuTV & Now TV Award for Marketing Excellence in TV Commercial, underscoring our ability to revitalize heritage brands and strengthen their market positioning.

GMP-accredited manufacturing capabilities and robust quality management

Product safety, efficacy and quality underpin our business and have driven sustained consumer trust in our brands over the years. We operate two Hong Kong-based GMP-accredited manufacturing facilities, in which we manufacture Po Chai Pills, Tin Hee Tong Tin Hee Pills and our medicated oils, including Flying Eagle Wood Lok Medicated Oil, Shiling Oil, Tong Tai Chung Medicated Oil and Konsodona Medicated Oil. As GMP accreditation is not currently mandatory in Hong Kong, only 21 of 195 licensed PCM manufacturers in Hong Kong, or 10.8%, were GMP-accredited as of June 30, 2026, and we held 2 of those 21 accreditations, according to the Frost & Sullivan Report. Recent regulatory developments have further increased the importance of GMP-accredited manufacturing capabilities, in particular, the Chinese Medicine Development Blueprint issued by the Hong Kong government contemplates phased GMP implementation, and the NMPA’s streamlined approval pathway into the PRC market for eligible Hong Kong-registered oral PCM also requires GMP-compliant manufacturing. We believe our GMP-accredited facilities position us to compete effectively as the PCM industry transitions toward higher standards of manufacturing, quality and compliance.

We complement our manufacturing capabilities with a comprehensive, end-to-end quality management system in strict compliance with GMP requirements, covering the full quality assurance cycle, from supplier selection and raw material procurement to manufacturing, finished product release, stability studies and post-market product safety monitoring. Unlike some of the industry practices of outsourcing certain quality control activities, according to the Frost & Sullivan Report, all quality control testing of our self-manufactured products is performed in-house, which enables us to maintain a tight and disciplined accountability over product quality. This integrated approach enhances traceability, supports consistent product quality and enables early identification and mitigation of potential quality deviations, strengthening our ability to meet evolving regulatory requirements.

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Multi-channel sales and distribution network in Hong Kong with overseas market access

We have established a broad sales and distribution network anchored in Hong Kong, with geographical reach spanning China, Macau, Singapore, Malaysia, Indonesia, Thailand, as well as select markets in North America and the Caribbean Islands. We adopt a hybrid of sales and distribution model tailored to the characteristics of our products and target markets, combining direct sales, distributor engagement, as well as selective online channels. In Hong Kong, we sell our branded PCM products (other than CCMG products) directly and indirectly through a distributorship model to major key chains, registered pharmacies and drug stores, as well as end consumers (patients of our Chinese medicine clinics or through online platforms). A key differentiating feature of our network is our extensive access to the Chinese medicine practitioner community, providing a recurring channel for practitioner engagement and product distribution. As a market leader in the CCMG market in Hong Kong, we distributed CCMG products to over 70% of the total number of active Chinese medicine practitioners in Hong Kong in 2025, according to the Frost & Sullivan Report.

Outside Hong Kong, we sell selected products primarily through distributorship arrangements, cross-border e-commerce, and (for Macau) our local sales and distribution team. We generally engage one to two established overseas distributors in each relevant country or region. Through years of market cultivation, we have built local distribution networks which provide us with market access and operational flexibility for further expansion. Our strong relationship with key retailers and distributors, extensive coverage of the Chinese medicine practitioner network and patient access, combined with our reputation for high-quality branded PCM products, drive market penetration and enable efficient product commercialization.

Vertically integrated Chinese medicine platform built on our branded PCM products and Chinese medicine clinic network

Our Chinese medicine clinic network extends our branded PCM platform by connecting products, practitioners and patients through clinical engagement. We offer comprehensive Chinese medicine clinic services covering internal medicine, orthopedic and traumatology, acupuncture and other Chinese medicine consultation and treatment services through established brands “Kenford Medical Group 健福堂,” “King Pui TCM Clinic 景培中醫” and “Hong Kong Orthopaedic & Chiropractic Specialist Chinese Medical Clinic 香港骨傷及脊椎專科診所.” Strategically located in populated residential areas, our clinics allow us to address rising demand for Chinese medicine clinic services. With 40 clinics and over 50 registered Chinese medicine practitioners, our Chinese medicine clinic services, which commenced in June 2025, contributed 8.6% of our total revenue in the year ended March 31, 2026. According to the Frost & Sullivan Report, we were the fifth largest private Chinese medicine clinic chain, and the largest private Chinese medicine clinic chain with an orthopedic specialty, in Hong Kong in terms of number of clinics as of June 30, 2026.

The synergies between our branded PCM products and Chinese medicine clinics create a direct and commercially meaningful link between practitioner consultation, treatment and end consumer access. We believe our direct engagement with, and routine access to, the practitioner community gives us differentiated insights into prescribing patterns, operational needs and patient demographics, which supports the positioning and introduction of complementary products through this channel. For example, the offering of internal medicine and pain management services at our clinics creates a specific synergy with our CCMG products and our medicated oils, which are well suited to practitioner treatment protocols and patient needs in these specialties. Our Chinese medicine clinics also serve as direct touchpoints for enhancing product awareness, in-clinic displays and practitioner engagement,

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enabling us to enhance awareness of, and confidence in, our branded PCM products and ancillary CM products in a clinical setting. Feedback from practitioners and patients further supports product development, marketing and brand-building initiatives. We believe our vertically integrated Chinese medicine platform deepens our relationship with patients and Chinese medicine practitioners, strengthens brand recognition and loyalty, and provides a scalable foundation for further growth in Hong Kong’s Chinese medicine market.

Seasoned management team with in-depth industry expertise and strong regional networks

We are led by a seasoned management team with extensive experience across Chinese medicine, Chinese medicine clinic operations and regulated healthcare businesses. Our Directors and senior management team have, on average, over 25 years of relevant industry experience, and include professionals with pharmaceutical, Chinese medicine or life sciences academic backgrounds. In particular, each of our heads of manufacturing, quality management, sales and marketing, and regulatory affairs departments has over 20 years of industry experience, which reinforces our manufacturing capabilities, quality control systems and regulatory compliance framework. Their technical expertise, together with strong commercial experience and people network, Chinese medicine practitioners, distributors and industry participants, supports our knowledge-driven product development, stringent quality standards and effective execution across the value chain.

Strategic planning, business development and high-level oversight are provided by Sum Kwong Yip Derek, our Chairman and non-executive Director, who brings over 38 years of strategic and corporate management experience in the pharmaceutical industry. With over 30 years of experience in corporate management, accounting, corporate finance and compliance, Yu Chun Kau, our executive Director and chief executive officer, leads our operations and is responsible for our day-to-day management, focusing on operation management, strategic planning, business development, brand promotion and financial management, supported by a seasoned management team across production, quality assurance, brand management, sales and marketing, and Chinese medicine clinic operations. Ng Kwan Ho, our executive Director and vice president of sales and marketing, contributes extensive experience in sales, marketing, brand management and strategic planning. Furthermore, Chan King Kin Kevin, our chief operating officer, brings over 18 years of experience in the Chinese medicine industry. Together, our management team provides strong leadership continuity, deep sector insight and strong execution capabilities, positioning us well to pursue sustainable growth.

OUR BUSINESS STRATEGIES

Guided by our mission of delivering trusted and integrated Chinese medicine solutions that support healthier and fuller lives, our business strategies are designed to strengthen the capabilities that underpin our long-term growth, including our portfolio of trusted heritage brands, consumer engagement, rapport with Chinese medicine practitioners and vertically integrated Chinese medicine platform. Through these initiatives, we seek to strengthen our market position while expanding access to our branded PCM products and Chinese medicine clinic services. We aspire to pursue the following key business strategies:

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Further expand our portfolio through organic growth and mergers and acquisitions

Our ability to continuously expand our portfolio of branded PCM products is key to maintaining our competitive position and ensuring our growth momentum. We intend to leverage the strong consumer recognition of our heritage brands to support the organic growth of our products by exploring a range of initiatives:

- *Product line extension:* Leveraging the demonstrated success of our product extension initiatives, including the launch of the new sachet pack for Po Chai Pills, a brand with 130 years of heritage, in 2025 to cater to convenience-driven consumers, we intend to continue to build on the brand heritage and unique formulations of our branded PCM products to introduce new packaging formats, formulation innovations and line extensions that address more refined consumer segments and broaden appeal across different demographics.
- *Quality and manufacturing enhancements:* Aligned with our on-going initiative to upgrade the accreditation status of our manufacturing facilities to PIC/S and Halal certifications for Po Chai Pills for certain markets, we will continue to enhance quality standards and further invest in automation and smart production optimization to ramp up the scale and production efficiency of an expanded product portfolio.
- *CCMG expansion:* We intend to develop additional CCMG products, optimize product mix and specifications, and introduce line extensions to better meet the prescribing preference and clinical needs of Chinese medicine practitioners.

In addition, we intend to pursue merger and acquisition opportunities with the right strategic fit that complement our portfolio of heritage brands and vertically integrated Chinese medicine platform. We have demonstrated our ability to acquire and integrate branded PCM products and Chinese medicine clinic operations, including acquisitions during the year ended March 31, 2026 that expanded our branded PCM product portfolio and enabled us to enter the Chinese medicine clinic services sector. When considering potential businesses, brands or products, we will consider the strategic fit and long-term value of the target, including its product brand recognition, portfolio outlook and geographic market coverage, operating performance and scalability, the experience and reputation of its key personnel, the robustness of product quality, manufacturing capabilities and know-how, supporting technical data, and the adequacy of its regulatory approvals and compliance credentials. As a post-acquisition move, we intend to leverage our Hong Kong sales network and multi-region market access to ramp up the scale of the acquired businesses, brands or products, and align quality systems, branding, regulatory documentation, distribution arrangements and marketing plans with our standards.

Elevate brand impact through our proven branding and marketing capabilities

We intend to preserve, rejuvenate and extend heritage brands by leveraging our proven capabilities in brand management and creative marketing initiatives. We align our branded PCM products and brand messaging with evolving consumer behavior and design campaigns targeted at different age groups and usage occasions. We have successfully applied this approach across our portfolio, including through product and packaging enhancements such as the launch of the sachet pack for Po Chai Pills, as well as integrated marketing campaigns for Flying Eagle Wood Lok Medicated Oil and Tong Tai Chung Medicated Oil, several of which have received industry awards recognizing their creative execution and marketing ingenuity. Our marketing initiatives span television, outdoor media, digital and social platforms, event sponsorships, celebrity endorsements and experiential events, including cultural,

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entertainment and sporting events, reinforcing consumer awareness of our branded PCM products for relevant usage occasions and strengthening our brand presence across diverse audience segments. We intend to continue deploying this strategy to our branded PCM products, including Tin Hee Tong Tin Hee Pills, a heritage brand with over 120 years of history that we transitioned following our acquisition of Tin Hee Tong in 2025 to our GMP-accredited facility, thereby preserving its heritage and unique formulation while enhancing quality assurance and consumer confidence. We believe this heritage-led, insight-driven and creatively executed approach will strengthen brand loyalty, deepen consumer engagement, support the sustainable growth of our branded PCM products and strengthen our competitive position.

Deepen market penetration and expansion of our sales and distribution network

We have cultivated a broad sales and distribution network anchored in Hong Kong, with geographical reach spanning China, Macau, Singapore, Malaysia, Indonesia, Thailand, as well as select markets in North America and the Caribbean Islands. We intend to leverage our existing network and further expand in the following markets:

- *China:* We intend to appoint capable and well-established distribution partners with strong existing networks in retail pharmacies and chain stores across China to support national roll-out. We will provide comprehensive marketing and product support to our distributors and work closely with them to actively monitor, develop and expand our distribution network, thereby optimizing resource allocation and minimizing execution risk. In addition, we intend to further capitalize on NMPA’s recent policy developments under which certain traditional oral PCMs held by Hong Kong manufacturers, registered and used in Hong Kong for more than 15 years and manufactured in compliance with GMP requirements may benefit from a streamlined PRC registration pathway. Several of our branded PCM products, namely Shiling Oil, Konsodona Medicated Oil and Magatilin Herbs Balm, have already obtained registration through this expedited channel, and we intend to further extend registration of our broader product portfolio under this framework in China.
- *Overseas markets:* We intend to carry on with our on-going application with the Therapeutic Goods Administration, or TGA, of Australia for PIC/S certification in late 2025, which, if obtained, is expected to significantly enhance our regulatory compliance capabilities and market access in PIC/S member countries.
- *Muslim-majority markets:* Internationally, we intend to deepen our penetration in Muslim-majority markets in Southeast Asia, building on our established market positions in Singapore and other select markets. In particular, we intend to pursue Halal certification for select products to facilitate market access in Muslim-majority markets.

Unlock the strategic value of the Chinese medicine practitioner network

We have an established and extensive network of Chinese medicine practitioners in Hong Kong, comprising both external Chinese medicine practitioners and, since June 2025, practitioners serving in our Chinese medicine clinics. This network supports not only the sales and distribution of our branded PCM products, but also practitioner engagement, brand development and the generation of market insights across our vertically integrated Chinese medicine platform.

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For our in-house channel, we intend to expand and upgrade our clinic network through the establishment of new clinics in strategically selected locations and the renovation and enhancement of existing facilities, with a view to improving patient experience, maintaining high service standards and strengthening the integration between our clinic services and our branded PCM products. New clinic locations will be selected based on population density, accessibility and proximity to existing healthcare facilities, with a focus on underserved areas where we believe demand for Chinese medicine services is strong. Renovation and upgrading works are expected to include enhancements to clinic frontage and the procurement of new medical equipment for our clinics. We also intend to enhance patient acquisition and retention within our clinic network through targeted initiatives, including corporate partnership arrangements and the development of a dedicated patient-facing mobile application designed to facilitate appointment booking, promote patient engagement and encourage repeat visits.

For our external channel, we intend to leverage our established practitioner relationships to deepen penetration beyond our clinic network. In particular, we distributed CCMG products to over 70% of the total number of active Chinese medicine practitioners in Hong Kong in 2025, according to the Frost & Sullivan Report, which provides us with a broad practitioner base and recurring channel of interaction. Building on this foundation, we seek to expand the role of our branded PCM products within the practitioner channel by promoting their complementary use alongside CCMG treatments and integrating them into practitioner treatment protocols where appropriate. We intend to support this through targeted practitioner engagement initiatives, including product education and professional exchanges, with a view to enhancing product awareness and facilitating broader usage. We believe that our vertically integrated Chinese medicine platform and ongoing interaction with practitioners across both our clinic and external networks enable us to develop a deeper understanding of practitioner needs and treatment practices, which supports the positioning and adoption of our branded PCM products. Together, our dual-channel strategy is designed to drive deeper engagement with practitioners, broaden the utilization of our branded PCM products and support growth of our practitioner channel.

We believe that our vertically integrated Chinese medicine platform and ongoing engagement with practitioners across both our clinic and external practitioner networks enable us to better understand practitioner needs, treatment practices and patient preferences, supporting product development, brand-building initiatives and product commercialization. Together, these initiatives are intended to strengthen the strategic value of our practitioner network while unlocking its sales and distribution potential across our branded PCM product portfolio.

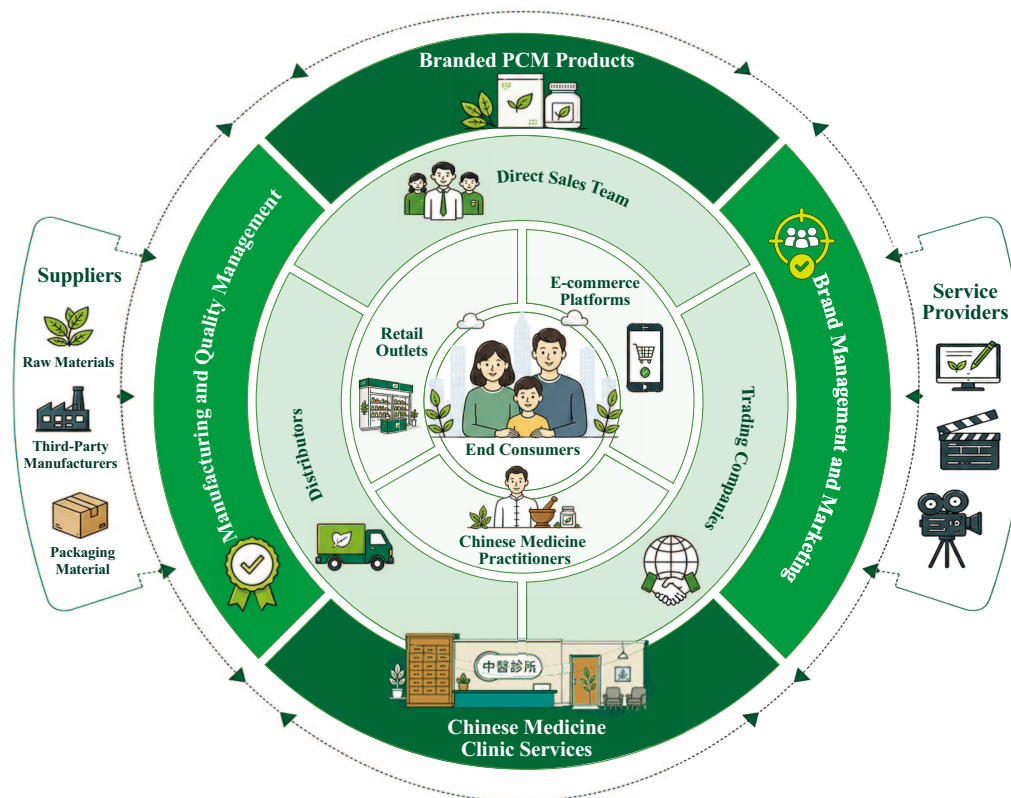
Advance clinical research and academic partnerships to reinforce product credibility

Unlike Western medicines and pharmaceutical products, branded PCM products have historically benefited less from efficacy studies and advocacy reports published in peer-reviewed journals. We believe that generating and publishing robust clinical evidence in recognized peer-reviewed journals can meaningfully elevate the market positioning and professional credibility of our branded PCM products among consumers, practitioners and trade partners, serving as a key differentiator in the PCM market. To advance this strategy, we commissioned Shanghai University of Traditional Chinese Medicine in 2023 to conduct clinical research on Flying Eagle Wood Lok Medicated Oil. The findings have been published in two international journals, namely Journal of Pain Research and Journal of Medical Internet Research (JMIR) Research Protocols, and demonstrated significant efficacy for relieving lower back pain. Building on this collaboration, we have established a joint laboratory with Shanghai University of Traditional Chinese Medicine in 2026 to further advance our research capabilities. The next product in our clinical research pipeline is Tin Hee Tong Tin Hee Pills, for which we intend to generate evidence supporting its application in gynecological indications. We intend to continue

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investing in this research program on an ongoing basis to progressively build a body of clinical evidence across our branded PCM portfolio. We believe that published clinical evidence will enhance our credibility with healthcare practitioners, including Chinese medicine practitioners and pharmacists, whom we intend to engage through targeted promotional initiatives. Endorsements from these healthcare professionals are expected to strengthen our distribution with key chains, registered pharmacies and drug stores, which serve as key channels for reaching consumers.

OUR BUSINESS MODEL



We are a leading Hong Kong-based PCM group with a vertically integrated Chinese medicine business model centered on our portfolio of trusted heritage PCM brands with unique formulations and diverse indications. We manage, rejuvenate and expand these brands through integrated capabilities encompassing brand management, manufacturing, quality management, sales and distribution, and Chinese medicine clinic services. By connecting products, practitioners and patients across the Chinese medicine value chain, our business model strengthens brand equity, enhances consumer trust, deepens practitioner engagement, and supports the sustained development of our branded PCM portfolio.

We leverage data-driven, multi-channel brand management and marketing initiatives to strengthen brand positioning, stimulate consumer demand and generate market insights. These insights support product development and portfolio expansion to meet evolving consumer preferences and regulatory requirements. We operate two GMP-accredited facilities in Hong Kong, in which we manufacture Po Chai Pills, Tin Hee Tong Tin Hee Pills and our medicated oils, including Flying Eagle Wood Lok

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Medicated Oil, Shiling Oil, Tong Tai Chung Medicated Oil and Konsodona Medicated Oil. In a market where GMP-accreditation remains relatively uncommon but increasingly important for quality assurance and competitiveness, this reinforces market trust in our product quality. This is complemented by selective manufacturing outsourcing and an in-house quality management system covering the full end-to-end quality assurance lifecycle. Our extensive sales and distribution network spans Hong Kong and international markets, including China, Macau, Singapore, Malaysia, Indonesia, Thailand, as well as select markets in North America and the Caribbean Islands, through direct sales, distributors and online channels. In addition, we operate a network of Chinese medicine clinics offering comprehensive Chinese medicine clinic services, reinforcing our integrated ecosystem by connecting products, practitioners and patients and driving cross-selling within our platform, and thereby generating actionable consumer insights that inform our product development, service optimization and targeted customer engagement.

OUR PRODUCTS AND SERVICES

Our products and services are broadly divided into two categories: (i) branded PCM products; and (ii) Chinese medicine clinic services. The following table sets forth the breakdown of our revenue by category for the years indicated:

	Year ended March 31,					
	2024		2025		2026	
	HK\$'000	% of revenue	HK\$'000	% of revenue	HK\$'000	% of revenue
Branded PCM products	339,256	100	360,570	100	423,859	91.4
Chinese medicine clinic services . . .	—	—	—	—	39,955	8.6
Total	339,256	100.0	360,570	100.0	463,814	100.0

BRANDED PCM PRODUCTS

Our branded PCM product segment comprises PCM marketed under our branded portfolio. We first entered the branded PCM product market in 2003 and, as of March 31, 2026, owned a portfolio of over 100 PCM brands, some of which are highly recognized among consumers, enjoy strong market positions and are widely carried. We offer branded PCM products in a wide variety of dosage forms, including pills, powder, medicated oils, balms and CCMG.



* (From left to right): Shiling Oil, Flying Eagle Wood Lok Medicated Oil, Po Chai Pills, Tin Hee Tong Tin Hee Pills, Tong Tai Chung Balm, Tong Tai Chung Medicated Oil and Konsodona Medicated Oil

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Our branded PCM products are all under our own brands (where we own the brands and manufacture the products in-house at our GMP-accredited manufacturing facilities in Hong Kong or with the support of third-party manufacturers), save for third-party brand CCMG products. As of March 31, 2026, we carried a portfolio of more than 1,000 branded PCM products (including more than 700 single-herb and combo-formula CCMG products) counted by SKUs consistent with industry norm according to the Frost & Sullivan Report. Given that each brand may consist of multiple products or a number of SKUs of products in different dosage forms and package sizes, the number of products we carry is materially higher than the number of brands in our portfolio.

The following table sets forth our top five branded PCM products for the year ended March 31, 2026, which together accounted for 49.3% of our revenue from branded PCM products and 45.1% of the total revenue of our Group for the same year, respectively:

Product	Description
Po Chai Pills (保濟丸) (known as “普濟丸” or “Puji Pills” in China). . .	<ul style="list-style-type: none"> A branded PCM product made with Chinese herbs for the relief of indigestion, vomiting, diarrhea and abdominal pain, which is also indicated for relieving hangovers from alcohol Ranked first in the gastrointestinal PCM market in Hong Kong, Macau and Singapore by end-market sales in 2025, according to the Frost & Sullivan Report Reclassified into the OTC category in China by the NMPA in 2016
Tin Hee Tong Tin Hee Pills (天喜堂天喜丸) . . .	<ul style="list-style-type: none"> A branded PCM product formulated from Chinese herbal ingredients, indicated for the relief of women’s menstrual disorders, dysmenorrhea and constipation, caused by cold-dampness obstructing the middle and cold induced blood stasis Ranked first in the Hong Kong gynecological PCM market by end-market sales in 2025, according to the Frost & Sullivan Report
Shiling Oil (十靈油) (known as “薄荷祛風油” or “Bohe Qufeng You” in China).	<ul style="list-style-type: none"> A proprietary Chinese medicated and external antipruritic oil composed of methyl salicylate, menthol, camphor and essential oils indicated for the relief of itchiness caused by insect bites, blocked nose and refreshment 100-year brand with high brand awareness overseas, including the Caribbean Islands Classified into the OTC category in China by the NMPA
Flying Eagle Wood Lok Medicated Oil (飛鷹活絡油).	<ul style="list-style-type: none"> A proprietary Chinese medicated oil with over 30 years of history, composed of natural Chinese herbs and essential oils indicated for the relief of muscle aches, pains and swellings including those associated with physical exercise

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Product	Description
Konsodona Medicated Oil (鎮痛霸活絡油) (known as “祛風活絡油” or “Qufeng Huoluo You” in China).	<ul style="list-style-type: none"> An anti-rheumatic proprietary Chinese medicated oil with approximately 30 years of history, primarily composed of methyl salicylate and menthol with efficacy on muscle aches, pains, bruises and swellings associated with physical exercise Classified into the OTC category in China by the NMPA

CCMG Products

CCMG products are traditional Chinese herbal medicines processed through modern extraction and concentration technologies to arrive at a granular form for easy dispensing and administration. Our portfolio of CCMG products consists of more than 700 single-herb (單味) products and combo-formula (複方) products. In particular, our portfolio of combo-formula products increased from 136 as of March 31, 2024 to 167 as of March 31, 2026. CCMG single-herb products are granules made from one Chinese herb ingredient only. CCMG combo-formula products are granules made from a combination of multiple Chinese herb ingredients in accordance with the formula set forth in the Chinese Pharmacopoeia or other relevant authoritative literature of Chinese medicine. We currently carry two different brands of CCMG products:

- (i) Our own Hoi Tin brand CCMG products are outsourced to a GMP-compliant manufacturer for production on a third-party manufacturing basis. For further details, see the section headed “— In-House Manufacturing — Third-party manufacturing” below; and
- (ii) Third-party brand CCMG products, which we have the exclusive authority to distribute in Hong Kong and Macau. For further details, see the section headed “— Representation of Third-Party Brand CCMG Products” below.

We were one of the major CCMG suppliers in Hong Kong in 2025. For the year ended March 31, 2026, we distributed CCMG products to over 70% of the total number of active Chinese medicine practitioners in Hong Kong in 2025, according to the Frost & Sullivan Report.

Product Development

Our own brand products are branded PCM products with long established proprietary formulations based on ancient prescriptions, pharmacopeia prescriptions, or customary Chinese prescriptions. Nevertheless, we believe product development remains a key to our competitiveness, as well as our ability to adapt to new and evolving consumer demands and regulatory requirements. In particular, tailored to the characteristics of our own brand product portfolio, our product development initiatives primarily focus on product line extensions, formulation refinements, dosage-form innovations and market-specific adaptations, and none of which involve any patentable formulations:

- Product line extensions:* When we identify a need in a refined segment of a product market, we may build on an existing product and its brand appeal to develop extension products with new formats, dosages, added ingredients or therapeutic extensions. For example, we have extended our own brand CCMG products by introducing six combo-formula products in sachet format. This format is tailored for ease of use and portion control and is primarily

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distributed through clinic channels to end consumers. Furthermore, in an effort to rejuvenate the brand positioning of Po Chai Pills, we introduced the tear-and-take sachet pack for Po Chai Pills in 2025, designed for convenience and on-the-go use.

- *Formulation refinements:* We are developing a series of new products leveraging the heritage and market recognition of our established brands, including the exploration of new fragrances of one of our branded PCM products to appeal to a wider consumer base.
- *Market-specific adaptations:* Different jurisdictions may have varying licensing and regulatory requirements, which may require refinement to the formulation or packaging of an existing product before it can be registered and sold in a relevant jurisdiction. For example, we have made specific packaging adaptations for Po Chai Pills exported to China, Macau, and certain markets in Southeast Asia and North America.

As of March 31, 2026, we had a total of 8 experienced and qualified professionals dedicated to the above product development initiatives. Our product development team possesses an average of 16 years of industry experience and all of them hold a bachelor’s degree or above. They work closely with our business development team to leverage our market insights and product development know-how to cater for new and evolving demands in the market.

In 2023, we entered into a commissioned research arrangement with Shanghai University of Traditional Chinese Medicine for clinical research on Flying Eagle Wood Lok Medicated Oil, the findings of which have been published in two international journals, namely Journal of Pain Research and Journal of Medical Internet Research (JMIR) Research Protocols, and demonstrated significant efficacy for relieving lower back pain. Building on this collaboration, we are a party to a six-year agreement with Shanghai University of Traditional Chinese Medicine Asset Management Co., Ltd. in 2026 to establish a joint laboratory for research and development of Chinese medicine located at Shanghai University of Traditional Chinese Medicine. The joint laboratory commenced operation on January 1, 2026, and focuses on efficacy research, development and evaluation of Tin Hee Tong Tin Hee Pills and other Chinese medicine health products, and quality research and international registration pathway analysis for such products. Under the collaboration framework, we provide product information and samples and an annual experimental fee, while our partner is responsible for research design and execution, data analysis and reporting, maintaining laboratory platforms and quality management systems, and undertaking ethics, safety and data management compliance; research outputs are to be delivered as staged progress reports and final reports under project-specific supplemental agreements. The next product in our clinical research pipeline is Tin Hee Tong Tin Hee Pills. We are running a two-year “Tin Hee Tong Tin Hee Pills warm-uterus efficacy research” program from March 1, 2026 to March 1, 2028, covering in vivo and in vitro models to assess uterine smooth muscle contraction, reproductive endocrine rhythm and endometrial function. The research is intended to generate scientific and technical evaluation evidence to support product efficacy explanation, modernization of our internal quality systems and potential international registration strategies.

In-House Manufacturing

We operate two GMP-accredited manufacturing facilities in Hong Kong, in which we manufacture Po Chai Pills, Tin Hee Tong Tin Hee Pills and our medicated oils, including Flying Eagle Wood Lok Medicated Oil, Shiling Oil, Tong Tai Chung Medicated Oil and Konsodona Medicated Oil.

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Procurement of raw materials and packaging materials

The primary raw materials for our self-manufactured products are menthol, north atractylodes rhizome, eucalyptus oil, and processed poria, while the main packaging materials we use include paper, bottles and aluminum foil, most of which are general commodities commonly available in the market. We carefully select suppliers based on their qualifications, reputation, quality and services. Over 70% of the raw materials (by type) used in our GMP-accredited manufacturing facilities for the year ended March 31, 2026 were manufactured by manufacturers having obtained ISO 9001 or GMP-compliant quality system. We uniformly apply our quality management procedures and quality control standards for our active materials procured in compliance with our adopted or GMP standards (as the case may be), regardless of whether the relevant manufacturers are themselves GMP-accredited. For instance, all product quality-related suppliers for our GMP-accredited manufacturing facilities must undergo our vendor approval process, comprising an on-site audit or audit by questionnaire and other relevant continuous monitoring measures, such as requiring relevant active materials to be accompanied with a certificate of analysis and conducting relevant analytical activities, including chemical and physical analysis to confirm that they comply with our prescribed specifications. For further details of our quality management procedures and quality control checks on active ingredients, see the section headed “— Quality Management” below.

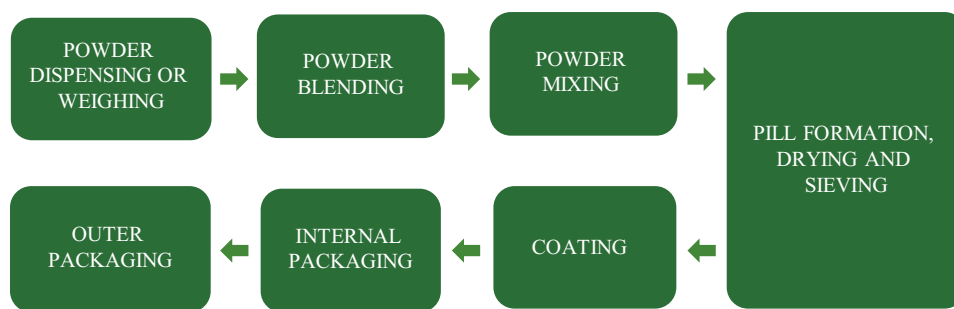
Our raw material and packaging material suppliers are primarily based in Hong Kong and China. During the Track Record Period, the production capacities of our suppliers have been adequate to meet our manufacturing needs and we believe that alternate suppliers are available. In order to reduce dependence on any single supplier, we may choose from multiple suppliers for our raw materials. We routinely monitor our suppliers for any incidents or regulatory warnings. We generally place purchase orders and do not have any agreements with our raw material and packaging material suppliers lasting longer than one year. Our suppliers typically require prepayment or cash on delivery, or grant credit terms of up to 90 days. The lead time for delivery varies depending on the availability of stock maintained by the raw material and packaging material supplier, the types of materials and the production cycle of the materials. The market prices of our raw materials and packaging materials may fluctuate from time to time as a result of factors such as incidental supply and demand fluctuations, our bargaining power with suppliers, logistics and processing costs, government regulations and policies and taxes. The cost of raw materials and packaging materials accounted for 12.6%, 17.9% and 17.4% of our overall cost of sales for the years ended March 31, 2024, 2025 and 2026, respectively. Fluctuations in cost of raw materials and packaging materials were generally in line with the fluctuations in revenue from sales of our self-manufactured products, and fluctuations in market prices of our raw materials and packaging materials did not materially impact our overall cost of sales during the Track Record Period. Further, in general, we seek to pass on increases in cost of raw materials to our customers if such increases affect our business operations and profit margin.

Manufacturing process

Our manufacturing process varies between products and depends largely on the product’s dosage form and active ingredients used. We manufacture branded PCM products in several dosage forms, including pills (such as Po Chai Pills and Tin Hee Tong Tin Hee Pills), and medicated oils (such as Flying Eagle Wood Lok Medicated Oil, Shiling Oil, Tong Tai Chung Medicated Oil and Konsodona Medicated Oil). The following flowcharts illustrate the basic steps of our manufacturing process for (i) powder and pills; and (ii) medicated oils. The time for each step in the manufacturing process also varies depending on the specific requirements of the product.

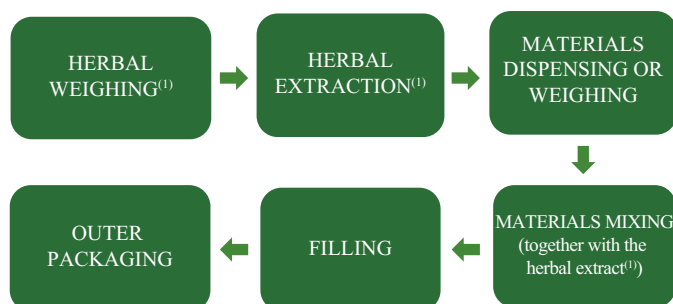
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Powder and pills



All starting materials are sampled and tested. In many cases, upon completion of the quality tests on the starting materials, they are dispensed or weighed for blending and sieving. Sieved powder is then mixed and homogenized to improve content uniformity and stability. For pill-form products, purified water is then added to the mixed herbal powder that is subsequently made into pill form. The pills are then coated with colorant and dried, then packed into bottles and boxes or sachets with outer packaging. All finished products are subject to the required quality tests before being released to the market. The whole manufacturing process normally takes seven to nine days, depending on the specific product involved.

Medicated oils



Note:

- (1) Only applicable to the manufacturing process of medicated oils that contain herbal extract, namely Flying Eagle Wood Lok Medicated Oil.

All starting materials are sampled and tested. Upon completion of the quality tests on the starting materials, we will first undergo herbal extraction (if any) and starting materials will be dispensed or weighed. The herbal extract and starting materials will then be mixed. The resulting mixture is filtered, bottled and finally packed with outer packaging. The products are subject to the required quality tests before being released to the market. The whole manufacturing process normally takes two to nine days, depending on the specific product involved.

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Manufacturing facilities

Our two GMP-accredited manufacturing facilities located in Hong Kong are mainly for the production of Po Chai Pills, Flying Eagle Wood Lok Medicated Oil and, since June 2026, Tin Hee Tong Tin Hee Pills, and our medicated oils. We have obtained all necessary licenses, permits and approvals for our manufacturing facilities. As of March 31, 2026, we had a total of 130 staff responsible for the manufacturing operations and maintenance of our manufacturing facilities and equipment to ensure their optimal performance. We replace and upgrade manufacturing equipment and machinery when necessary to enhance productivity or functionality. We did not experience any material interruptions to our manufacturing process during the Track Record Period.

The following table sets forth our major assets and equipment in our manufacturing facilities as of March 31, 2026:

Name of Equipment	Purpose of the equipment	Place of origin	Average length of time in use (years)	Average remaining useful life (years) ⁽¹⁾
Herbal powder grinding system	Powder grinding	China	11.3	5
Mixer.	Powder mixing	China	12.3	5
Pills production line	Pills production	China	12.3	5
Coater	Pills coating	China	12.3	5
Pills filling machine	Pills filling	Hong Kong	10.8	5
Sachet filling machines	Filling pills in sachets	China	6.1	6.5
Packaging machines	Product packaging	Germany	10.8	10
Cellophane machine	Cellophane wrapping	United Kingdom	9.9	11
Cartoning machine	Carton packaging	Italy	8.8	11

Note:

(1) Based on the best estimation of our management.

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Production capacity and utilization rate

The following table sets forth a summary of our annual production capacity and utilization rates for our manufacturing facilities for the years indicated. We have maintained utilization rates between 61% and 75% during the Track Record Period, which we believe would provide us with a reasonable buffer in production capacity to cater for further business growth. For the year ended March 31, 2024, our utilization rate was relatively high at 75% as we increased our output due to relatively low inventory as of the beginning of the year ended March 31, 2024.

Production line	Operational Information	Year ended March 31,		
		2024	2025	2026
Powder and pills.	Maximum designed production capacity (in kg) ⁽¹⁾	187,200	187,200	187,200
	Output (in kg)	140,200	113,400	136,800
	Utilization rate ⁽²⁾	75%	61%	73%

Notes:

- (1) Maximum designed production capacity is calculated assuming 300 days per year, 6 days of operation per week and 8 hours of operation per day at maximum output batch size.
- (2) Utilization rate is calculated by dividing actual output by maximum designed production capacity.

Adjustments and upgrades of manufacturing facility

As part of the optimization and upgrade of the manufacturing process for certain of our branded PCM products, we undertook targeted upgrades and renovation works at our GMP-accredited manufacturing facility in Tai Po, Hong Kong:

- *Medicated oil production line:* We upgraded two oil-filling production lines for medicated oils in April 2025. Due to the relatively short installation period, production of medicated oils was put on-hold for approximately two weeks during the installation period, and there was no material impact on our shipment capacity or our ability to fulfill customer orders during such period.
- *Automated sachet packaging production line:* Back in January 2026, we had undertaken the installation of a new automated sachet packaging production line. During the months leading up to the fitting in of the new packaging machineries, we had increased the production and finished goods inventory of Po Chai Pills to cover the anticipated demand for this product during the interim period. Accordingly we had not encountered any material issues concerning the fulfillment of sales orders, or experienced any material impact on our results of operations. We have since completed the installation works, and have resumed full operations of the facility from May 2026.

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Third-party manufacturing

All third-party manufacturers we engaged are Independent Third Parties. As of March 31, 2026, we outsourced to third-party manufacturers the production of the following products:

- *Own brand CCMG products:* We have engaged a long-established provincial state-owned manufacturer whose manufacturing facilities are GMP-compliant in accordance with both PRC and TGA standards, to manufacture all our own brand CCMG products.
- *Other branded PCM products:* We outsourced the production of miscellaneous branded PCM products, including pei pa koa (枇杷膏), that are produced in limited quantities to a Hong Kong manufacturer.

We outsource the production of the above products because our in-house equipment is designed for specific dosage forms, such as powder and pills, and is considered by our management as the minimum set-up for the production of relevant products in their respective dosage forms, whereas the outsourced products have differing dosage forms (such as pei pa koa) involving different production processes and production equipment, some of which are also marketed under miscellaneous brands with sporadic order quantities. Outsourcing therefore enables us to supply such products to the market without the need for significant capital investments in manufacturing facilities and equipment.

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

We have maintained stable business relationships with our third-party manufacturers and did not experience any material issue or dispute in relation to product quality or product delivery schedule with any of our third-party manufacturers during the Track Record Period. For certain miscellaneous branded PCM products, we placed purchase orders on an on-demand basis during the Track Record Period. The table below sets forth a summary of the principal arrangements with our third-party manufacturers:

Principal arrangements	Summary
Duration	The term of the third-party manufacturing arrangements range from no fixed term to three years.
Manufacturing period	The manufacturing period varies depending on the product type, quantity of order and manufacturing capacity.
Intellectual property rights.	We do not grant licenses over the intellectual property rights of our products.
Raw material procurement policy	The third-party manufacturer shall procure the raw materials that comply with the prescribed specifications themselves.

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Principal arrangements	Summary
Quality requirements	The third-party manufacturer is generally required to carry out all necessary quality control measures and keep the manufacturing records well in order to meet our product quality standards and relevant manufacturing requirements.
Basis of determining relevant fees	Fees are generally calculated based on the cost of goods and market prices, in line with industry norms and may be adjusted through mutual consent in the event of changes to market conditions that are reasonably beyond the control of either party.
Return policy	We are generally required to inform the third-party manufacturers within seven to 15 days of receipt of any defective or damaged products and arrange for replacement or refund.
Settlement	Settlement terms range from cash on delivery and full payment prior to delivery of the products to within 30 days of receipt of the products.
Termination	Certain third-party manufacturing arrangements may be terminated by either party in the event of force majeure.

Representation of Third-Party Brand CCMG Products

During the Track Record Period, we entered into a legally binding distribution agreement with the brand owner of our third-party brand CCMG products, which sets forth the terms and conditions under which we sell and distribute its products in the relevant market as its authorized distributor. The table below sets forth a summary of the principal arrangements with our third-party brand CCMG products supplier:

Principal arrangements	Summary
Duration	January 1, 2025 to December 31, 2029.
Distribution territories	We are granted exclusive rights to sell and distribute the third-party brand CCMG products in Hong Kong and Macau.
Minimum purchase commitment	We are not subject to any minimum purchase commitment.
Upfront payment and settlement	We must open an irrevocable letter of credit equal to the purchase amount at the time of each order, with a payment term of no more than four months. Alternatively, with the third-party brand owner’s consent, we may pay by wire transfer and defer part or all of the payment, provided we settle within 90 days from the date of shipment.
Transportation and return policies	The third-party brand owner must ship promptly after approving an order and notify us of any discontinued or delayed items. Products are delivered to a mutually agreed location, at which point risk transfers to us. We have seven days from receipt to report any defects. No returns or exchanges are permitted unless due to quality issues and with the third-party brand owner’s consent.

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Principal arrangements	Summary
Product liability	The third-party brand owner must obtain product liability insurance in Taiwan. We must obtain product liability insurance for the distributed products in Hong Kong.
Non-competition undertaking	We may not directly or indirectly sell any products that compete with the third-party brand owner’s CCMG products without its prior written consent, except for an existing brand of our own. We must sell only genuine CCMG products supplied by the third-party brand owner and must not deal in counterfeit goods or parallel imports.
Renewal	We may renew the agreement by entering a new written contract with the third-party brand owner, provided both parties agree at least 30 days before the contract expires.
Termination	The distribution agreement may be terminated (i) by mutual written consent with 30 days’ prior written notice; (ii) by the third-party brand owner upon our breach of certain material obligations; or (iii) upon a change of control or material change in our corporate structure. The agreement will also terminate upon expiration of the contract term unless renewed by mutual written agreement.

We have not encountered any early termination of distribution rights by the third-party brand owners or failed to renew any material distribution agreements upon expiration during the Track Record Period and up to the Latest Practicable Date.

CHINESE MEDICINE CLINIC SERVICES

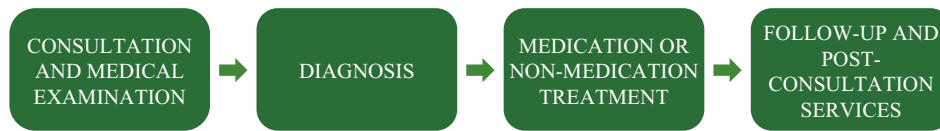
Building on our established branded PCM product portfolio, we expanded holistically into the Chinese medicine clinic service segment through acquisitions during the year ended March 31, 2026, creating a vertically integrated Chinese medicine platform that connects products, practitioners and patients. According to the Frost & Sullivan Report, we were the fifth largest private Chinese medicine clinic chain, and the largest private Chinese medicine clinic chain with an orthopedic specialty, in Hong Kong in terms of number of clinics as of June 30, 2026.

We offer comprehensive Chinese medicine clinic services covering internal medicine, orthopedic and traumatology, acupuncture and other Chinese medicine consultation and treatment services through established brands “Kenford Medical Group 健福堂,” “King Pui TCM Clinic 景培中醫” and “Hong Kong Orthopaedic & Chiropractic Specialist Chinese Medical Clinic 香港骨傷及脊椎專科診所.”

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Comprehensive Chinese Medicine Clinic Services

We deliver end-to-end Chinese medicine clinic services covering consultation and medical examination, diagnosis, medication or non-medication treatment, and follow-up and post-consultation services. By actively incorporating patient feedback into our service design, we foster repeat visits and deepen patient relationships. The flowchart below sets forth the principal stages of our service process:



- *Consultation and medical examination:* During consultations, registered Chinese medicine practitioners conduct clinical assessments using Chinese medicine diagnostic methods, including inquiry, observation, listening and palpation. For orthopedic and traumatology services, practitioners assess musculoskeletal conditions, posture, mobility and functional limitations, while acupuncture practitioners evaluate meridian conditions, pain points and treatment suitability. Practitioners explain diagnostic findings, treatment principles and precautions, and obtain customers’ consent before conducting any diagnostic or treatment procedures. Where appropriate, customers may undergo auxiliary examinations or functional assessments to assist practitioners in accurately understanding their conditions.
- *Diagnosis:* We conduct diagnoses primarily based on Chinese medicine theories and syndrome differentiation, and, for orthopedic and traumatology services, based on musculoskeletal and functional assessments, supplemented where appropriate by modern diagnostic tools.
- *Medication and/or non-medication treatment:* Our treatment procedures typically involve medication and non-medication therapies. Medication treatments include Chinese medicine prescriptions, such as herbal remedies, while non-medication treatments include acupuncture, moxibustion, cupping, orthopedic and traumatology manual therapies and other Chinese medicine techniques.
- *Follow-up and post-consultation services:* Customers may arrange follow-up visits online or offline. Registered Chinese medicine practitioners or clinic staff may conduct follow-up communications to monitor treatment progress and provide medication, rehabilitation or lifestyle guidance as appropriate. Our customer service staff respond to customers’ follow-up enquiries in a timely manner. We collect customer feedback on treatment efficacy and service experience through online and offline channels and periodically refine our treatment protocols and service standards.

Our Chinese Medicine Clinics

As of March 31, 2026, we had 40 clinics strategically located in populated residential areas, with 51 registered Chinese medicine practitioners providing professional consultation services. Among them, 26 possess master’s degrees. We price our Chinese medicine clinic services mainly based on complexity of the treatment, operating costs, the practitioners’ experience and reputation, local market standards and competitors’ pricing.

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The following table sets forth a summary of our Chinese medicine clinics as of or for the year ended March 31, 2026:

Location	Number of clinics	Monthly average number of customer visits to the clinics ⁽¹⁾
Hong Kong Island	3	1,268
Kowloon	11	5,014
New Territories East and North	13	5,744
New Territories West	13	5,567
Total	40	17,593

Note:

(1) Calculated as the monthly average for the period from April 1, 2025 to March 31, 2026.

Sales of Ancillary CM Products

To complement our Chinese medicine services and broaden customer access to high-quality Chinese medicine-related healthcare products, we offer a range of ancillary CM products through our Chinese medicine clinic network or our online e-shops. Our ancillary CM products primarily include (i) Chinese herbal tea bags, such as dampness dispelling tea, ginger and brown sugar tea and sour jujube seed and processed poria tea, and (ii) supplements, such as cordyceps sinensis mycelia capsules, monascus capsules, and flexi joint.

BRAND MANAGEMENT AND MARKETING

We manage a portfolio of well-established and trusted PCM brands, and are committed to driving high brand engagement and sales through our multi-channel marketing campaigns. As of March 31, 2026, we had a dedicated brand management and marketing team of 6, with an average of 17 years of experience in brand management and marketing. Our brand management and marketing team is responsible for evaluating the strengths, weaknesses, opportunities and threats of a product and its market, identifying the market position of the product and distinct subsets within its consumer base and target market, and creating marketing plans. Our team also liaises with overseas distributors to build a consistent global brand image and share marketing materials. We employ a marketing strategy based on consumer insights and combine various media forms in a synergistic way to effectively reach and engage our targeted consumer groups. We conduct a range of marketing and promotional activities through various offline and online channels. Our advertising and promotion cost amounted to HK\$21.0 million, HK\$27.9 million, and HK\$36.9 million, or 6.2%, 7.7% and 8.0% of our total revenue, for the years ended March 31, 2024, 2025 and 2026, respectively.

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Offline Advertising and Promotion

Our advertising initiatives are designed to reinforce brand awareness, deepen consumer engagement across multiple demographics and drive sales performance. We utilize a range of advertising channels to promote our brands and products, such as advertisements on television, prints (including newspapers and magazines), radio and outdoor billboards (such as posters on buses), sponsorships, product conventions and point-of-sale channels (such as in-store posters or light-box displays in registered pharmacies and retail outlets). Historically, we have deployed a variety of offline advertising and marketing campaigns, some examples of which include:

- *Television title sponsorships and advertisements:* We engage in television advertising and selected program sponsorships (such as the second to fourth seasons of the popular singing talent show “Midlife, Sing & Shine!”) to increase brand visibility and consumer recognition. Our advertising campaigns typically feature celebrity endorsers (such as Louis Koo, Tony Wu and Bonnie Wong for Po Chai Pills, Raymond Lam, Tony Wu and Bonnie Wong for Flying Eagle Wood Lok Medicated Oil, and Nina Paw Hee Ching for Tong Tai Chung Medicated Oil) and product-focused messaging, and are scheduled around peak sales periods and programs targeting our key consumer segments.
- *Event title sponsorships and activations:* We enhance brand visibility and consumer engagement through selective event sponsorships and on-site activations aligned with our target demographics. Our activities include participation in large-scale lifestyle, cultural and industry events, product sampling initiatives and collaborations with performing arts groups, which support brand awareness and reinforce our heritage positioning. We also engage in youth-oriented and community-based programs, as well as participate in health-related exhibitions and industry events, to strengthen our connection with consumers across different age groups. For certain brands, we complement these initiatives with sports sponsorships, artist collaborations and product placement arrangements, which contribute to media exposure and online engagement. Examples include the Hong Kong Wine & Dine Festival, the Flying Eagle Cup (football) and the STC Eagle Basketball Team.
- *Outdoor advertising:* We deploy outdoor advertisements at high-traffic commercial locations and transportation hubs to maximize brand visibility among local consumers and tourists. These advertisements form part of our integrated marketing campaigns and are often implemented alongside other media channels to broaden consumer reach.
- *Interactive marketing initiatives:* We conduct interactive marketing initiatives to enhance consumer engagement, including the use of experiential activations and technology-enabled installations, such as pop-up vending machines in multiple locations in Hong Kong with advertising videos, sales pages and banners to expand the reach of consumer interaction. These initiatives are designed to facilitate consumer interaction with our products and increase brand exposure in targeted locations.
- *Academic marketing:* To further promote and facilitate the usage of our CCMG products and strengthen our relationship with Chinese medicine practitioners, our medical director participates as an expert speaker in academic seminars, informational training sessions and presentations for Chinese medicine practitioners to enhance their industry knowledge.

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The following pictures illustrate some of our offline advertising and marketing campaigns:



Online Marketing

We leverage various new media and social platforms to enhance exposure to end consumers through online marketing, including online coupon promotions and social media promotions. We cooperate with key opinion leaders and influencers on major social media platforms (such as Facebook, Instagram, YouTube, and Xiaohongshu (小紅書)) to promote various product contents tailored to different targeted consumer groups.

We integrate online and offline marketing by engaging celebrities to promote our products across campaigns, including online video series showcasing the efficacy of Po Chai Pills and sponsorship of youth sports events, to maximize impact. We reach broad audiences through advertisements on major social platforms in Hong Kong and popular social media and short-video platforms in China, and by publishing endorsement content across our official channels and e-commerce platforms. At the same time, we drive consumer engagement through both online and offline touchpoints, enabling continuous interaction with end consumers and generating insights into evolving preferences across products and markets. We leverage these insights to refine product positioning, enhance brand management, and guide product development, creating a virtuous cycle that strengthens brand exposure, increases market awareness, and supports our continued growth.

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The following pictures illustrate some of our online branding and marketing campaigns, including social media promotions such as Facebook and Xiaohongshu featuring our branded PCM products, as well as award-related brand announcements:



Channel Marketing

We engage channel marketing through selected corporate clients, such as public transport companies, for our Po Chai Pills and Flying Eagle Wood Lok Medicated Oil. This has allowed us to efficiently tap into our clients’ large established network of employees and consumers to gain market coverage and increase brand awareness and product exposure with relatively cost-efficient promotional expenses.

Overseas Marketing

Our brand management and marketing team liaises with overseas distributors to build a consistent global brand image and share marketing materials. We mainly rely on overseas distributors to organize below-the-line marketing and promotional activities (such as in-store displays in retail chains, occasional special discount offers and promotional packs), while we focus on above-the-line advertisements (such as product placement in television commercials and billboard advertisements) and online marketing (such as advertising on popular PRC e-commerce and social media platforms, including Xiaohongshu and Douyin).

SALES AND DISTRIBUTION

Product registration is generally required for our branded PCM products before they can be sold and supplied in Hong Kong, China and other overseas markets. We have a dedicated team in Hong Kong and Macau that closely monitors applicable regulatory regimes to ensure the successful and timely registration of our products in various countries and continuous compliance with relevant product registration and product license requirements.

In terms of sales and distribution, we adopt a hybrid of sales and distribution models tailored for different products and geographic markets. We manage our sales and distribution networks in Hong Kong, China and other overseas markets from our headquarters in Hong Kong. Our Hong Kong and Macau sales and distribution team is responsible for establishing sales plans, developing strategies for

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the introduction of products into new markets, expansion of our distribution network and overseeing local sales and marketing teams, who are responsible for effecting direct sales. Outside of Hong Kong, we sell our products primarily through distributorship arrangements with local third-party distributors, and (for Macau) our local sales and distribution team. We generally engage one to two well-established overseas distributors per region for the distribution of our selected products. The Notice on Improving Supervision over Cross-border E-commerce Retail Imports (《關於完善跨境電子商務零售進口監管有關工作的通知》) that came into effect on January 1, 2019, permits sellers outside China to sell goods, including select branded PCM products, that fall within the List of Imported Goods in Cross-border E-commerce Retail directly to PRC consumers through certain registered e-commerce platforms. To capture the e-commerce market opportunities, our sales efforts in China have been increasingly focused on the online distribution channel.

The table below sets forth our revenue by geographic region for the years indicated:

	Year ended March 31,					
	2024		2025		2026	
	HK\$'000	% of revenue	HK\$'000	% of revenue	HK\$'000	% of revenue
Hong Kong ⁽¹⁾	294,593	86.8	294,380	81.6	398,828	86.0
Singapore	10,870	3.2	13,385	3.7	23,695	5.1
China.	10,245	3.0	10,825	3.0	13,698	3.0
Macau	14,477	4.3	29,091	8.1	11,668	2.5
Others	9,071	2.7	12,889	3.6	15,925	3.4
Total	339,256	100.0	360,570	100.0	463,814	100.0

Note:

(1) Includes sales to a Hong Kong distributor for its on-sale to China through cross-border e-commerce channel.

The table below sets forth our revenue by distribution channel for the years indicated:

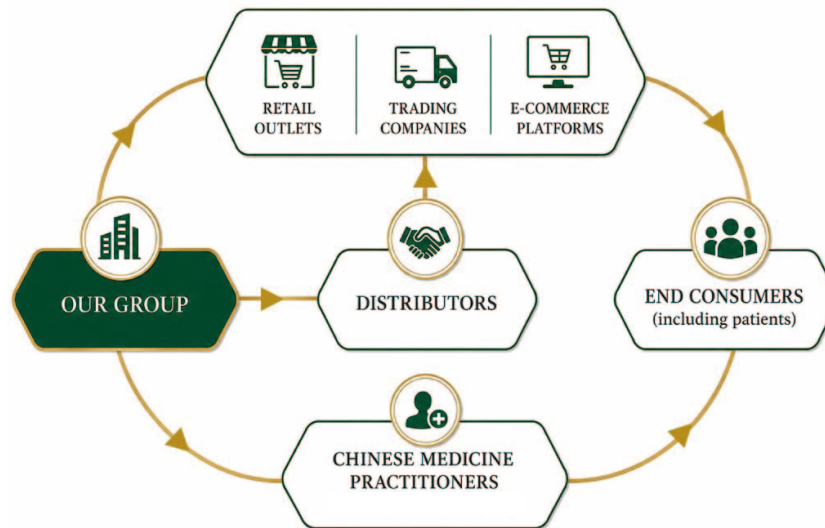
	Year ended March 31,					
	2024		2025		2026	
	HK\$'000	% of revenue	HK\$'000	% of revenue	HK\$'000	% of revenue
Direct sales and services	277,287	81.7	284,639	78.9	302,622	65.2
Distributors	61,969	18.3	75,931	21.1	161,192	34.8
Total	339,256	100.0	360,570	100.0	463,814	100.0

Hong Kong

As of March 31, 2026, we had a sales team of 19, with an average of 20 years of experience in the industry. Many of them have worked in pharmaceutical companies or laboratories, medical device companies, trading companies, retail chain stores, dispensaries or clinics. We have maintained long-term business relationships with numerous key customers and have developed a deep familiarity with and understanding of the decision-making landscape of our different customer types, which enable us to formulate effective sales strategies and identify new business opportunities. In Hong Kong, the majority of our products are sold directly to major key chains, registered pharmacies, drug stores, trading companies and (for CCMG products) Chinese medicine practitioners.

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The following diagram illustrates the relationships among us, our principal customers and end consumers in Hong Kong:



During the Track Record Period, we primarily utilized direct sales for our CCMG products, while adopting a hybrid model of direct sales and distributorship for sales of our other branded PCM products:

- *Branded PCM products (other than CCMG products):* For our other branded PCM products, we utilized direct sales as well as distributorship mainly as a means of optimizing our coverage in different market segments and to leverage the established distribution network of our distributors.
- *CCMG products:* We used direct sales for our CCMG products primarily because of their relatively unique and defined customer base of entirely Chinese medicine practitioners.

In light of the risk of cannibalization among our distributors and other customers, our sales team maintains close contact with our customers, reviews their purchase amounts and regularly visits retail outlets that carry our products to observe their end market prices. Any material fluctuations are discussed and reviewed with our senior sales management at monthly internal sales meetings to consider any further course of action.

Direct sales

We have established direct sales arrangements for our branded PCM products as follows:

- *Branded PCM products (other than CCMG products):* We directly sell our branded PCM products (other than CCMG products) to trading companies, drug stores, pharmacies, practitioners and patients of our Chinese medicine clinics. We generally do not impose standardized terms and conditions with the trading companies. Instead, terms and conditions are discussed and negotiated on a customer-by-customer basis. The order placement pattern of the trading companies, drug stores and pharmacies may range from once a week to once a month.

BUSINESS

- *CCMG products*: We distributed our CCMG products to over 70% of the total number of active Chinese medicine practitioners in Hong Kong in 2025, according to the Frost & Sullivan Report. Chinese medicine practitioners who are frequent customers generally place purchase orders with us a few times a month and we would generally arrange delivery of products on a same-day basis. From time to time, we may also sell our CCMG products to non-profit organizations. We have also developed a 24/7 online ordering platform for Chinese medicine practitioners with related ERP-linked order management functions, to enhance order convenience, improve operational efficiency and strengthen practitioner engagement.

Distributor

We engage a third-party distributor which was ranked among the top three players in the branded PCM product distribution market in Hong Kong in 2025 in terms of revenue, according to the Frost & Sullivan Report, to carry certain of our branded PCM products (including Po Chai Pills, Tin Hee Tong Tin Hee Pills, Tong Tai Chung Medicated Oil and Konsodona Medicated Oil) primarily into large-scale key chains in Hong Kong. We selected this distributor as we believe it has a well-reputed track record in carrying branded PCM products into sizable and popular chain operators in Hong Kong and an established relationship and bargaining position with these chain operators.

We entered into two three-year distribution agreements with this Hong Kong distributor, specifying a variety of terms including the payment method, pricing policies and delivery arrangements, for its distribution of our products in Hong Kong and Macau (through certain specified key chains), and China (through certain specified cross-border e-commerce platforms). The table below sets forth a summary of our current principal arrangements with our Hong Kong distributor:

Principal arrangements	Summary
Duration	April 1, 2025 to March 31, 2028.
Order placement	We do not impose an order frequency requirement on our Hong Kong distributor, but it generally places orders at least once every three to six months.
Designated distribution area	Our Hong Kong distributor is only authorized to distribute our products in Hong Kong, Macau and, through certain assigned and legitimate cross-border e-commerce platforms, China. We may terminate the agreements in the event of non-compliance.
Rights and obligations of parties	Our Hong Kong distributor is liable for any breaches of the distribution agreements and is responsible for indemnifying us for damages as a result of such breaches. During the Track Record Period, we did not experience any material breaches of the distribution agreements.
Obsolete stock management	Our Hong Kong distributor is required to sell back to us (or our designee) its unexpired inventory of Po Chai Pills at the price specified in the agreement upon early termination or expiry of the agreement.

BUSINESS

Principal arrangements	Summary
Minimum purchase amount	Neither agreement imposes a fixed minimum annual purchase amount. However, our Hong Kong distributor is required at all times to maintain Po Chai Pills inventory of no less than the cumulative sales volume of the preceding three months, to address sudden increases in market demand or delays in production and transportation. Furthermore, our Hong Kong distributor must use best efforts to ensure year-round availability of Tin Hee Tong Tin Hee Pills at relevant chain stores within the designated territory.
Sales and expansion target.	Sales of our products outside of the designated distribution area are subject to our written approval. No expansion target is imposed.
Pricing policy	We sell products to our Hong Kong distributor at mutually-agreed prices based on prevailing market conditions at the time we accept an order in writing. We may adjust the product prices upon prior written notice.
Resale price management. .	We do not set a recommended resale price for our Hong Kong distributor.
Transportation.	We are responsible for delivering Po Chai Pills to the destination point specified by our Hong Kong distributor, while our Hong Kong distributor is responsible for arranging its own pickup and transportation for Tin Hee Tong Tin Hee Pills.
Sales and inventory reports and estimates.	Our Hong Kong distributor is required to provide sales reports detailing sales of our products in different types of chain retail operators on a monthly basis or upon our request.
Return or exchange of products and product liability	Our Hong Kong distributor is generally not allowed to return or exchange our products except for defective products.
Payment and credit terms .	Payment shall be made within 90 days from the invoice date.
Conditions for termination and renewal.	The distribution agreements may be terminated by either party in the event of dissolution or insolvency, a material breach by the other party that is not remedied within a prescribed time period, or inability by the other party to perform its obligations under the agreements due to force majeure events, or expiration of the contract term, among others. The distribution agreements may be renewed upon mutual agreement.

We have separately entered into two other distribution agreements with our Hong Kong distributor for its distribution of Po Chai Pills (valid from April 1, 2025 to March 31, 2028) and Flying Eagle Wood Lok Medicated Oil, Shiling Oil and Tong Tai Chung Medicated Oil (from April 1, 2025 to March 31, 2027) in Singapore in similar terms as described above. Under the distribution agreements with our Hong Kong distributor, we have a seller-buyer relationship with our Hong Kong distributor and we do not have any contractual relationship with or impose any control or oversight over any of its downstream customers. We retain no ownership over the products that we sell to our Hong Kong distributor, and all significant risks and rewards associated with these products are transferred to our Hong Kong distributor upon delivery to and acceptance by it.

BUSINESS

China

Distributors

We engaged two distributors in China for the sale of our branded PCM products, including Po Chai Pills (under the trade name and packaging of Puji Pills), Flying Eagle Wood Lok Medicated Oil, Shiling Oil (under the trade name of Bohe Qufeng You), Konsodona Medicated Oil (under the trade name of Qufeng Huoluo Oil and Magatilin Herbs Balm. We maintain a seller-buyer relationship with these distributors and leverage their established distribution network and access to the local PRC retail channels and markets. Our PRC distributors distribute the products to their downstream customers, including sub-distributors and drug stores, with whom we do not have any contractual relationships or impose any control or oversight. All significant risks and rewards associated with our products are transferred to our PRC distributors upon delivery to and acceptance by them of our products and we do not retain any ownership over the products. For details of our distributor management, see the section headed “— Distributor Management” below.

We entered into five distribution agreements with our two PRC distributors for the sale of our branded PCM products, specifying a variety of terms including the payment method, pricing policies and delivery arrangements. The table below sets forth a summary of our principal arrangements with these distributors in China:

Principal arrangements	Summary
Duration	The term of the distribution agreements ranges from approximately two years to five years and four months.
Order placement	We do not impose an order frequency requirement on our PRC distributors, but they generally place orders once every three months.
Designated distribution area	Our PRC distributors are only authorized to distribute our products in China. We may terminate the agreement in the event of non-compliance.
Rights and obligations of parties	Our PRC distributors are liable for any breaches of the agreement and are responsible for indemnifying us for damages as a result of such breaches. During the Track Record Period, we did not experience any material breaches of the distribution agreements.
Obsolete stock management	Upon early termination or expiry of the agreement, our PRC distributors are generally required, upon our request, (a) to sell back their unexpired inventory of products at the price specified in the agreement to us or our designee or (b) to otherwise handle remaining inventory as directed by us.
Minimum purchase amount	Our PRC distributors are required to purchase a minimum number of products as set forth in the respective agreements from the date of first delivery to a specified date, and thereafter a minimum annual purchase amount mutually agreed in writing.
Sales and expansion target.	Sales of our products outside of the designated distribution area are generally subject to our written approval. No expansion target is imposed.

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Principal arrangements	Summary
Pricing policy	We sell products to our PRC distributors at pre-determined supply prices, which may be adjusted upon our written notice or by mutual written agreement based on prevailing market conditions. Our PRC distributors may set the retail price to end customers at their discretion in compliance with applicable regulations.
Resale price management. .	We do not set a recommended resale price for our PRC distributors.
Transportation.	Our products are generally delivered to our PRC distributors on a free on board basis at the Hong Kong export port of shipment, on a carriage and insurance paid to basis to a Hong Kong port, or on an ex-works basis. The shipping method is determined by mutual agreement between the parties.
Sales and inventory reports and estimates.	Our PRC distributors are generally required to provide sales data, reports and key market information on a monthly or quarterly basis.
Return or exchange of products and product liability.	Our PRC distributors are required to forward inspection reports from the drug inspection authority within seven working days to 15 calendar days and request replacement or refund for any products with manufacturing defects within that period. Products with manufacturing defects will be replaced or refunded at no additional cost. We are not responsible for any improper handling, storage or transportation of products by our PRC distributors or their customers.
Payment and credit terms .	Payment shall generally be made within 30 to 90 days from the date of delivery or invoice date, as applicable.
Conditions for termination and renewal.	The distribution agreements may generally be terminated by either party in the event of dissolution or insolvency, failure by the other party to perform its obligations under the agreement that is not rectified within a prescribed time period, by mutual agreement of both parties, or expiration of the contract term, among others. The distribution agreements may be renewed upon mutual agreement, and under certain agreements, the distributor may have priority to renew within three months prior to expiry.

Cross-border e-commerce

The Notice on Improving Supervision over Cross-border E-commerce Retail Imports (《關於完善跨境電子商務零售進口監管有關工作的通知》) that came into effect on January 1, 2019 permits sellers outside China to sell goods, including select branded PCM products, including CCMG products, that fall within the List of Imported Goods in Cross-border E-commerce Retail directly to PRC consumers through certain registered e-commerce platforms. We believe that cross-border e-commerce channels provide a cost-effective platform for us to reach out to our targeted consumers in China. Tapping into this massive online community with relevant health and wellness information will allow us to connect the dots between our products and the related lifestyle propositions. In addition to their appeal to customers who seek a convenient shopping experience, cross-border e-commerce channels also facilitate our market penetration for consumers in less affluent and more remote areas where modern retail

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channels are less established. As such, by leveraging the favorable policy development, we have been deploying resources in the development of cross-border e-commerce channels for select branded PCM products, including:

- *Third-party online stores:* We have collaborated with our Hong Kong distributor and others to distribute select products via cross-border e-commerce channels at their online flagship stores on different third-party e-commerce platforms, including JD.hk (京東國際) and Tmall (天貓); and
- *JBM Group’s online store:* We also sell select products via cross-border e-commerce channels operated by the JBM Group, such as Tmall, as further described in the section headed “Continuing Connected Transactions — Fully Exempt Continuing Connected Transactions — 1. E-commerce Distribution Services.”

CCMG products

We sell CCMG products to PRC consumers through cross-border e-commerce channels operated by an independent third-party distributor. We maintain a seller-buyer relationship with this distributor and leverage its cross-border e-commerce capabilities and access to PRC consumers through online platforms, including Tmall Global and JD Global. All significant risks and rewards associated with our products are transferred to our CCMG products distributor upon delivery to and acceptance by it of our products and we do not retain any ownership over the products. For details of our distributor management, see the section headed “— Distributor Management” below.

We entered into a two-year distribution agreement with this CCMG products distributor for the sale of our CCMG products through cross-border e-commerce channels, specifying a variety of terms including the payment method, pricing policies and delivery arrangements. The table below sets forth a summary of our principal arrangements with our CCMG products distributor in China:

Principal arrangements	Summary
Duration	January 1, 2026 to December 31, 2027.
Order placement	We do not impose an order frequency requirement on our CCMG products distributor. Delivery dates and quantities are determined by mutual agreement on a per-order basis.
Designated distribution area	Our CCMG products distributor is authorized to sell CCMG products exclusively through designated cross-border e-commerce platforms (including Tmall Global and JD Global) for sale to PRC consumers via business-to-business, business-to-consumer cross-border e-commerce and offline distribution between e-commerce operators. Our CCMG products distributor may not resell our products to clinics, hospitals, pharmacies, drug stores, chain stores, wholesalers, retailers or Chinese medicine practitioners in Hong Kong or Macau.

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Principal arrangements	Summary
Rights and obligations of parties.	Our CCMG products distributor is responsible for setting up and operating flagship stores on cross-border e-commerce platforms on our behalf, managing day-to-day operations, marketing, design and analytics, and ensuring compliance with platform sales guidelines. The flagship store and all related back-end system accounts are owned by us. Our CCMG products distributor has agreed to indemnify us against any losses arising from its breach of the resale restrictions or its product resale activities. During the Track Record Period, we did not experience any material breaches of the distribution agreement.
Obsolete stock management	Upon expiry or early termination of the agreement, our CCMG products distributor’s rights to sell our products and operate the flagship store terminate immediately, and it is required to settle all outstanding payments and transfer or close the flagship store as directed by us.
Minimum purchase amount	Our CCMG products distributor is required to achieve (i) a minimum annual cumulative order amount as set forth in the agreement; and (ii) for the period from April 1, 2026 to December 31, 2027, a rolling three-month cumulative order amount as set forth in the agreement as of the last day of any month. If the minimum purchase targets are met, the distributor is entitled to a cash rebate of a percentage of total payments made during that year, to be issued in the following year.
Sales and expansion target.	Sales of our products outside of the designated cross-border e-commerce channels are not permitted. No expansion target is imposed.
Pricing policy	We sell products to our CCMG products distributor at a discount of the wholesale price set forth in our Hong Kong Chinese medicine practitioner market price list. Price changes are announced uniformly to all customers (including our CCMG products distributor) at the same time.
Resale price management. .	Our CCMG products distributor is required to inform us in writing of the prices at which it resells our products, which may be adjusted by mutual agreement based on actual circumstances and in compliance with applicable laws.
Transportation.	Our products are delivered to our CCMG products distributor on a carriage and insurance paid to basis at its Hong Kong warehouse. Our CCMG products distributor is responsible for export and import clearance.
Sales and inventory reports and estimates.	Our CCMG products distributor is required to provide all information and data relating to the flagship store and product sales upon our request, including but not limited to customer information, customer service records, promotional data, monthly product sales quantities, average transaction value and total sales amounts.

BUSINESS

Principal arrangements	Summary
Return or exchange of products and product liability	Our CCMG products distributor is required to forward inspection reports from the drug inspection authority within five days and request replacement or refund for any products with manufacturing defects within that period. Products with manufacturing defects will be replaced or refunded at no additional cost. Late requests for replacement or refund will not be accepted, and we are not responsible for any improper handling, storage or transportation of products by our CCMG products distributor or its customers.
Payment and credit terms	Payment shall be made within 30 working days from the invoice date. We have the right to suspend delivery if our CCMG products distributor’s cumulative outstanding payables reach a pre-determined amount as set forth in the agreement. Payment is settled in Hong Kong dollars.
Conditions for termination and renewal.	<p>The distribution agreement may be terminated by either party in the event of a material breach by the other party that is not remedied within 30 days of notice. Subject to our CCMG products distributor meeting the minimum purchase targets, the parties will negotiate a renewal agreement for a further two-year term from January 1, 2028 to December 31, 2029; unless otherwise agreed in the renewal agreement, the terms and conditions of the existing agreement will apply during the renewal period.</p> <p>During the term of the agreement and for a period of six months following its expiry or early termination, our CCMG products distributor may not sell any competing products through the designated cross-border e-commerce channels without our prior written consent.</p>

Select Overseas Markets

We sell our branded PCM products outside of Hong Kong and China to Macau, Singapore, Malaysia, Indonesia, Thailand, as well as select markets in North America and the Caribbean Islands, primarily through distributorship arrangements with local third-party distributors, and (for Macau) our local sales and distribution team. We generally engage one to two well-established local distributors per country or region for the distribution of our selected products in their respective local markets. We have maintained a long-term business relationship with our distributors.

We generally enter into a three-year distribution agreement with our distributors outside of China and Hong Kong, which includes provisions such as (i) our right to adjust the prices at which we sell products to the distributors; (ii) product returns (which generally are not accepted unless the products are defective upon the receipt of goods); and (iii) terms of delivery. We do not generally impose minimum purchase amounts or minimum sales targets, mandate selling prices to sub-distributors or end consumers, or offer indemnities to the distributors of our branded PCM products. However, under exceptional circumstances such as when we expand our product into a new geographic market, we may (subject to negotiation) accept provisions to indemnify the relevant distributors against all direct losses, liabilities, claims, demands, damages, costs and expenses (except for loss of profit and any indirect or consequential loss suffered) which may be suffered or incurred by the distributor arising out of or in connection with any and all claims by any third parties solely due to any inherent defect in the product.

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Our products are generally delivered to our distributors on a cost, insurance and freight basis. In particular, we have entered into a distribution agreement with our Hong Kong distributor for its distribution of Po Chai Pills, Flying Eagle Wood Lok Medicated Oil, Shiling Oil and Tong Tai Chung Medicated Oil in Singapore in similar terms to our distribution arrangement in Hong Kong as described in the section headed “— Sales and Distribution — Hong Kong — Distributor” above. For further details of our product return policy, see the section headed “— Product Returns, Recalls and Warranties” below.

We maintain a seller-buyer relationship with these distributors and we do not have any contractual relationship with or impose any control or oversight over their on-selling activities or their respective downstream customers. We retain no ownership over the products we sell to these distributors, and all significant risks and rewards associated with these products are transferred to these distributors upon delivery to and acceptance by them. For details of our distributor management, see the section headed “— Distributor Management” below.

Order placement frequency from our overseas distributors varies depending on various factors, including the size of market demand for our products in those regions, lead time required for product manufacturing, shipping and delivery, shelf lives of the relevant products, customers’ warehouse capacity and shipment cost, but in general may range from one to seven times a year.

In addition, we also subscribe to certain overseas sales administrative services provided by Jacobson Pharma, including order management, sales and customer support services, to facilitate our sales of certain branded PCM products in Macau. For further details, see the section headed “Continuing Connected Transactions — Fully Exempt Continuing Connected Transactions — 2. Overseas Sales Administrative Services.”

Selection of Distributors

The engagement of distributors allows us to extend our product footprint and penetration in a market. We select our local and overseas distributors based on a number of factors, including their sales network, track record, industry experience, market position and reputation. We consider our success in cultivating and maintaining solid and stable relationships with our distributors to be founded on, among other factors, (i) working with a limited number of reputable and reliable distributors in each region; (ii) our well-recognized brands; and (iii) a competitive pricing strategy.

Distributor Management

We closely monitor the performance of our distributors by communicating with them on a regular basis or reviewing their sales and inventory reports and their sales targets as applicable. We evaluate their performance based on various factors, including (i) maintenance of creditworthiness; (ii) quality of internal management; (iii) development and expansion of distribution network; (iv) warehousing facilities and delivery capabilities; (v) operating and business management capabilities; and (vi) overall sales performance.

By working with a limited number of reputable and reliable distributors, we are able to manage them through the above measures to ensure that they comply with the terms and conditions of the relevant distribution agreements. In the event of any non-compliance or performance issues, we can timely inform the relevant distributors to cease the non-compliant activities or improve their performance. We can terminate the relevant distribution agreement in case of a material breach by them

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that is not remedied within the prescribed time period. The above procedures, combined with our policies that we generally do not accept product returns unless the products are defective, help to ensure that our sales to distributors reflect genuine market demand and mitigate the risk of inventory pile-up in the distribution channels. We are not aware of any material accumulation of stock by our distributors during the Track Record Period.

Our distributors are entitled to choose their sub-distributors and negotiate the transaction terms directly with them. We do not have a contractual relationship with any sub-distributors that are used by our distributors and we do not impose any control or oversight over them.

The following table sets forth the changes in the number of our distributors during the years indicated:

	Year ended March 31,		
	2024	2025	2026
Number of distributors at the beginning of period.	4	5	5
Number of new distributors.	1	—	3
Number of terminated or lapsed distributors.	—	—	—
Number of distributors at the end of the period.	5	5	8

To the best knowledge of our Directors, (i) the use of the distribution model is consistent with industry norms; (ii) all our distributors during the Track Record Period are Independent Third Parties; and (iii) our distributors are primarily engaged in the distribution of branded PCM products in their respective jurisdictions.

Pricing Policy

We set the prices of our products with reference to general market conditions and various factors, including demand and supply of our products, product costs (including raw materials, packaging materials), overheads (including production, quality control and quality assurance costs), relative pricing of competing products, our bargaining power, historical sales data and anticipated market trends. We also take into account the expected profit margin of our customers when setting the prices of our products to avoid a large variance in retail prices at different points of sale. For products sold through the e-commerce channels, we also take into account the various discounts and promotional events that are held by the e-commerce platforms. We may offer volume discounts to our customers on a case-by-case basis. Payment terms granted to our customers generally range from prepayment or partial deposits to credit terms of 30 to 180 days upon delivery, depending on the product type and the type and creditworthiness of the customers. Our product prices ranged from approximately HK\$4 to approximately HK\$388 per unit of SKU for our branded PCM products.

Distribution and Logistics

In light of our multiple manufacturing locations and the frequent delivery of a variety of products to a large number of locations, we utilize external logistics services to facilitate deliveries of our finished products.

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Hong Kong

In Hong Kong, we primarily employ two different logistics services for different products:

- *JBM Group*: During the Track Record Period, we utilized the logistics services of the JBM Group (with certain logistics services outsourced to the Jacobson Pharma Group) for the distribution of some of our products. Under that arrangement, Jacobson Pharma provided certain logistics and distribution services to us, including loading and unloading, local trucking, delivery and return handling of goods, and storage and distribution of products, which we consider to be largely in line with market practice. For further details, see the sections headed “Continuing Connected Transactions — Partially Exempt Continuing Connected Transactions — Logistics and Distribution Services” and “Financial Information — Related Party Transactions.”
- *Independent third-party logistics service providers*: During the Track Record Period, we utilized the logistics services of independent third-party logistics service providers primarily for the transport and delivery of our CCMG products to Chinese medicine practitioners.

Overseas

The responsibility for transportation costs from Hong Kong to our overseas distributors is subject to negotiation. Subject to the terms of agreement with our overseas distributors, we may utilize independent third-party logistics services for the transport and delivery of our products from Hong Kong to overseas ports of destination.

During the Track Record Period and as of the Latest Practicable Date, we did not experience any significant delay or poor handling of goods that had materially and adversely affected our business operations. Furthermore, we do not anticipate any shortage of logistics services for the foreseeable future and we believe the current logistics market already provides sufficient alternative options of logistics service providers that can offer similar terms as our existing logistics service providers.

Seasonality

In general, the sales of our branded PCM products remained fairly stable throughout the Track Record Period and we do not consider that seasonality in any of our product categories was material. For our Chinese medicine clinic services, service volumes tend to vary during periods of seasonal transition and changes in weather, which are generally associated with increased patient visits.

Product Returns, Recalls and Warranties

Generally, we do not accept product returns from our customers unless the products are defective and proven to be our fault, which we believe to be in line with industry norms. For such defective products, we are fully responsible for the cost of return and replacement of these products and will properly dispose of the returned products. In respect of the return policy with our distributors, see the principal arrangements with our Hong Kong and PRC distributors as set forth in the sections headed “— Sales and Distribution — Hong Kong — Distributor” and “— Sales and Distribution — China — Distributors” above. Upon receipt of a product return application from our customers, the returned products are delivered and recounted at our warehouses, then transferred to our quality control personnel for assessment of product status and recount. Where products are validly returned, we will

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arrange for an exchange. During the Track Record Period, we did not provide any warranties on our products. For each of the years ended March 31, 2024, 2025 and 2026, less than 0.1% of our sales were returned, respectively.

We have also established relevant product recall procedures with reference to relevant requirements, including the GMP. Once we identify a branded PCM product that is known or suspected to be harmful to users due to defective quality, safety, efficacy, or regulatory status in the market, we will initiate our recall procedure pursuant to the recall guidelines issued by the Chinese Medicines Group of the CMCHK. We will immediately notify the Chinese Medicines Group by telephone and subsequently submit a recall action notification setting forth the details of the products and nature of the problem. A recall letter and a recall reply form will be sent to all affected parties (which may include retailers, distributors, trading companies, or consumers depending on the level of recall) according to our distribution records requesting the return of unused stock. Distributors and trading companies will be asked to arrange a recall from their retailers systematically and then return all unused stock to us. All recalled products will be returned to us and a final report shall be prepared and submitted to the Chinese Medicines Group. The report shall record the reconciliation between the delivered and recovered quantities of the product. For regulatory recalls not due to quality issues, we will initiate recall procedures internally. Similar procedures will be followed, except that notification to and submission of reports to the Chinese Medicines Group are not necessary.

During the Track Record Period and up to the Latest Practicable Date, there were no material product returns or product recalls from our direct customers, and we did not experience any material complaints, product liability, or other legal claims from our customers due to problems with the quality of our products.

MAJOR SUPPLIERS AND CUSTOMERS

Major Suppliers

Our suppliers primarily include raw material or packaging material suppliers, and third-party manufacturers. For the years ended March 31, 2024, 2025 and 2026, our five largest suppliers accounted 84.8%, 85.9% and 84.5% of our total purchases, respectively. The table below sets forth certain information with respect to our five largest suppliers during the years indicated:

Rank	The five largest suppliers	Major product categories bought from supplier	Purchase for the year <i>HK\$'000</i>	Percentage of our total purchase for the year %	Principal business of the supplier	Length of relationship with us as of March 31, 2026 <i>year</i>	Credit period
Year ended March 31, 2024							
1	Supplier A	Branded PCM products	89,034	61.5	Manufacturing of PCM products and health products, and cultivation of Chinese medicinal herbs	7	30 days
2	Supplier B	Branded PCM products	10,600	7.3	Manufacturing of PCM products	11	90 days

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Rank	The five largest suppliers	Major product categories bought from supplier	Purchase for the year <i>HK\$'000</i>	Percentage of our total purchase for the year <i>%</i>	Principal business of the supplier	Length of relationship with us as of March 31, 2026 <i>year</i>	Credit period
3	Supplier C	Packaging materials for PCM	8,236	5.7	Trading of packaging materials	8	30 days
4	Supplier D	Packaging materials for PCM	7,728	5.3	Trading of packaging materials	12	7 days
5	Supplier E.	Raw materials for PCM	7,267	5.0	Sales of raw materials and ingredients of Chinese medicines	6	30 days

Year ended March 31, 2025

1	Supplier A	Branded PCM products	83,359	62.2	Manufacturing of PCM products and health products, and cultivation of Chinese medicinal herbs	7	30 days
2	Supplier B	Branded PCM products	13,731	10.2	Manufacturing of PCM products	11	90 days
3	Supplier C	Packaging materials for PCM	7,577	5.7	Trading of packaging materials	8	30 days
4	Supplier E.	Raw materials for PCM	5,668	4.2	Sales of raw materials and ingredients of Chinese medicines	6	30 days
5	Supplier D	Packaging materials for PCM	4,815	3.6	Trading of packaging materials	12	7 days

Year ended March 31, 2026

1	Supplier A	Branded PCM products	97,699	63.0	Manufacturing of PCM products and health products, and cultivation of Chinese medicinal herbs	7	30 days
2	Supplier B	Branded PCM products	11,879	7.7	Manufacturing of PCM products	11	90 days
3	Supplier C	Packaging materials for PCM	8,833	5.7	Trading of packaging materials	8	30 days
4	Supplier E.	Raw materials for PCM	7,604	4.9	Sales of raw materials and ingredients of Chinese medicines	6	30 days

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Rank	The five largest suppliers	Major product categories bought from supplier	Purchase for the year <i>HK\$'000</i>	Percentage of our total purchase for the year <i>%</i>	Principal business of the supplier	Length of relationship with us as of March 31, 2026 <i>year</i>	Credit period
5	Supplier F.	Raw materials for PCM	5,023	3.2	Sales of raw materials and ingredients of Chinese medicines	6	30 days

We believe that we have good relationships with our major suppliers. To the best knowledge of our Directors, all of our five largest raw material or packaging material suppliers and our five largest finished good suppliers during the Track Record Period are Independent Third Parties and none of our Directors, or their associates or any person who owned 5% or more of our issued share capital as of the Latest Practicable Date had any interest in any of them. We believe we have sufficient alternative suppliers that can provide us with substitutes of comparable quality and prices. During the Track Record Period and up to the Latest Practicable Date, we did not encounter any major difficulties in finding suitable suppliers. Furthermore, we did not have disputes with any of our major raw material or packaging material suppliers or finished good suppliers that would have a material 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, none of our five largest suppliers in each year was also a customers of ours.

Major Customers

For the years ended March 31, 2024, 2025 and 2026, our five largest customers accounted for 24.3%, 22.8% and 35.2% of our revenue, respectively. The table below sets forth certain information with respect to our five largest customers during the years indicated:

Rank	The five largest customers	Major product categories sold to the customer	Revenue for the year <i>HK\$'000</i>	Percentage of our total revenue for the year <i>%</i>	Principal business of the customer	Length of relationship with us as of March 31, 2026 <i>year</i>	Credit period
Year ended March 31, 2024							
1	Customer A	Branded PCM products	53,595	15.8	Distributing and selling branded medicines, healthcare products and Chinese medicines	9	30 to 215 days ⁽¹⁾
2	JBM Group	Branded PCM products	12,032	3.5	Manufacturing and trading of branded medicines and proprietary Chinese medicines, and distributing health and wellness products	16	30 days

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Rank	The five largest customers	Major product categories sold to the customer	Revenue for the year <i>HK\$'000</i>	Percentage of our total revenue for the year <i>%</i>	Principal business of the customer	Length of relationship with us as of March 31, 2026 <i>year</i>	Credit period
3	Customer B	Branded PCM products	7,325	2.2	Distributing, marketing, and selling consumer goods, healthcare, performance materials and technology products	13	30 days
4	Customer C	Branded PCM products	4,755	1.4	Trading Chinese medicines and pharmaceutical drugs	9	Cash-on-delivery
5	Customer D	Branded PCM products	4,675	1.4	Manufacturing and selling medicines and pharmaceutical products	12	Cash-on-delivery

Year ended March 31, 2025

1	Customer A	Branded PCM products	56,449	15.7	Distributing and selling branded medicines, healthcare products and Chinese medicines	9	30 to 210 days ⁽¹⁾
2	Customer E	Branded PCM products	6,998	1.9	Trading Chinese medicines and pharmaceutical drugs	6	Cash-on-delivery
3	JBM Group	Branded PCM products	6,531	1.8	Manufacturing and trading of branded medicines and proprietary Chinese medicines, and distributing health and wellness products	16	30 days
4	Customer F	Branded PCM products	6,500	1.8	Distributing Chinese medicines, healthcare products and pharmaceutical drugs	9	60 days
5	Customer G	Branded PCM products	5,629	1.6	Trading Chinese medicines	5	180 days

Year ended March 31, 2026

1	Customer A	Branded PCM products	124,257	26.8	Distributing and selling branded medicines, healthcare products and Chinese medicines	9	30 to 285 days ⁽¹⁾
2	JBM Group	Branded PCM products	10,469	2.3	Manufacturing and trading of branded medicines and proprietary Chinese medicines, and distributing health and wellness products	16	30 days

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Rank	The five largest customers	Major product categories sold to the customer	Revenue for the year	Percentage of our total revenue for the year	Principal business of the customer	Length of relationship with us as of March 31, 2026	Credit period
			<i>HK\$'000</i>	<i>%</i>		<i>year</i>	
3	Customer H	Branded PCM products	10,432	2.2	Trading Chinese medicines and pharmaceutical drugs	1	90 days
4	Customer I	Branded PCM products	9,468	2.0	Operating chain retail store of beauty, health and pharmaceutical products	5	30 days
5	Customer E	Branded PCM products	8,671	1.9	Trading Chinese medicines and pharmaceutical drugs	6	Cash-on-delivery

Note:

- (1) The relatively long credit period was attributable to certain transactions involving staggered deliveries and a single settlement arrangement. As the credit period is calculated from the first delivery of goods to the settlement date, such transactions resulted in a longer credit period.

To the best knowledge of our Directors, except our Customer A, which is owned as to 17.04% by Jacobson Group Treasury Limited (a wholly-owned subsidiary of Jacobson Pharma), and the JBM Group as described in further details in the section headed “Financial Information — Related Party Transactions — Sales to Fellow Subsidiaries,” none of our Directors, or their associates, or any person who owned 5% or more of our issued share capital as of the Latest Practicable Date, had any interest in any of our five largest customers for each of the years during the Track Record Period. All our five largest customers for each of the years during the Track Record Period were Independent Third Parties and none of them was also a customer of ours.

QUALITY MANAGEMENT

Self-Manufactured Branded PCM Products

We have established strict quality management procedures to ensure that our products are safe and of high quality. As of March 31, 2026, we had a total of 27 quality management personnel, comprising 14 quality control personnel and 13 quality assurance personnel. Among them, six possess master’s degrees, and many of them have relevant prior working experience in GMP manufacturing or quality control.

As of March 31, 2026, we had eight key personnel who meet the qualification and experience requirements prescribed by the Chinese Medicines Board for GMP-accredited PCM manufacturers, including our authorized person (responsible for releasing every batch of finished products for sale), head of production (responsible for managing production operations) and quality control general manager (responsible for quality control activities). These key posts are occupied by full-time personnel who hold bachelor’s degrees in Chinese medicines or relevant science disciplines and possess practical experience in GMP-accredited PCM manufacturing, including experience obtained in Hong Kong. These individuals held the roles of authorized person, quality control manager, production manager, quality assurance manager and general manager of various manufacturing facilities within our Group, respectively.

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Quality assurance

Our quality assurance personnel are responsible for maintaining adequate systems to ensure the quality, efficacy and safety of our self-manufactured products and to ensure GMP standard compliance, where applicable. Our self-manufactured branded PCM products must be manufactured under conditions and practices required by the GMP guidelines issued by the Chinese Medicines Board, which cover all aspects of production from the starting materials, premises and equipment to the training and personal hygiene of staff.

Our quality assurance personnel formulate detailed written procedures for each process that could affect the quality of a finished product. They ensure that these procedures are consistently followed at each step of the manufacturing process with documented proof that (i) the facilities and equipment are in good condition, properly maintained and calibrated; (ii) staff are qualified and fully trained; and (iii) processes are reliable and reproducible. Qualification and validation are carried out to generate sufficient data to provide assurance and documented evidence that the facility, equipment, process, or analytical method operating within specified parameters consistently produce results within predetermined specifications. Our quality assurance personnel establish standards and specifications, maintain and monitor document control and review, manage material suppliers, maintain environmental and facility controls and monitoring, manage change controls, review and monitor corrective actions and preventive actions, manage product deviations, monitor GMP standard compliance, oversee training, and manage audit activities. For example, our quality assurance personnel maintain an approved vendors list from which our procurement department can source raw materials. New raw material suppliers are subject to the review and approval of our quality assurance personnel using a vendor management system, and their GMP certificates or suitable standard certificates must be available for review and verification. Any changes would need to be reported to our quality assurance personnel for evaluation and approval.

Quality control

Unlike some of the industry practices of outsourcing certain quality control activities, according to the Frost & Sullivan Report, all quality control testing of our self-manufactured products is performed at our in-house laboratory, which enables us to maintain direct oversight and accountability over product quality. Our quality control laboratory is equipped with analytical instrumentation for testing raw materials, in-process samples and finished products in accordance with relevant pharmacopeial standards. We also maintain a dedicated microbiology laboratory for microbiological testing and routine environmental monitoring.

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

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When we receive raw materials, the manufacturers of such materials (regardless of whether they are GMP-accredited) must include a certificate of analysis confirming that the materials comply with the prescribed specifications. Each lot of raw materials, packaging materials, work in progress (where appropriate) and finished products is quarantined until it has been sampled, tested and released for use by our quality control personnel. Final release of products from the quarantine area is carried out only when all documents pertaining to the production have been reviewed by the heads of the relevant departments and approved by the authorized person.

Quality standards and certifications

According to our Legal Counsel, our operations are in compliance with applicable Hong Kong laws and regulations in relation to the manufacturing and sales of branded PCM products in all material respects. Our manufacturing facilities and certain products have also obtained or are in the process of obtaining various international quality management certifications. For example,

- we have applied to the TGA of Australia for PIC/S certification in late 2025, which, if obtained, is expected to significantly enhance our regulatory compliance capabilities and market access in PIC/S member countries; and
- we have obtained Halal certification issued by the Japan Halal Foundation (valid from February 10, 2026 to February 9, 2027) under its Selected Product Scheme, covering our Po Chai Pills manufacturing facility and designated Po Chai Pills for certain markets, supporting our expansion in Muslim-majority markets.

In order to obtain and maintain these certifications, we have to meet the quality and hygiene standards set by the relevant governments and recognized organizations, covering different stages of the manufacturing process from raw materials procurement, manufacturing and maintenance of manufacturing facilities to finished products and storage of our branded PCM products.

GMP accreditation

The Chinese Medicines Board has developed GMP guidelines on the standards of manufacture and quality control of proprietary Chinese medicines in Hong Kong. While GMP-accreditation is not compulsory for the production of branded PCM products in Hong Kong, we operate two GMP-accredited manufacturing facilities, in which we manufacture Po Chai Pills, Tin Hee Tong Tin Hee Pills and our medicated oils, including Flying Eagle Wood Lok Medicated Oil, Shiling Oil, Tong Tai Chung Medicated Oil and Konsodona Medicated Oil. Only 21 of 195 licensed PCM manufacturers in Hong Kong, or 10.8%, were GMP-accredited as of June 30, 2026, and we held 2 of those 21 accreditations, according to the Frost & Sullivan Report. We have obtained the Manufacturer License and GMP Certificate issued by the CMCHK for these manufacturing facilities. We generally submit renewal applications for these licenses and certificates (which are processed separately by the CMCHK) approximately six months prior to their expiry dates. In addition to reviewing our renewal application that includes detailed documentation (including a list of quality control documents, manufacturing manual and product samples), the Chinese Medicine Regulatory Office of the Department of Health will also conduct an on-site audit to determine GMP-compliance. We are subject to such inspection from the Chinese Medicine Regulatory Office of the Department of Health once every two years as part of the renewal process.

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During the Track Record Period and up to the Latest Practicable Date, we did not receive any material findings of rectifications or recommendations from the relevant government authorities and accreditation bodies.

Quality management over the manufacturing process

We maintain a comprehensive, end-to-end quality management system in strict compliance with GMP requirements, covering the full quality assurance lifecycle, from supplier selection and raw material procurement to manufacturing, finished product release, stability studies and post-market product safety monitoring. The following are the key steps of our quality management over the manufacturing process of our own brand products and the packaging process of products produced by our third-party manufacturers:

- *Starting materials:* Each lot of raw materials received by the warehouse is assigned with a unique receiving lot number. A quarantine label is affixed on each container. Sampling, identification and any prescribed tests and assays are conducted by our quality control personnel according to standard operating procedures. The release label is affixed on each container after our quality control personnel release the material.
- *Packaging materials:* Each lot of packaging materials received by the warehouse is sampled and verified against the packaging material specification by our quality control personnel. The approved packaging materials are affixed with a release label upon release by the quality control personnel.

Packaging materials are stored at our warehouse and distributed to the packaging section at the time of production. The quantity issued for packaging use is based on the amount specified in the batch packaging record. The identity and quantity of packaging material are sampled and checked by our quality control personnel before product manufacturing or upon receipt of products produced by third-party manufacturers.

- *Work in progress:* Work in progress is subjected to sampling and testing by our quality control personnel. They are released for production of the next stage by our quality assurance personnel. In-process control testing is performed by our product manufacturing and quality control personnel at regular intervals during production to ensure that the process is under control. We also conduct periodic monitoring of the production environment to ensure that manufacturing conditions remain within prescribed parameters and comply with GMP requirements.
- *Finished products:* All finished batches are sampled for quality control testing according to finished product specifications after final packaging and are quarantined. Quarantined finished products are stored in the designated quarantine area of the warehouse. The head of the quality control team verifies the analytical data in the product analysis record against specifications. The head of our production team reviews and counterchecks the production batch records, packaging records and other related documents. The authorized person is responsible for the final approval of the release for sale, ensuring compliance with all applicable quality standards and regulatory requirements prior to product release. The approved finished products are affixed with a released label.

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- *Post-market safety monitoring*: Stability data generated from our program is also used to support regulatory submissions for product registration in various markets. In addition to the stability program described above, we monitor post-market product safety on an ongoing basis.

Finished Products Manufactured By Others

We also implement quality control procedures to ensure the quality, safety and reliability of the finished products supplied by third-party brand owners and own brand products produced by third-party manufacturers. Our quality control personnel conduct inspections upon the delivery of such finished products to our warehouses in accordance with the packages and product descriptions under the purchase order form or delivery note. While we do not conduct sample testing on all finished products supplied by others, our quality control personnel will ensure the finished products delivered to us are attached with a certificate of analysis, which details the quality test results of the products. We will only accept products that meet the specifications and quality standards as required by us. After each inspection by our quality control personnel, we will maintain records of the inspection conducted.

Upon completion of the said inspection procedures, the products are delivered and transported to the designated location in our warehouse for storage. If such products do not pass the examination, or if the quantities, packages and descriptions of the products are not in line with the purchase order, our quality control personnel will move such products to a designated area and will then notify the respective suppliers as soon as possible for product exchange.

Chinese Medicine Clinic Services

We maintain quality management of our Chinese medicine clinic services through a combination of practitioner qualification requirements and structured on-the-job training. Overall responsibility for quality control rests with the general manager of our Chinese medicine clinic service business, who supervises clinical standards and operational practices across the clinics. All our Chinese medicine practitioners are duly registered Chinese medicine practitioners and are subject to applicable continuing professional development requirements for the renewal of their registrations. Newly joined practitioners are required to undergo an initial period of supervised practice, during which they follow and assist senior practitioners to ensure familiarity with our clinical protocols, service standards and patient care approach. Through these measures, we seek to ensure consistency and quality in the delivery of our Chinese medicine services.

INVENTORY CONTROL

We focus on optimizing our inventory management to provide high quality products. We believe our efficient and responsive inventory management system enables us to better manage the time to market of our products, our rates of inventory turnover, our inventory levels and our storage space and costs, thereby helping us to remain competitive and reduce the risks associated with the deterioration of raw materials and products.

Inventory Management

Our inventories primarily consist of raw materials, packaging materials, work in progress and finished products. We maintain computerized enterprise resource planning (“**ERP**”) systems to track the incoming and outgoing inventory. These systems enable us to monitor levels of inventory on a timely

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basis so as to maintain an optimum level of raw materials, packaging materials, work in progress and finished products. Our safety inventory levels for raw materials, work in progress and finished products are based on our historical sales, actual sales activities available from our ERP systems and through communication among operating departments and information from our customers to assess the market demand for our products, and future sales projections. Where we identify inventory closer to expiration, we may liaise with our customers to organize promotional campaigns to stimulate turnover of such products.

Raw Materials and Packaging Materials

All of our manufacturing facilities are equipped with warehouses for the storage of raw materials and packaging materials. Our procurement team purchases raw materials and packaging materials based on the sales plans prepared by our sales team. To cope with market demand and manufacturing schedules, we manage our raw material inventory levels carefully to maintain a reasonable inventory level, and maintain higher inventory levels for high consumption materials or items with longer lead times.

Finished Products

We mainly utilized the logistics services of the JBM Group for finished products storage, as well as certain independent third-party logistics providers (for certain e-commerce sales). We generally stock our finished products at safety inventory levels that are sufficient for fulfilling the forecasted demand and, on average, around five months of inventory. For third-party brand products, the lead time from order placement to delivery of products to our warehouses ranges from three to four months.

LICENSES, PERMITS AND APPROVALS

According to the Chinese Medicine Ordinance, no person shall sell, import or possess any proprietary Chinese medicines unless the proprietary Chinese medicines are registered with the Chinese Medicines Board. For further details, see the section headed “Regulatory Overview — Laws and Regulations Relating to Our Business Operations in Hong Kong.”

The following table sets forth the material licenses, permits and certificates for our branded PCM products:

License/Permit/ Certificate	Issuing authority	Purpose	Company name	Expiry date
Manufacturer License .	CMCHK	Required for the legal production of proprietary Chinese medicines in Hong Kong	Europharm Laboratoires (Hong Kong) Company Limited LCST (Holdings) Tin Hee Tong	May 20, 2028 March 11, 2028 November 1, 2027
Certificate for Manufacturer (GMP Certificate) in respect of proprietary Chinese medicines	CMCHK	Certifies that a manufacturer is licensed under the Chinese Medicine Ordinance	Europharm Laboratoires (Hong Kong) Company Limited LCST (Holding)	September 17, 2026 ⁽¹⁾ March 26, 2028

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License/Permit/ Certificate	Issuing authority	Purpose	Company name	Expiry date
Wholesaler License in Chinese Herbal Medicines.	CMCHK	Required for conducting business in the wholesale of Chinese herbal medicines in Hong Kong	PCCCH Kenford Medical	April 24, 2027 May 19, 2028
Wholesaler License in Proprietary Chinese Medicines.	CMCHK	Required for conducting business in the wholesale of proprietary Chinese medicines in Hong Kong	LCST (Holding) PCCCH Jetstar Singmalay Company Limited Kenford Medical	January 23, 2027 April 24, 2027 September 22, 2026 ⁽¹⁾ February 3, 2028 April 18, 2028
Retailer License in Chinese Herbal Medicines.	CMCHK	Required for conducting business in the retail of proprietary Chinese medicines in Hong Kong	Kenford Medical King Pui Siulun Medheart	August 17, 2026 ⁽¹⁾ –July 7, 2028 November 28, 2026–December 11, 2026 August 22, 2026 ⁽¹⁾ –Jan 17, 2027

Notes:

- (1) To the best understanding of our management, the license renewal process generally commences approximately one month prior to the expiry date of the license upon receipt of a demand note for the settlement of the relevant licensing fee from the Department of Health.
- (2) As advised by our Legal Counsel, we do not expect any legal impediments in the renewal of such license and certificate.

Our Directors confirm that during the Track Record Period and up to the Latest Practicable Date, (i) we had obtained all necessary registrations, licenses, permits and approvals from the relevant authorities that are material for our business operations, and such licenses, permits and approvals remained in full effect; and (ii) no circumstances existed that would render the revocation or cancelation of any registrations, license, permit or approval that are material to our business operations, and we did not experience any material difficulty in obtaining or renewing any required registrations, license, permit or approval.

COMPETITION

We are a leading Hong Kong-based PCM group that manufactures, markets and distributes branded PCM products and provides Chinese medicine clinic services. We ranked first in the Hong Kong PCM market by end-market sales in 2025, according to the Frost & Sullivan Report. We primarily compete with manufacturers and distributors of branded PCM products and Chinese medicine clinic operators. Our key competitive advantages include (i) trusted heritage PCM brands with unique formulation; (ii) effective brand management and marketing strategies; (iii) GMP-accredited manufacturing capabilities; (iv) stringent end-to-end quality management system in strict compliance

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with GMP requirements; (v) established sales and distribution network; and (vi) vertically integrated Chinese medicine platform with Chinese medicine clinic network. We believe there are relatively high entry barriers to the branded PCM industry, for example:

- *Product registration*: Product registration is required for certain branded PCM products before they can be sold and supplied in Hong Kong, China and other overseas markets. New entrants need expertise and stringent quality management procedures to meet these regulatory requirements.
- *Brand heritage and product efficacy*: Established players benefit from brand heritage built over long operating histories, accumulated consumer recognition and cross-generational trust, which are difficult to replicate. In addition, product efficacy recognition-driven by actual usage experience, repeat purchase behavior and word-of-mouth-creates a barrier to entry, as consumers and channel partners tend to favor products with clear functional positioning and long-term market validation.
- *Sales and distribution networks*: Extensive distribution and sales networks are required for entry into our markets. Established market players generally have well-connected sales and distribution networks and are preferred for their reputation, high consumer loyalty and proven sales performance, making it more difficult for new entrants to increase their points of sale. New entrants may also be less flexible to sell their products at more competitive prices and with discounted packages than competitors that have substantial financial and other resources.

For further details of the industry trends and competitive landscape, see the section headed “Industry Overview.”

AWARDS AND RECOGNITIONS

The following table sets forth the major awards and certifications we have received during the Track Record Period:

Year	Brand/product receiving award	Award/recognition	Awarding institution/authority
2026	Po Chai Pills	Merit Award in the Hong Kong Roots — The Legendary Roots, TVC or Video Format category at the Kam Fan Awards 41st edition	The Association of Accredited Advertising Agencies of Hong Kong
	Po Chai Pills	Gold Award for “Best Use of Customer Acquisition”	MARKies Awards
	Po Chai Pills	Silver Award for “Best Idea: Influencer”	MARKies Awards
2025	Po Chai Pills	OOH Contextual Marketing Award — Silver Award in the High Speed Rail category	Organizing Committee of the China Outdoor Communication Conference

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Year	Brand/product receiving award	Award/recognition	Awarding institution/authority
	Po Chai Pills	Bronze Award for “Best Use of User Generated Content”	Marketing Interactive
	Po Chai Pills	Excellence Award in the Digital Outdoor category	IAI Awards
	Flying Eagle Wood Lok Medicated Oil	Hong Kong Top Brand	Hong Kong Brand Development Council and the Chinese Manufacturers’ Association of Hong Kong
	Flying Eagle Wood Lok Medicated Oil	Silver Award in the “Best Idea — Launch/Rebranding” category	MARKies Awards
	Flying Eagle Wood Lok Medicated Oil	Excellence in TV Commercial	HKMA / ViuTV & Now TV Awards for Marketing Excellence
2024	Po Chai Pills	Hong Kong Top Brand — Ten Year Achievement Award	Hong Kong Brand Development Council and Chinese Manufacturers’ Association

EMPLOYEES

As of March 31, 2026, we had a total of 302 employees based in Hong Kong. The following table sets forth a breakdown of our employees by function as of March 31, 2026:

Function	Number of employees
Procurement	3
Sales and marketing	25
Quality management	27
Factory, warehouse and operations	234
Finance, human resources and others	13
Total	302

Our employees are important strategic resources for our development. As of March 31, 2026, we had 36 employees with master’s degrees or above.

Our employees typically enter into standard employment contracts with us, covering matters such as wages, employee benefits, productivity-related incentives, performance-related bonuses, confidentiality obligations, and grounds for termination. We set performance attributes for our employees based on their position and department and periodically review their performance. The results of such reviews are used in their salary determinations, bonus awards and promotion appraisals. We offer various benefit plans to our employees, including top-up leave entitlement, pension, medical, life insurance and maternity benefits. During the Track Record Period and up to the Latest Practicable

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Date, we did not experience any significant difficulty in recruiting new employees and any significant employee turnover, as well as any incidence of strikes, work stoppages, or significant labor disputes that materially affected or were likely to have an adverse effect on the operations of our business.

We place high value on recruiting, training and retaining our employees. We maintain high recruitment standards and provide competitive compensation packages. We also provide in-house and external training relating to management and professional skills and knowledge. We also sponsor the external training of our employees. We provide our manufacturing staff with general training on GMP practice, equipment operation and manufacturing. When new employees join, they will be closely monitored by experienced staff, and their training will be deemed complete if the trained techniques, operation procedures, and manufacturing process can be performed correctly and independently, with the approval of the manufacturing supervisor or manufacturing manager. We engage recruitment agencies to place candidates for certain highly specialized roles.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

ESG Governance

We recognize that sound environmental, social and governance (“ESG”) principles are fundamental to our product quality, regulatory compliance, brand reputation and long-term business sustainability. ESG-related matters are overseen by our Board, which holds ultimate responsibility. The Board has delegated the management and execution of ESG and climate-related matters to our senior management, who regularly report to the Board on performance. ESG considerations are embedded in our business decision-making, risk management and operational processes. Our risk management framework incorporates climate-related risks, and we are strengthening our data collection and performance monitoring capabilities.

ESG Goals and Targets

In line with our business strategy and material ESG topics, we have identified a set of focus areas to guide our sustainability efforts, covering environmental management, product quality and innovation, supply chain responsibility, employee well-being, and business ethics. We will continue to review these priorities in light of our business development, regulatory changes and stakeholder expectations. To drive measurable progress, we have set quantitative climate-related targets: taking the year ended March 31, 2026 as the base year, we aim to reduce both greenhouse gas emissions (Scope 1 and 2) intensity and energy use intensity by 5% by the year ended March 31, 2030. We are committed to tracking our progress against these targets and advancing our sustainability initiatives in a steady and transparent manner.

Environmental and Climate-related Management

We have embedded the management of environmental and climate-related risks into our operational and risk management processes, overseen by the Board and our senior management, to mitigate relevant risks, bolster operational resilience and drive long-term sustainable value. As our operations are not energy-intensive or highly polluting in nature, our environmental footprint is relatively limited. Nonetheless, we are committed to managing our environmental impact responsibly through efficient resource utilization, regulatory compliance and continual performance improvement.

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Waste Management

We have established systematic waste management procedures covering collection, storage, handling and disposal across our manufacturing and office operations in compliance with applicable laws and regulations. Our waste streams include packaging materials, pharmaceutical residues, laboratory chemicals and other operational by-products, all managed by licensed service providers with full records of generation, transfer and disposal maintained for traceability and regulatory purposes. We also promote waste reduction and recycling in offices through segregated waste bins, reuse of stationery and envelopes where feasible, and adoption of rechargeable batteries to cut disposable waste.

Use of Resources

We prioritize resource efficiency across our operations, with structured management of energy and water consumption to minimize our environmental footprint. Electricity is our primary energy consumption for manufacturing and office operations, with diesel used for a company-owned vehicle; we advance energy efficiency through adjusted temperature set points in manufacturing facilities, electricity consumption monitoring and performance data analysis, and optimize delivery routing to further cut fuel use. For water, a critical operational resource, we maintain monitoring systems to ensure compliance with quality standards, roll out water-saving measures across pantries and production areas, treat production wastewater on-site to meet discharge requirements, and continuously track consumption to identify additional efficiency opportunities. The table below sets forth our energy and water consumption for the years indicated:

	Unit	Year ended March 31,		
		2024	2025	2026
Total energy consumption . .	MWh	3,566	3,634	4,034
— Electricity consumption .	MWh	3,533	3,604	4,003
— Diesel consumption ⁽¹⁾ . .	MWh	33	30	31
Intensity of energy consumption	MWh/million HK\$ of revenue	11	10	9
Water consumption ⁽²⁾	m ³	26,948	22,888	19,396
Intensity of water consumption	m ³ /million HK\$ of revenue	79	64	42

Notes:

- (1) The increase in our electricity consumption in the year ended March 31, 2026 was primarily attributable to the acquisition of the Chinese medicine clinic service business, coupled with the organic growth of existing business operations.
- (2) The fluctuations in water consumption and water-use intensity were mainly due to phased operational adjustments and facility upgrades, supplemented by ongoing water management optimization.

Reacting to Climate Change

We recognize that climate change poses both physical and transition risks to our business. Physical risks, such as extreme weather events and rising temperatures, may disrupt our manufacturing operations, affect product storage conditions, delay logistics and distribution, and impact raw material supply from our suppliers. Transition risks include potential regulatory tightening, as well as growing expectations from investors and customers for enhanced climate-related disclosures and performance.

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To manage these climate-related risks, we have integrated them into our overall risk management framework. The process involves identifying potential climate risks relevant to our operations, assessing their likelihood and potential impact on our business and supply chain, and prioritizing them for management attention based on the assessment results. We incorporate climate-related considerations into our operational planning and risk management processes, and have established emergency response procedures to support business continuity. Our senior management monitors identified climate-related risks and opportunities on an ongoing basis, and reports the results to the Board periodically. The table below sets forth our GHG emissions for the years indicated:

	Unit	Year ended March 31,		
		2024	2025	2026
Total GHG emissions	tCO ₂ e	1,371	1,398	1,548
— Scope 1 Direct GHG emissions ¹	tCO ₂ e	9	8	8
— Scope 2 Indirect GHG emissions ²	tCO ₂ e	1,342	1,369	1,548
— Scope 3 Other indirect GHG emissions ³	tCO ₂ e	20	21	16
Intensity of total GHG emissions	tCO ₂ e/million HK\$ of revenue	4	4	3

Notes:

1. Scope 1 direct emissions include the GHG emissions from our self-owned vehicle. Emissions factors refer to the “HKEx — How to prepare an ESG Report Reporting Appendix 2: Reporting Guidance on Environmental KPIs” .
2. Scope 2 indirect emissions include GHG emissions from purchased electricity. Emission factors are sourced from official grid data of CLP Power Hong Kong Limited and Hong Kong Electric Company, Limited. The fluctuation in Scope 2 emissions in the year ended March 31, 2026 is primarily driven by the expanded reporting scope from new business acquisitions and organic growth.
3. Scope 3 other indirect emissions include the GHG emissions from electricity for the treatment of water and wastewater, as well as emissions from employee business air travel.

Employment and Labor Practices

We are committed to equal employment opportunities, fostering an inclusive organization where all employees are respected and valued regardless of gender, marital or family status, disability or race, and leveraging the diverse talents, skills and perspectives of our workforce. Our Employee Handbook sets forth comprehensive policies covering compensation and benefits, recruitment and employment, working hours, leave entitlements, training and development, equal opportunities and anti-discrimination. As of March 31, 2026, 68.9% and 31.1% of our workforce was female and male respectively.

Employee health and safety is a core priority. In compliance with the Occupational Health and Safety Ordinance and relevant codes of practice, we maintain a safe working environment across all operations. Production and laboratory personnel receive appropriate personal protective equipment, and all staff must observe safety precautions. We provide safety orientation for new and reassigned employees, conduct regular fire and evacuation drills, and maintain a formal system to record and address work-related accidents with immediate corrective actions. For the years indicated, we recorded no material occupational accidents, and no related claims for personal or property damage or employee compensation.

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We view employee training and development as foundational to building a high-caliber talent pool and driving sustainable growth. We deliver regular orientation for new joiners, administer our Sponsorship for External Studies or Training Policy for eligible programs, and conduct regular performance reviews and annual appraisals to align individual development with business objectives.

Product Quality Management

We place product quality and safety at the core of our operations, with a comprehensive quality management system covering manufacturing and distribution. We comply with applicable regulatory requirements including the Public Health and Municipal Services Ordinance and the Undesirable Medical Advertisements Ordinance, and ensure all registrable products are duly registered with the Department of Health and the CMCHK. Aligned with ISO 9001 standards, our quality control system applies rigorous checks throughout production, and products are released for sale only after full review and approval by authorized personnel. We maintain formal customer complaint and product recall policies for product-related incidents. Complaints are classified by severity and processed within set timelines, with remedial and preventive actions, product quarantine or recall initiated as needed. The response framework defines clear protocols for incident grading, escalation, product control measures, health authority notification and post-incident review, with bi-annual simulation drills conducted to validate response readiness. We also enforce quality standards for printed and non-printed packaging materials, and regularly update relevant policies per regulatory developments and industry best practices to uphold product quality and consumer safety.

Supply Chain Management

We maintain a formal supplier management system under our responsible supply chain governance, with ESG-aligned compliance and quality standards embedded across the qualification, approval and ongoing monitoring processes set forth for all suppliers. Suppliers must satisfy baseline criteria including legitimate operation, compliant product quality and valid certifications, with priority given to GMP-accredited manufacturers, and all qualified suppliers are approved by our authorized person. New primary material suppliers undergo on-site audits covering facilities, production and quality control systems, plus document reviews and sample testing, while secondary material suppliers are assessed via documentary review. We maintain a regularly updated approved supplier list, conduct annual audits and quality reviews with a scoring system covering delivery, quality, production performance, complaint handling and pricing, and apply corrective actions or de-listing for underperformance. Formal change control procedures and comprehensive supplier dossiers ensure full traceability.

Business Ethics

We are committed to conducting our business with honesty, integrity and fairness, and have established clear policies governing ethical conduct across our operations. Our Policy on Bribery Prevention sets out the basic standards of conduct expected of all employees, prohibiting bribery and corruption in all forms and requiring compliance with the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong). The policy provides guidance on acceptance of advantages, with a monetary threshold and declaration requirements, as well as on handling conflicts of interest through formal disclosure procedures. Our Whistleblowing Policy establishes secure channels for reporting suspected misconduct or malpractice, with protections for good-faith reporters against retaliation and a clear investigation framework. These policies are communicated to all employees, and regular training is provided to reinforce integrity awareness and compliance.

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Healthcare Accessibility and Social Contribution

We are committed to fulfilling our social responsibilities within the communities in which we operate, with a particular focus on healthcare accessibility, elderly care, support for underprivileged groups, education and youth development, as well as the promotion of sports and healthy lifestyles. We contribute financial and in-kind resources, including donations of our healthcare products, to support various community initiatives and charitable organizations. We also provide sponsorship to social service agencies and educational institutions, and actively participate in community activities that foster social cohesion and cultural exchange. Through these efforts, we seek to address community health needs and create lasting value for the communities that are integral to our business. Employee volunteering remains a crucial part of our community engagement. We encourage employees to contribute their time and skills to give back to the community, and support their participation in volunteer services that align with our social mission.

INSURANCE

We maintain limited insurance coverage, such as material damage insurance, product liability insurance, public liability insurance, marine cargo insurance, money insurance, motor insurance, employees’ compensation insurance, employees’ life insurance, loss of profit insurance and director insurance. Our Directors believe that the insurance coverage for our operation was adequate and was in line with industry practice in Hong Kong as of the Latest Practicable Date. However, the risks related to our business and operations may not be fully covered by insurance. See the section headed “Risk Factors — Risks Relating to Our Business and Industry — Our insurance coverage may not completely cover the risks related to our business and operations.” During the Track Record Period and up to the Latest Practicable Date, we had not made, neither had we been the subject of, any insurance claims which are of a material nature to our Group.

INTELLECTUAL PROPERTY RIGHTS

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

Therefore, we primarily rely on the following to protect our intellectual property rights:

- *Trademarks*: Trademark registration of our own brands is the most critical protection of our branded PCM products. Due to the proprietary or branded nature of branded PCM products and consumer recognition of branded PCM products by their brands, the most valuable intellectual property protection associated with these products is their widely recognizable brand names, product names and logos, which are protected by trademarks.

In particular, we hold 44 registered trademarks in Hong Kong, Macau, China, Singapore, Indonesia, Malaysia, Thailand and the United States which are material to our business. We also have 2 pending trademark applications in Australia which are material to our business, including our Company’s logo.

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- *Domain names and other intellectual property rights:* We are the owner of three domain name which is material to our business. For further details of our intellectual property rights, see “B. Further Information About Our Business — 2. Intellectual Property Rights of Our Group” in Appendix IV to this document.
- *Contractual provisions:* Our confidential proprietary manufacturing formulation and technique, processes and know-how (including those relating to the formulation and manufacturing process of our own brand products, including Flying Eagle Wood Lok Medicated Oil and Po Chai Pills) are protected by intellectual property, confidentiality, or non-competition clauses in the employment contracts of relevant employees and distribution agreements.
- *Anti-counterfeit protection:* We have also applied certain anti-counterfeit protection to the packaging of our products to differentiate them from fake or counterfeit products, such as anti-counterfeit ultraviolet marks to our Po Chai Pills (including Puji Pills for sale in China) and Flying Eagle Wood Lok Medicated Oil that correspond with our internal record of product batch list. In addition, our sales team regularly visits retail outlets in Hong Kong that carry our products to observe their general end market responses and incidents of fake or counterfeit products.
- *Designated personnel:* We have designated personnel who work with external lawyers and consultants to handle our intellectual property matters, such as the registration and maintenance of our intellectual property rights, the coordination to obtain or grant intellectual property licenses, and the litigation of any infringement or misappropriation actions. We identify potential infringement incidents by regularly conducting intellectual property searches (such as patent infringement searches) and reviewing competitors’ trademarks conducted or obtained by our designated personnel.

During the Track Record Period and up to the Latest Practicable Date, we were not subject to, nor were we party to, any material intellectual property rights infringement claims or litigations, and we had complied with all applicable intellectual property laws and regulations in all material respects. We have not been subject to any material infringement of our intellectual property rights or experienced any material incidents of counterfeit products during the Track Record Period and up to the Latest Practicable Date. Our Directors confirm that they were not aware of any incidents of intellectual property rights infringement, or restrictions with respect to our uses of intellectual property rights which would have a material adverse effect on our operations.

For risks relating to intellectual property rights infringement, see the sections headed “Risk Factors — Risks Relating to Our Business and Industry — We may be exposed to infringement claims, which may lead to monetary damages, the forfeiture of intellectual property and disruptions to our business” and “Risk Factors — Risks Relating to Our Business and Industry — We may not be able to adequately protect our intellectual property rights and prevent the existence of counterfeit products on the market.”

RISK MANAGEMENT AND INTERNAL CONTROL

To manage our external and internal risks and to ensure the smooth operation of our business, we have engaged an internal control consultant (the “**Internal Control Consultant**”) in May 2026 to perform an overall assessment of our internal control system. Our Internal Control Consultant

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conducted an initial review from May and June 2026, and with testing performed on samples selected from April 1, 2025 to March 31, 2026, and also conducted a follow-up review from June to July 2026 to assess remediation of the control deficiencies identified.

During the internal control review, while our Internal Control Consultant has provided some recommendations for our management’s consideration to enhance our internal control system, it has not identified any deficiencies in our risk management and internal control system in its initial and follow-up reviews that would have had a material adverse impact on our business, financial condition, or results of operations.

We have devoted ourselves to establishing and maintaining risk management and internal control systems to safeguard our Shareholders’ [REDACTED] and our assets at all times. We have adopted, or expect to adopt before the [REDACTED], a series of internal control policies, procedures and programs that we consider to be appropriate for our business operations, including effective and efficient operations, reliable financial reporting and compliance with applicable laws and regulations. Highlights of our internal control system include the following:

- *Code of conduct:* Our code of conduct explicitly communicates to each employee our values, acceptable criteria for decision-making and our ground rules for behavior. Our code of conduct also includes whistleblowing policies to encourage all employees to speak up against any sub-standard behavior.
- *Anti-corruption policies:* We have established anti-bribery policies and controls in payment and adopted control practices in bidding and market entry processes. Our policy prohibits paying or receiving bribes and kickbacks in commercial transactions. During the Track Record Period and up to the Latest Practicable Date, to the best of our knowledge, our employees and distributors have not made any improper or illegal incentive payments.
- *Internal audit function:* We plan to set up an audit function, which will be responsible for evaluating the internal control environment based on the internal plan and report directly to the Audit Committee.
- *Compliance with the Listing Rules:* Our various policies aim to ensure compliance with the Listing Rules, including but not limited to aspects related to corporate governance, connected transactions and securities transactions by our Directors.
- *Compliance with the Competition Ordinance:* We have taken the following measures to ensure compliance with the Competition Ordinance: (i) our executive Directors and senior management team have reviewed the latest publications and guidance materials issued by the Competition Commission to understand the requirements and implications of the Competition Ordinance and will review any new publication and guidance materials as they become available; and (ii) our executive Directors are responsible for reviewing our business practices on a regular basis to identify risks relating to competition laws that our business may face and consider the seriousness of the risks, and if necessary, to seek advice from our external professional advisors, including legal advisors.

The ultimate goal of our risk management process is to focus on the issues in our business operations that create impediments to our success. Our risk management process starts with identifying the major risks associated with our corporate strategy, goals and objectives. We encourage an

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all-embracing culture of risk management that ensures all employees are aware of and responsible for managing risks. Our Audit Committee, and ultimately the Board, supervise the implementation of our risk management policy at the corporate level by bringing together each operating department, such as quality control, product development and sales, to collaborate on risk issues among different functions. For details of the qualifications and experiences of the members of our Audit Committee and the Board, see the section headed “Directors and Senior Management.” Based on the above, our Directors are of the view that we have taken reasonable steps to establish an internal control system and procedures to manage the risks exposed to us and to enhance the control environment in both 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 for our operations.

PROPERTIES

Owned Properties

The table below sets forth the properties we owned in Hong Kong:

Function	Business purpose	Total gross/ usable floor area (sq.m.)
Kwai Chung	Warehouse and parking	401
Chai Wan	Manufacturing	314
Chai Wan	Warehouse	257
Chai Wan	Office	314

All properties owned by us are used for non-property activities. As of March 31, 2026, none of the properties held by us had a carrying amount of 15% or more of our consolidated total assets. Therefore, according 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 32 L of the Laws of Hong Kong), this document is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance which requires a valuation report with respect to all our interests in land or buildings.

Leased or Licensed Properties

The table below sets forth the properties we leased or licensed in Hong Kong:

Location	Business purpose	Total gross/ usable floor area or number of clinics	Range of expiry dates in relevant lease agreements
Tai Po ⁽¹⁾⁽²⁾	Manufacturing, warehouse and offices	2,415 sq.m.	January 27, 2028
Tai Po ⁽¹⁾⁽³⁾	Manufacturing, warehouse and office	2,072 sq.m.	January 27, 2028

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Location	Business purpose	Total gross/ usable floor area or number of clinics	Range of expiry dates in relevant lease agreements
Lai Chi Kok	7 warehouses	1,681 sq.m.	September 30, 2026 to May 31, 2028
Lai Chi Kok	Office and warehouse	277 sq.m.	November 30, 2026
Lai Chi Kok	Office and warehouse	326 sq.m.	August 31, 2026
Hong Kong Island	Chinese medicine clinics	3	May 31, 2027 to January 1, 2028
Kowloon	Chinese medicine clinics	11	July 31, 2026 ⁽⁴⁾ to May 14, 2029
New Territories East and North	Chinese medicine clinics	13	July 24, 2026 ⁽⁴⁾ to July 19, 2029
New Territories West	Chinese medicine clinics	13	July 31, 2026 ⁽⁴⁾ to May 31, 2029

Notes:

- (1) Other than these properties in Tai Po which are licensed from Europharm Laboratoires Company Limited (a member of the Jacobson Group), the remaining properties are leased from Independent Third Parties.
- (2) We have entered into a license agreement with Europharm Laboratoires Company Limited on October 28, 2025 (which leased this property from an Independent Third Party) for the grant of license to use the premises for a monthly license fee of HK\$218,000. The payments are recognized as right-of-use assets in accordance with HKFRS 16.
- (3) We have entered into a license agreement with Europharm Laboratoires Company Limited on February 28, 2025 (which leased this property from an Independent Third Party) for the grant of license to use the premises for a monthly license fee of HK\$247,000. The payments are recognized as right-of-use assets in accordance with HKFRS 16.
- (4) We are in the process of renewing the lease with the landlord.

LEGAL PROCEEDINGS AND COMPLIANCE

We may, from time to time, become a party to various legal proceedings arising in the ordinary course of business, which primarily include business disputes brought by our suppliers, customers, or other business partners. We have detailed compliance procedures to identify and control the legal risks in our operations. As of the Latest Practicable Date, there was no litigation proceedings pending or threatened against us or any of our Directors which could have a material and adverse effect on our financial condition or results of operations.

We are also subject to a wide variety of laws, rules and regulations in the ordinary course of our business operations. For further details, see the section headed “Regulatory Overview.” During the Track Record Period and up to the Latest Practicable Date, as confirmed by our Legal Counsel, there were no material breaches or violations of laws and regulations applicable to us which are expected to have a material adverse effect on our business, financial condition, or results of operations.