

FINANCIAL INFORMATION

You should read the following discussion and analysis with our historical financial information as of March 31, 2024, 2025 and 2026 and for the years ended March 31, 2024, 2025 and 2026, including the notes thereto, included in the Accountants’ Report set forth in Appendix I to this document. The historical financial information included in the Accountants’ Report has been prepared in accordance with HKFRSs. The following discussion and analysis and other parts of this document contain forward-looking statements that reflect our current views with respect to future events and financial performance that involve risks and uncertainties. These statements are based on assumptions and analysis made by us in light of our experience and perception of historical events, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. In evaluating our business, you should carefully consider the information provided in the section headed “Risk Factors” in this document.

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.

During the Track Record Period, we achieved sustained business growth with strong financial performance. Our revenue increased from HK\$339.3 million for the year ended March 31, 2024 to HK\$360.6 million for the year ended March 31, 2025 and further increased by 28.6% to HK\$463.8 million for the year ended March 31, 2026. Our gross profit increased from HK\$168.3 million for the year ended March 31, 2024 to HK\$169.0 million for the year ended March 31, 2025 and further increased by 32.4% to HK\$223.7 million for the year ended March 31, 2026. We recorded gross profit margins of 49.6%, 46.9% and 48.2% for the years ended March 31, 2024, 2025 and 2026, respectively. Our profit attributable to the equity shareholders of our Company was HK\$58.9 million, HK\$43.4 million and HK\$71.2 million for the years ended March 31, 2024, 2025 and 2026, respectively.

BASIS OF PRESENTATION

Our Company was incorporated in the Cayman Islands on March 26, 2026 as an exempted company with limited liability under the Cayman Companies Act. Pursuant to the Reorganization, the companies and businesses now comprising our Group that took part in the Reorganization were controlled by JBM both prior to and after the Reorganization. The control is not transitional and, consequently, there was a continuation of the risks and benefits to JBM. The Reorganization is therefore considered a business combination of entities and businesses under common control. The historical financial information contained in our consolidated financial statements included in the Accountants’ Report set forth in Appendix I to this document has been prepared using a merger basis of accounting as if the companies and businesses now comprising our Group had been consolidated at the beginning of the Track Record Period unless the combining companies and businesses first came under common control at a later date. The assets and liabilities of the combining companies and businesses have been consolidated using the existing book values from JBM’s perspective.

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Our consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated cash flow statements include the consolidated results of operations of the companies and businesses now comprising our Group for the years ended March 31, 2024, 2025 and 2026 (or where the companies were incorporated, established or acquired at a date later than April 1, 2023, for the period from the date of incorporation, establishment or acquisition to March 31, 2026) as if the current group structure had been in existence throughout the same years and as if the branded PCM products business was transferred to our Group at the beginning of the earliest period presented or when such business was established, whichever is the shorter period, but exclude the other economic activities engaged by certain subsidiaries of JBM Group that also engaged in the branded PCM products business, which is not part of our Group pursuant to the Reorganization. Our consolidated statements of financial position as of March 31, 2024, 2025 and 2026 have been prepared to present the state of affairs of our Group as of the respective dates as if the Reorganization had occurred on April 1, 2023. See note 1 to the Accountants’ Report set forth in Appendix I to this document and the section headed “History, Reorganization and Corporate Structure” for further information.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our financial condition and results of operations are principally affected by the following factors:

Growth and Market Recognition of Our Branded PCM Products Business

Our branded PCM products business, anchored by a portfolio of heritage household PCM brands, is the principal driver of our results of operations. Branded PCM products revenue was HK\$339.3 million, HK\$360.6 million and HK\$423.9 million for the years ended March 31, 2024, 2025 and 2026, representing 100.0%, 100.0% and 91.4% of total revenue, respectively. Our heritage brands carry long operating histories, including Po Chai Pills, with 130 years of heritage, and Tin Hee Tong Tin Hee Pills, with over 120 years. The flagship product under each of these brands ranked first in their 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 medicated oil brand; Tong Tai Chung, a “Hong Kong Top Brand” with approximately 30 years of history; and Shiling Oil, a centenary household brand. Market demand for PCM, particularly in Hong Kong, is a key growth driver. The Hong Kong PCM market grew at a CAGR of 4.6% from HK\$9.4 billion in 2020 to HK\$11.8 billion in 2025 and is expected to reach HK\$15.1 billion by 2030 at a CAGR of 5.1%, primarily driven by policy support, more professionalized PCM product development and quality management, increasing public recognition of and trust in PCM, and enhanced payment accessibility for prescribed Chinese medicines through development of government-subsidized Chinese medicine clinic services and related insurance products. We ranked first in the Hong Kong PCM market by end-market sales in 2025, with a 9.2% market share, according to the Frost & Sullivan Report. Market demand may be affected by changes in consumer preferences, demographic shifts, health awareness, product life cycles, competing products and brand erosion, any of which may affect our future sales and results of operations.

Our results also depend on our ability to maintain the quality and relevance of our heritage brands and to rejuvenate them to reach new consumer segments while retaining existing customers. For example, we repositioned Po Chai Pills and Flying Eagle Wood Lok Medicated Oil to broaden their appeal among younger consumers through product reinvention, such as the sachet pack for Po Chai Pills, and through award-winning, multi-channel marketing campaigns. We were one of the largest CCMG suppliers in Hong Kong in 2025, with a 25.2% market share in a HK\$1.3 billion market, which is expected to grow at a CAGR of 6.8% to HK\$1.8 billion by 2030, according to the Frost & Sullivan

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Report. We further intend to deepen our penetration of markets outside Hong Kong, particularly China through the Greater Bay Area and cross-border e-commerce. Hong Kong’s exports of PCM increased at a CAGR of 19.8% from HK\$1.4 billion in 2020 to HK\$2.9 billion in 2024, with China and Macau accounting for 70.7% and 20.1% of such exports, respectively, according to the Frost & Sullivan Report. We also intend to grow our product portfolio both organically and through selective acquisitions of synergistic businesses, brands or products. Our ability to develop and commercialize quality new products, and introduce product line extensions and formulation refinements on a timely and cost-effective basis, to sustain and rejuvenate our heritage brands, and to integrate acquired businesses, brands or products and realize commercial synergies, will continue to have a significant impact on our financial condition and results of operations. For further details, see the sections headed “Business — Our Business Strategies” and “Business — Our Competitive Strengths.”

Performance of Our Brand Strategy and Sales and Distribution Network

The development of our business is supported by our brand management capabilities and our sales and distribution network. We manage our branded PCM portfolio through tailored brand management and creative, multi-channel marketing strategies to drive product awareness, brand equity building consumer loyalty and new customer acquisition. Our ability to commercialize consumer interest in our products depends on the breadth and depth of our sales and distribution network. We have established an extensive 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, combining direct sales, distributor arrangements and online channels.

We adopt a hybrid sales and distribution model tailored to different products and geographic markets. In Hong Kong, we sell directly and through a distributorship model to key chains, registered pharmacies and drug stores, to patients of our Chinese medicine clinics and through online platforms, and we sell our CCMG products to a substantial majority of the active Chinese medicine practitioners in Hong Kong. Outside Hong Kong, we sell select products primarily through distributorship arrangements and cross-border e-commerce, and (for Macau) our local sales and distribution team. We generally engage one to two well-established distributors in each relevant market. We intend to further expand our network by deepening our penetration of the Greater Bay Area and other PRC markets, including through the NMPA’s simplified registration pathway available to eligible Hong Kong-registered oral PCM, and by pursuing access to Western and Muslim-majority markets. The implementation of these strategies will require additional resources and expenditure, in particular increased selling and distribution expenses. Our ability to effectively manage our brands and our sales and distribution network, and to renew our distribution arrangements on commercially acceptable terms, will affect our financial condition and results of operations.

Development of Our Chinese Medicine Clinic Services

Building on our branded PCM product portfolio, we expanded holistically into Chinese medicine clinic services during the year ended March 31, 2026, through our acquisitions of Kenford Medical completed on June 30, 2025 and King Pui and Siulun Medheart completed on January 30, 2026, creating a vertically integrated Chinese medicine platform that connects products, practitioners and patients. Our Chinese medicine clinic services commenced in June 2025 and contributed revenue of HK\$40.0 million, or 8.6% of our total revenue, for the year ended March 31, 2026. 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 across Hong Kong. According

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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.

The results of operations of our Chinese medicine clinic services may be affected by the continued demand for Chinese medicine clinic services in Hong Kong. According to the Frost & Sullivan Report, the number of Chinese medicine clinic service users in Hong Kong is expected to increase from 1.1 million in 2025 to 1.3 million by 2030, representing an estimated CAGR of 4.7%, supported by an aging population, rising chronic disease management and rehabilitation needs, and growing acceptance of Chinese medicine, with private operators accounting for over 90% of practitioners and 14 million outpatient consultations annually as of June 2024. Our Chinese medicine clinic services carry a lower gross profit margin than our branded PCM products as Chinese medicine clinic services entail a higher cost base, primarily due to the combined impact of staff costs for the hiring of Chinese medicine practitioners and rental costs for our clinics. Our ability to manage these costs and to scale our clinic network profitably will have a significant impact on our financial condition and results of operations. Our performance in this sector will depend on our ability to open new clinics in suitable locations, to recruit and retain qualified Chinese medicine practitioners, to maintain service quality and patient stickiness, and to realize synergies between our clinic network and our branded PCM products.

Cost of Materials

Our cost of materials mainly include (i) cost of raw materials, packaging materials and other products used in the manufacturing of our own brand products, and (ii) cost of finished goods incurred primarily for purchasing certain own brand products produced by third-party manufacturers. Cost of materials accounted for 72.5%, 73.7% and 65.0% of our cost of sales and services for the years ended March 31, 2024, 2025 and 2026, respectively. The primary raw materials for our self-manufactured products include menthol, north atractylodes rhizome, eucalyptus oil and processed poria, while our principal packaging materials include paper, bottles and aluminum foil, most of which are general commodities widely available in the market.

While the prices of finished goods sourced from third-party manufacturers are generally set contractually, the prices of our raw materials and packaging materials may fluctuate as a result of general market conditions, supply and demand, weather conditions, logistics and processing costs, government policies and other factors largely beyond our control. During the Track Record Period, fluctuations in the market prices of our raw materials and packaging materials did not materially affect our overall cost of sales and services. This was primarily attributable to (i) the relatively low proportion of raw material costs within our total cost of materials, (ii) our long-standing supplier relationships, which provide a degree of pricing stability, and (iii) our diversified sourcing, such that we do not rely on any single type of raw material. Nonetheless, any significant changes in the pricing terms of our arrangements with third-party manufacturers upon renewal, or in the prices of raw materials and packaging materials, may affect our cost of materials and, in turn, our results of operations and profitability. For a sensitivity analysis of our cost of materials, see “— Principal Consolidated Statements of Profit or Loss and Other Comprehensive Income Items — Cost of Sales and Services” below.

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Quality and Safety of Our Products

We place significant emphasis on the safety, efficacy and quality of our products, which we believe are critical to consumers’ purchasing decisions and to the strength of our heritage brands. 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 Medicated Oil, Shiling Oil, Tong Tai Chung Medicated Oil and Konsodona Medicated Oil. We also maintain a comprehensive, end-to-end quality management system covering the entire product lifecycle, from supplier selection and raw material procurement through manufacturing, finished product release and post-market safety monitoring, with all quality control testing of our self-manufactured products performed in-house. Only 21 of the 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.

During the Track Record Period and up to the Latest Practicable Date, there were no material product returns or recalls from our direct customers, and we did not experience any material complaints, product liability or other legal claims arising from the quality of our products. We may nonetheless be required to recall our products in the event of any actual or alleged quality issues, whether resulting from a failure of our quality assurance and control systems, negative publicity or adverse associations with our products, or otherwise. Any such event, or any deterioration in the perceived quality or safety of our products, could damage our brand reputation and impair our ability to market our other products, which may in turn adversely affect our financial condition and results of operations.

Changes in the Regulatory Environment

We operate in a highly regulated industry. We are required to comply with the applicable standards governing the quality control, manufacturing, processing and packaging of our products. In addition, product registration is generally required for our branded PCM products before they may be sold and supplied in Hong Kong, China, Macau and other markets. We maintain a dedicated team that monitors applicable regulatory regimes to ensure the timely registration of our products and continued compliance with relevant product registration and product license requirements.

The regulatory landscape for Chinese medicine in Hong Kong is evolving. The Chinese Medicine Development Blueprint published by the Hong Kong Government contemplates, among other things, a phased implementation of mandatory GMP for PCM and a strengthening of the registration regime, while the NMPA has introduced a simplified PRC registration pathway for eligible Hong Kong-registered traditional oral PCM that are manufactured in compliance with GMP and have been used in Hong Kong for over 15 years. We believe our GMP-accredited capabilities position us favorably as the industry transitions toward higher manufacturing and compliance standards. Furthermore, several of our products, namely Shiling Oil, Konsodona Medicated Oil and Magatilin Herbs Balm, have already obtained PRC registration through NMPA’s simplified pathway. However, any regulatory changes may require us to upgrade our facilities or modify our manufacturing processes, resulting in increased compliance costs, or may delay or prevent the registration or renewal of our products and licenses, any of which may adversely affect our financial condition and results of operations.

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MATERIAL ACCOUNTING POLICIES AND CRITICAL JUDGMENTS AND ESTIMATES

The preparation of our historical financial information in conformity with HKFRS Accounting Standards requires us to make judgments, estimates and assumptions that affect the application of our accounting policies and the reported amounts of assets, liabilities, income and expenses on our consolidated financial statements. Our material accounting policies, including revenue recognition and other accounting treatments, and the sensitivity of our reported results to changes in judgments, estimates and assumptions are factors to be considered when reviewing our historical financial information. For further information, see note 2 to the Accountants’ Report set forth in Appendix I to this document.

RESULTS OF OPERATIONS

The following table sets forth a summary of our consolidated statements of profit or loss and other comprehensive income for the years ended March 31, 2024, 2025 and 2026:

	Year ended March 31,					
	2024		2025		2026	
	HK\$'000	% of revenue	HK\$'000	% of revenue	HK\$'000	% of revenue
Revenue	339,256	100.0	360,570	100.0	463,814	100.0
Cost of sales and services . .	(170,980)	(50.4)	(191,608)	(53.1)	(240,096)	(51.8)
Gross profit	168,276	49.6	168,962	46.9	223,718	48.2
Other net income/(loss)	7,074	2.1	11,879	3.3	(309)	(0.1)
Selling and distribution expenses	(61,814)	(18.2)	(80,280)	(22.3)	(76,106)	(16.4)
Administrative and other operating expenses	(34,365)	(10.1)	(39,147)	(10.9)	(46,378)	(10.0)
Profit from operations	79,171	23.4	61,414	17.0	100,925	21.7
Finance costs	(1,105)	(0.3)	(1,202)	(0.3)	(4,228)	(0.9)
Share of losses of joint ventures	(148)	(0.0)	(189)	(0.1)	—	—
Profit before taxation	77,918	23.1	60,023	16.6	96,697	20.8
Income tax	(12,384)	(3.7)	(9,907)	(2.7)	(15,804)	(3.4)
Profit for the year	65,534	19.4	50,116	13.9	80,893	17.4
Profit attributable to:						
Equity shareholders of our						
Company	58,853	17.4	43,429	12.0	71,228	15.3
Non-controlling interests . . .	6,681	2.0	6,687	1.9	9,665	2.1
Total profit for the year . . .	65,534	19.4	50,116	13.9	80,893	17.4

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PRINCIPAL CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ITEMS

Revenue

We generate revenue from (i) the sales of our branded PCM products and (ii) rendering of Chinese medicine clinic services, and this represents the sales value of goods supplied to customers and the value of services rendered less returns and sales rebates and is after deduction of any trade discounts. We recognize revenue at a point in time when control over a product is transferred to the customer, generally upon the customer taking possession of and accepting the products, and upon completion of the relevant consultation or treatment for Chinese medicine clinic services.

Our revenue movements during the Track Record Period were primarily due to the following factors:

- *Fluctuations in sales of Po Chai Pills:* During the Track Record Period, Po Chai Pills was our top-selling product and accounted for 32.9%, 39.2% and 36.3% of our revenue for the years ended March 31, 2024, 2025 and 2026, respectively. Sales of Po Chai Pills increased by HK\$29.6 million, or 26.5%, from HK\$111.7 million for the year ended March 31, 2024 to HK\$141.3 million for the year ended March 31, 2025, and further increased by HK\$26.9 million, or 19.0%, to HK\$168.2 million for the year ended March 31, 2026. These increases were primarily attributable to our successful brand marketing strategies and the launch of the sachet pack format.
- *Portfolio expansion:* The successful launch and commercialization of selected new branded PCM products during the Track Record Period also contributed to the growth of our business. More specifically, we started carrying Tin Hee Tong Tin Hee Pills following the acquisition of Tin Hee Tong in April 2025, which generated HK\$19.5 million, or 4.2% of our revenue for the year ended March 31, 2026.
- *Acquisition of Chinese medicine clinic networks:* Our acquisitions of Kenford Medical in June 2025 and King Pui and Siulun Medheart in January 2026 expanded our business into the Chinese medicine clinic service segment to create a vertically integrated Chinese medicine platform that connects products, practitioners and patients. Chinese medicine clinic services contributed to the increase in our revenue for the year ended March 31, 2026, generating HK\$40.0 million, or 8.6%, of our revenue for the year.

By business segment

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	100.0	360,570	100.0	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

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By distribution channel

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

	Year ended March 31,					
	2024		2025		2026	
	Revenue	% of revenue	Revenue	% of revenue	Revenue	% of revenue
	HK\$'000	%	HK\$'000	%	HK\$'000	%
Direct sales and services						
— Chinese medicine practitioners	189,009	55.7	188,155	52.2	192,444	41.5
— Retail ⁽¹⁾	38,289	11.3	55,223	15.3	44,374	9.6
— Patients of our Chinese medicine clinics	—	—	—	—	39,955	8.6
— Trading companies	28,000	8.3	27,547	7.6	11,865	2.6
— Others ⁽²⁾	21,989	6.5	13,714	3.8	13,984	3.0
	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

Notes:

- (1) Include key chains, registered pharmacies and drug stores.
(2) Include non-profit organizations, end consumers and the JBM Group.

We adopt a hybrid of sales and distribution models tailored for different products and geographic markets. We sell a majority of our products directly to Chinese medicine practitioners, retailers and patients in Hong Kong, and engage a relatively limited number of distributors for the distribution of selected products in Hong Kong, China and overseas, who then on-sell our products to their downstream customers.

During the Track Record Period, the majority of our revenue was generated from direct sales and services, representing 81.7%, 78.9% and 65.2% of our revenue for the years ended March 31, 2024, 2025 and 2026, respectively. Sales to Chinese medicine practitioners remained the largest component of our direct sales and services, contributing 55.7%, 52.2% and 41.5% of our total revenue for the same periods, respectively. The decrease in its proportionate contribution for the year ended March 31, 2026 was primarily due to increased sales of branded PCM products, in particular Po Chai Pills and Tin Hee Tong Tin Hee Pills, and sales to patients at our clinics, driven by our expansion into Chinese medicine clinic services in 2026. Revenue from sales to distributors increased from HK\$62.0 million for the year ended March 31, 2024 to HK\$75.9 million for the year ended March 31, 2025 and further increased significantly to HK\$161.2 million for the year ended March 31, 2026, primarily due to increased sales to our distributors in Hong Kong, Macau and Singapore.

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By geographic location

The following table sets forth our revenue by geographic location of our revenue from external customers, based on the location at which the goods are distributed to the ultimate customers 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 ⁽²⁾	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

Notes:

- (1) Includes sales to our distributors for their on-sale to China through cross-border e-commerce channel.
(2) Includes certain markets in Southeast Asia and North America.

Our product footprint expanded geographically during the Track Record Period. The majority of our revenue was generated from Hong Kong, where our operations are based, which represented 86.8%, 81.6% and 86.0% of our revenue for the years ended March 31, 2024, 2025 and 2026, respectively.

While we expect Hong Kong to continue to represent a substantial majority of our revenue in the future, we intend to deepen our product penetration in China, Macau, Singapore and other countries or regions in Asia. Our revenue generated from Macau fluctuated during the Track Record Period. Revenue increased for the year ended March 31, 2025, as our Macau distributor placed larger orders ahead of a change to the PCM registration number prefix from HKP to HKC pursuant to regulatory requirements, in anticipation of a temporary pause in product imports into Macau. This suspension arose from regulatory requirements of Macau that restrict imports into Macau during the transition period pending completion of the change. Revenue then decreased for the year ended March 31, 2026, as the distributor had already built up inventory in the prior year, resulting in lower ordering volume. Our revenue generated from Singapore continued to increase during the Track Record Period, especially from the year ended March 31, 2025 to the year ended March 31, 2026, primarily attributable to (i) the appointment of a new distributor in Singapore in April 2025, which placed larger initial orders to build up inventory; and (ii) the introduction of sachet format Po Chai Pills in Singapore, which was not previously sold in that market. Our revenue generated from China was relatively stable in the years ended March 31, 2024 and 2025, and increased by 26.5% from the year ended March 31, 2025 to the year ended March 31, 2026, primarily driven by higher sales of branded PCM products following the successful registration of several branded PCM products in China through the NMPA’s simplified approval pathway, which allows for entry into the PRC market for eligible Hong Kong-registered oral PCM.

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By product

The following table sets forth our revenue from our five top-selling branded PCM products for the years indicated:

	Year ended March 31,					
	2024		2025		2026	
	HK\$'000	% of revenue	HK\$'000	% of revenue	HK\$'000	% of revenue
Po Chai Pills	111,690	32.9	141,262	39.2	168,248	36.3
Tin Hee Tong Tin Hee Pills ⁽¹⁾	—	—	—	—	19,464	4.2
Shiling Oil	10,507	3.1	2,762	0.8	7,277	1.6
Flying Eagle Wood Lok Medicated Oil	5,915	1.7	9,556	2.7	6,898	1.5
Konsodona Medicated Oil	4,571	1.3	2,622	0.7	7,024	1.5
	132,683	39.0	156,202	43.4	208,911	45.1
Others	206,573	61.0	204,368	56.6	214,948	46.3
Total revenue from branded PCM products	339,256	100.0	360,570	100.0	423,859	91.4

Note:

(1) We acquired Tin Hee Tong in April 2025 and expanded our branded PCM product portfolio to include Tin Hee Tong Tin Hee Pills.

The following table sets forth the sales volume and average selling price of our five top-selling products for the periods indicated:

	Year ended March 31,					
	2024		2025		2026	
	Sales volume	Average selling price	Sales volume	Average selling price	Sales volume	Average selling price
	Units	HK\$ per unit	Units	HK\$ per unit	Units	HK\$ per unit
Po Chai Pills	4,762,459	23.5	5,556,736	25.4	6,594,136	25.5
Tin Hee Tong Tin Hee Pills ⁽¹⁾	—	—	—	—	116,193	167.5
Shiling Oil	1,118,400	9.4	260,160	10.6	736,200	9.9
Flying Eagle Wood Lok Medicated Oil	280,960	21.1	605,560	15.8	281,429	24.5
Konsodona Medicated Oil	146,036	31.3	72,077	36.4	241,112	29.1

Note:

(1) We acquired Tin Hee Tong in April 2025 and expanded our branded PCM product portfolio to include Tin Hee Tong Tin Hee Pills.

In each of the years during the Track Record Period, Po Chai Pills was our top-selling product and accounted for a substantial portion of our revenue.

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Overall, the revenue contribution of our five top-selling products increased from 39.0% to 43.4% and further to 45.1% of our revenue for the years ended March 31, 2024, 2025 and 2026, respectively.

These increases were due to the expansion of our product portfolio, in particular with the addition of Tin Hee Tong Tin Hee Pills during the year ended March 31, 2026 and successful marketing campaigns for Po Chai Pills and other products during the Track Record Period.

Our revenue from branded PCM products largely varied with the composition of products sold during the Track Record Period. We marketed and distributed a broad portfolio of branded PCM products with different price points, and marketing and branding strategies. In addition, our customers implemented their own procurement plans (including order timing, channel allocation and inventory management). Accordingly, the period to period changes in our revenue during the Track Record Period primarily reflect shifts in product mix.

Sales volume of Po Chai Pills increased consistently throughout the Track Record Period, from 4.8 million units for the year ended March 31, 2024 to 5.6 million units for the year ended March 31, 2025 and further to 6.6 million units for the year ended March 31, 2026. The average selling price of Po Chai Pills also increased from HK\$23.5 per unit to HK\$25.4 per unit and further to HK\$25.5 per unit for the same years, reflecting our successful brand marketing strategies and product positioning.

Cost of Sales and Services

Cost of sales and services consists of direct costs incurred for the manufacturing or sourcing of the goods sold and the costs incurred for providing services. The following table sets forth the breakdown of our cost of sales and services for the years indicated:

	Year ended March 31,					
	2024		2025		2026	
	HK\$'000	%	HK\$'000	%	HK\$'000	%
Cost of materials:						
— Finished goods	102,343	59.9	107,000	55.8	114,329	47.6
— Raw materials and packaging materials	21,489	12.6	34,281	17.9	41,722	17.4
	123,832	72.5	141,281	73.7	156,051	65.0
Staff costs	21,242	12.4	24,323	12.7	46,438	19.3
Depreciation and amortization	14,692	8.6	14,134	7.4	17,746	7.4
Utilities	4,585	2.7	4,498	2.3	4,943	2.1
Production consumables	3,017	1.8	2,502	1.3	3,806	1.6
Repairs and maintenance . . .	1,415	0.8	2,204	1.2	2,307	1.0
Others	2,197	1.2	2,666	1.4	8,805	3.6
Total	170,980	100.0	191,608	100.0	240,096	100.0

Cost of sales and services incurred during the Track Record Period was primarily composed of cost of materials, accounting for 72.5%, 73.7% and 65.0% of our cost of sales and services for the years ended March 31, 2024, 2025 and 2026, respectively. Cost of materials mainly included (i) cost of sales of finished goods from purchase of products produced by third-party manufacturers, and (ii) cost of sales of raw materials and packaging materials used in the manufacturing of our own brand products.

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The following table sets forth the sensitivity of our overall gross profit and gross profit margin for the year ended March 31, 2026, for illustrative purposes only, based on the extent of fluctuation in cost of materials during the Track Record Period with regard to certain possible changes in cost of materials during the same year, assuming all other variables remain constant:

	Year ended March 31, 2026		
	Change in gross profit	Change in gross profit margin	Gross profit margin
	HK\$'000	%	%
Percentage change in cost of materials			
-10%	15,605	3.4	51.6
-8%	12,484	2.7	50.9
-6%	9,363	2.0	50.3
-4%	6,242	1.3	49.6
-2%	3,121	0.7	48.9
0%	—	—	48.2
2%	(3,121)	(0.7)	47.6
4%	(6,242)	(1.3)	46.9
6%	(9,363)	(2.0)	46.2
8%	(12,484)	(2.7)	45.5
10%	(15,605)	(3.4)	44.9

Gross Profit and Gross Profit Margin

The following table sets forth the breakdown of our gross profit and gross profit margin by business segment for the years indicated:

	Year ended March 31,					
	2024		2025		2026	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	HK\$'000	%	HK\$'000	%	HK\$'000	%
Branded PCM products	168,276	49.6	168,962	46.9	216,936	51.2
Chinese medicine clinic services	—	—	—	—	6,782	17.0
Total	168,276	49.6	168,962	46.9	223,718	48.2

Our overall gross profit margin was 49.6%, 46.9% and 48.2% for the years ended March 31, 2024, 2025 and 2026, respectively. During the Track Record Period, we recorded a higher gross profit margin for branded PCM products as compared to Chinese medicine clinic services, as Chinese medicine clinic services entail a higher cost base, primarily due to the combined impact of staff costs for the hiring of Chinese medicine practitioners and rental costs for our clinics.

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Other Net Income/(Loss)

Other net income/(loss) comprises income/(loss) other than revenue recognized by us in the ordinary course of our business. The following table sets forth the breakdown of our other net income/(loss) for the years indicated:

	Year ended March 31,		
	2024	2025	2026
	HK\$'000	HK\$'000	HK\$'000
Net foreign exchange gain/(loss)	6,544	9,081	(2,046)
Gain/(loss) on disposal of equity interests in joint ventures	—	1,016	(16)
Interest income from bank deposits	85	545	609
Government grants	—	750	419
Net loss on disposals of property, plant and equipment	(5)	—	—
Others	450	487	725
Total	7,074	11,879	(309)

During the Track Record Period, our other net income/(loss) was primarily contributed by (i) net foreign exchange gain/(loss), primarily due to the changing exchange rate of Hong Kong dollar against Renminbi; (ii) interest income from bank deposits; and (iii) government grants including one-off fundings under the GMP Equipment Subsidy Scheme of the Chinese Medicine Development Fund for equipment upgrade.

Selling and Distribution Expenses

Selling and distribution expenses consist of expenses incurred in connection with the marketing, sales and distribution of our products. The following table sets forth the breakdown of our selling and distribution expenses for the years indicated:

	Year ended March 31,					
	2024		2025		2026	
	HK\$'000	%	HK\$'000	%	HK\$'000	%
Advertising and promotion expenses	21,013	34.0	27,922	34.8	36,903	48.5
Staff costs	13,652	22.1	15,153	18.9	16,550	21.7
Distribution expenses	16,680	27.0	26,625	33.2	12,160	16.0
Depreciation and amortization	8,939	14.4	8,854	11.0	8,159	10.7
Utilities expense	227	0.4	216	0.3	230	0.3
Others	1,303	2.1	1,510	1.8	2,104	2.8
Total	61,814	100.0	80,280	100.0	76,106	100.0

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During the Track Record Period, advertising and promotion expenses were the largest component of our selling and distribution expenses and mainly represented the expenses and fees related to advertisements placed on various media platforms to promote our products. Our advertising and promotion expenses continued to grow during the Track Record Period, as we launched more advertising campaigns to support our business expansion.

Staff costs were another significant component of our selling and distribution expenses and mainly represented salaries, commission and benefits payable to our sales and marketing personnel.

Other notable components of selling and distribution expenses included (i) distribution expenses, in relation to logistics and distribution expenses for our products; and (ii) depreciation and amortization, in relation to amortization charge related to intangible assets.

Administrative and Other Operating Expenses

Administrative and other operating expenses are composed of expenses incurred in connection with the administration, operation and management of our business. The following table sets forth the breakdown of our administrative and other operating expenses for the years indicated:

	Year ended March 31,					
	2024		2025		2026	
	HK\$'000	%	HK\$'000	%	HK\$'000	%
Management fee	13,096	38.1	14,696	37.5	14,885	32.1
Staff costs	10,225	29.8	10,964	28.0	12,282	26.5
Depreciation and amortization	3,723	10.8	5,072	13.0	5,701	12.3
Legal and professional service fees	2,156	6.3	2,232	5.7	6,586	14.2
Utilities expenses	529	1.5	503	1.3	575	1.2
Research and development expenses	—	—	1,088	2.8	—	—
Others	4,636	13.5	4,592	11.7	6,349	13.7
Total	34,365	100.0	39,147	100.0	46,378	100.0

During the Track Record Period, administrative and other operating expenses were primarily attributable to (i) management fee, which represented primarily fees charged by JBM Group for the attributed costs of shared administrative management resources. We ceased to incur such management fee since April 1, 2026 following the completion of the physical segregation of the relevant costs and expenses relating to us and started to record them directly under the relevant cost items for the purpose of the [REDACTED]. For further details, see the section headed “— Related Party Transactions” below; (ii) staff costs, which mainly represented the salaries and benefits payable to our operations, general management, finance and human resources and other general administrative staff; (iii) depreciation and amortization, which mainly comprised the depreciation of buildings, furniture, fixture and office equipment, machinery and equipment, leasehold land and leasehold improvements; (iv) legal and professional service fees, mainly relating to product registration and corporate advisory and our acquisitions and disposals; (v) utilities expenses; and (vi) others, which mainly included building management fees, bank charges, insurance and other general office expenses.

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Finance Costs

Finance costs consist of interest expense on borrowings and interest on lease liabilities. The following table sets forth the breakdown of our finance costs for the years indicated:

	Year ended March 31,					
	2024		2025		2026	
	HK\$'000	%	HK\$'000	%	HK\$'000	%
Interest on bank loans	—	—	—	—	2	0.0
Interest expense on amounts due to a fellow subsidiary	628	56.8	596	49.6	3,360	79.5
Interest on lease liabilities to:						
— third parties	152	13.8	363	30.2	477	11.3
— related parties	325	29.4	243	20.2	389	9.2
	477	43.2	606	50.4	866	20.5
Total	1,105	100.0	1,202	100.0	4,228	100.0

Interest expense on amounts due to a fellow subsidiary represents interest incurred as a result of advances from a fellow subsidiary of JBM Group that mainly carries out the centralized treasury management function primarily to support our, acquisitions and business expansion, and daily business operations.

Income Tax

Income tax consists of the current income tax and deferred income tax. The following table sets forth the breakdown of our income tax for the years indicated:

	Year ended March 31,		
	2024	2025	2026
	HK\$'000	HK\$'000	HK\$'000
Current tax	13,860	11,793	20,181
Deferred tax	(1,476)	(1,886)	(4,377)
Total	12,384	9,907	15,804

Pursuant to the tax rules and regulations of the Cayman Islands and the British Virgin Islands, none of our Company or our subsidiaries are subject to any income tax in the Cayman Islands or the British Virgin Islands. We were subject to Hong Kong profits tax at 16.5% and Singapore corporate tax at 17.0% of the estimated assessable profits for the year during the Track Record Period.

Our effective tax rates for the years ended March 31, 2024, 2025 and 2026 were 15.9%, 16.5% and 16.3%, respectively.

During the Track Record Period and up to the Latest Practicable Date, we paid all relevant taxes that were due and applicable to us and had no disputes or unresolved tax issues with relevant tax authorities.

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Profit for the Year

For the years ended March 31, 2024, 2025 and 2026, our profit for the year was HK\$65.5 million, HK\$50.1 million and HK\$80.9 million, respectively, and our net profit margin for the corresponding year was 19.4%, 13.9% and 17.4%, respectively.

Profit Attributable to Non-controlling Interests

Non-controlling interests represent interests in subsidiaries (LCST (Holdings), PCCH and Tin Hee Tong) that are not directly or indirectly attributable to us. For the years ended March 31, 2024, 2025 and 2026, profit attributable to non-controlling interests was HK\$6.7 million, HK\$6.7 million and HK\$9.7 million, respectively.

YEAR-TO-YEAR COMPARISON OF RESULTS OF OPERATIONS

Year Ended March 31, 2026 Compared to Year Ended March 31, 2025

Revenue

Revenue increased by 28.6% from HK\$360.6 million for the year ended March 31, 2025 to HK\$463.8 million for the year ended March 31, 2026. This increase was primarily attributable to (i) the successful launch of Po Chai Pills in sachet pack format, supported by a marketing campaign featuring celebrity endorsers including Louis Koo, which drove strong sales growth; and (ii) the consolidation of revenue from our acquisitions of Tin Hee Tong in April 2025 and the Chinese medicine clinic service business.

Branded PCM products

Revenue generated from sales of branded PCM products increased by 17.6% from HK\$360.6 million for the year ended March 31, 2025 to HK\$423.9 million for the year ended March 31, 2026. This increase was primarily due to (i) an increase in revenue of HK\$26.9 million from sales of Po Chai Pills, in particular the sachet format of Po Chai Pills, driven mainly by a 17.9% increase in sales volume from 5.6 million units to 6.6 million units, reflecting our effective brand marketing and sales strategies; and (ii) the consolidation of revenue of HK\$19.5 million from sales of Tin Hee Tong Tin Hee Pills since our acquisition of Tin Hee Tong in April 2025, with sales of 116,193 units at an average selling price of HK\$167.5 per unit during the year ended March 31, 2026.

Chinese medicine clinic services

We acquired the Kenford Medical in June 2025 and King Pui and Siulun Medheart in January 2026, enabling us to provide Chinese medicine clinic services. The consolidation of revenue from our Chinese medicine clinic services amounted to HK\$40.0 million for the year ended March 31, 2026.

Cost of sales and services

Cost of sales and services increased by 25.3% from HK\$191.6 million for the year ended March 31, 2025 to HK\$240.1 million for the year ended March 31, 2026. This increase was primarily attributable to (i) an increase in staff costs of HK\$22.1 million due to the hiring of Chinese medicine practitioners for our Chinese medicine clinic services, higher production volume requiring additional

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manufacturing staff and a base salary increment implemented during the year; (ii) an increase of HK\$6.1 million in other costs primarily due to increased testing fees from higher production volumes requiring more batch testing and increased insurance for our Chinese medicine clinic business; (iii) an increase in cost of materials of HK\$14.8 million primarily due to higher sales volumes of our branded PCM products and the expansion of our business through the addition of Tin Hee Tong, rather than increases in raw material prices; and (iv) an increase in depreciation and amortization of HK\$3.6 million, primarily due to the consolidation of the Kenford Medical Group, King Pui and Siulun Medheart, which operate Chinese medicine clinics in leased premises.

Gross profit and gross profit margin

As a result of the foregoing, gross profit increased by 32.4% from HK\$169.0 million for the year ended March 31, 2025 to HK\$223.7 million for the year ended March 31, 2026.

Our overall gross profit margin increased from 46.9% for the year ended March 31, 2025 to 48.2% for the year ended March 31, 2026. This increase was primarily attributable to a shift in product sales mix, in particular an increase in sales of self-manufactured branded PCM products, which had relatively high gross profit margins, and partially offset by our Chinese medicine clinic services business which had a relatively lower gross profit margin.

Other net income/(loss)

Other net income was an income of HK\$11.9 million for the year ended March 31, 2025 and a loss of HK\$0.3 million for the year ended March 31, 2026. This decrease was primarily due to a net foreign exchange loss of HK\$2.0 million for the year ended March 31, 2026, mainly arising from fluctuations in exchange rates between Hong Kong dollar and Renminbi as we procured most of our raw materials from China, compared to a net foreign exchange gain of HK\$9.1 million in the prior year.

Selling and distribution expenses

Selling and distribution expenses decreased by 5.2% from HK\$80.3 million for the year ended March 31, 2025 to HK\$76.1 million for the year ended March 31, 2026. This decrease was primarily attributable to a decrease of HK\$14.5 million in distribution expenses, as certain distribution services were terminated due to change in our strategic direction. The decrease was partially offset by (i) an increase of HK\$9.0 million in advertising and promotion expenses, primarily related to the integrated marketing campaigns we launched for Po Chai Pills and Flying Eagle Wood Lok Medicated Oil; and (ii) an increase of HK\$1.4 million in staff costs, reflecting our overall business expansion and increases in average salaries for our sales and marketing personnel.

Administrative and other operating expenses

Administrative and other operating expenses increased by 18.5% from HK\$39.1 million for the year ended March 31, 2025 to HK\$46.4 million for the year ended March 31, 2026. The increase was primarily attributable to (i) an increase of HK\$4.4 million in legal and professional service fees, driven primarily by registration of our products and our acquisitions of Tin Hee Tong, Kenford Medical, King Pui and Siulun Medheart; (ii) an increase of HK\$1.8 million in other expenses, mainly comprising building management fees, bank charges, insurance, product registration fees and travel expenses, some of which came from the newly acquired companies; and (iii) an increase of HK\$1.3 million in staff costs, primarily due to our overall business expansion and annual salary increments, partially offset by

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a decrease of HK\$1.1 million in research and development expenses, primarily in relation to our engagement of Shanghai University of Traditional Chinese Medicine to conduct clinical research on Flying Eagle Wood Lok Medicated Oil, the findings of which were subsequently published in two international journals.

Finance costs

Finance costs increased significantly by 251.7% from HK\$1.2 million for the year ended March 31, 2025 to HK\$4.2 million for the year ended March 31, 2026. The increase was primarily attributable to an increase in interest expense on amounts due to a fellow subsidiary, as a result of an increase in advances from JBM Group to finance our acquisitions of our Chinese medicine clinic services business. For further details, see the section headed “— Related Party Transactions — Interest Expenses to A Fellow Subsidiary” below.

Income tax

Income tax expenses increased by 59.5% from HK\$9.9 million for the year ended March 31, 2025 to HK\$15.8 million for the year ended March 31, 2026. The increase was primarily due to an increase in profit before taxation. The effective tax rate remained stable at 16.5% and 16.3% for the years ended March 31, 2025 and 2026.

Profit for the year and net profit margin

As a result of the foregoing, profit for the year increased by 61.4% from HK\$50.1 million for the year ended March 31, 2025 to HK\$80.9 million for the year ended March 31, 2026. Net profit margin increased from 13.9% for the year ended March 31, 2025 to 17.4% for the year ended March 31, 2026. This increase was mainly due to our higher gross profit as described above and a decrease in selling and distribution expenses despite higher revenue.

Profit attributable to non-controlling interests

Profit attributable to non-controlling interests increased from HK\$6.7 million for the year ended March 31, 2025 to HK\$9.7 million for the year ended March 31, 2026, primarily driven by (i) changes in the equity interests held by non-controlling interests of our subsidiaries; (ii) the increased profit for the year generated by our non-wholly owned subsidiaries; and (iii) profit attributable to a minority shareholder of Tin Hee Tong. For further details, see the section headed “History, Reorganization and Corporate Structure — Changes in Shareholding of Our Subsidiaries” and “— Acquisitions — Acquisition of Tin Hee Tong.”

Year Ended March 31, 2025 Compared to Year Ended March 31, 2024

Revenue

Revenue increased by 6.3% from HK\$339.3 million for the year ended March 31, 2024 to HK\$360.6 million for the year ended March 31, 2025. This increase was primarily attributable to (i) higher revenue from sales of branded PCM products to Macau, as our Macau distributor placed larger orders ahead of a change to the PCM registration number prefix from HKP to HKC pursuant to regulatory requirements, in anticipation of a temporary pause in product imports into Macau as described above; and (ii) marketing campaigns that boosted sales of key branded PCM products. In

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particular, we launched advertising campaigns featuring Ivana Wong promoting Po Chai Pills, and Raymond Lam, Tony Wu and Bonnie Wong for Flying Eagle Wood Lok Medicated Oil. These initiatives significantly raised the profile of our products and drove higher sales volumes.

In terms of top-selling products, revenue growth of Po Chai Pills was driven by both volume and price increases, with sales volume increasing by 16.7% from 4.8 million units for the year ended March 31, 2024 to 5.6 million units for the year ended March 31, 2025, and the average selling price increasing by 8.1% from HK\$23.5 per unit to HK\$25.4 per unit. Revenue growth of Flying Eagle Wood Lok Medicated Oil was primarily volume-driven, with sales volume more than doubling from 280,960 units to 605,560 units over the same periods, partly offset by a decrease in average selling price from HK\$21.1 per unit to HK\$15.8 per unit, as a result of higher sales volume of the 20ml Flying Eagle Wood Lok Medicated Oil, which carries a lower selling price than the standard 50ml packaging.

Cost of sales and services

Cost of sales and services increased by 12.0% from HK\$171.0 million for the year ended March 31, 2024 to HK\$191.6 million for the year ended March 31, 2025. This increase was primarily attributable to overall sales growth. In particular, (i) an increase of HK\$17.4 million in cost of materials driven by higher sales volume; and (ii) an increase of HK\$3.1 million in staff costs, attributable to higher production volume requiring additional manufacturing staff and a base salary increment implemented during the year.

Gross profit and gross profit margin

As a result of the foregoing, gross profit remained relatively stable at HK\$168.3 million for the year ended March 31, 2024 and HK\$169.0 million for the year ended March 31, 2025.

Our gross profit margin decreased from 49.6% for the year ended March 31, 2024 to 46.9% for the year ended March 31, 2025, primarily due to interim warehouse rental costs incurred due to significantly higher production volume during the year ended March 31, 2025.

Other net income

Other net income increased by 67.9% from HK\$7.1 million for the year ended March 31, 2024 to HK\$11.9 million for the year ended March 31, 2025. This increase was primarily due to (i) an increase in net foreign exchange gain of HK\$2.5 million resulting primarily from exchange rate fluctuations between Hong Kong dollar and Renminbi; (ii) gain on disposal of equity interest in a joint venture of HK\$1.0 million; and (iii) a one-off government grant of HK\$0.8 million received under the Chinese Medicine Development Fund for equipment upgrade.

Selling and distribution expenses

Selling and distribution expenses increased by 29.9% from HK\$61.8 million for the year ended March 31, 2024 to HK\$80.3 million for the year ended March 31, 2025. The increase was primarily attributable to (i) an increase of HK\$9.9 million in distribution costs for distribution channel expansion; (ii) an increase of HK\$6.9 million in advertising and promotion expenses, as we launched integrated marketing campaigns for our branded PCM products, including Po Chai Pills and Flying Eagle Wood Lok Medicated Oil; and (iii) an increase of HK\$1.5 million in staff costs due to an increase in sales staff headcount and average salaries driven by our revenue growth.

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Administrative and other operating expenses

Administrative and other operating expenses increased by 13.9% from HK\$34.4 million for the year ended March 31, 2024 to HK\$39.1 million for the year ended March 31, 2025. The increase was primarily attributable to (i) an increase of HK\$1.3 million in depreciation and amortization, in relation to our owned and leased properties used as operation premises; (ii) an increase of HK\$1.6 million in management fee to the JBM Group for services including administration and operation management, (as further described in the section headed “— Related Party Transactions — Management Fees to A Fellow Subsidiary” below), which was in line with the increase in our business activities; and (iii) an increase of HK\$1.1 million in research and development expenses, primarily in relation to our engagement of Shanghai University of Traditional Chinese Medicine to conduct clinical research on Flying Eagle Wood Lok Medicated Oil as described above.

Finance costs

Finance costs increased by 8.8% from HK\$1.1 million for the year ended March 31, 2024 to HK\$1.2 million for the year ended March 31, 2025. This increase was primarily due to an increase in interest on lease liabilities.

Income tax

Income tax expenses decreased by 20.0% from HK\$12.4 million for the year ended March 31, 2024 to HK\$9.9 million for the year ended March 31, 2025. This decrease was primarily due to a decrease in profit before taxation. The effective tax rate remained relatively stable at 15.9% and 16.5% for the years ended March 31, 2024 and 2025, respectively.

Profit for the year and net profit margin

As a result of the foregoing, profit for the year decreased by 23.5% from HK\$65.5 million for the year ended March 31, 2024 to HK\$50.1 million for the year ended March 31, 2025. Net profit margin decreased from 19.4% for the year ended March 31, 2024 to 13.9% for the year ended March 31, 2025. This decrease was primarily due to the combination of lower gross profit margin and an increase in selling and distribution expenses to support our marketing campaigns during the year.

Profit attributable to non-controlling interests

Profit attributable to non-controlling interests remained stable at HK\$6.7 million for the years ended March 31, 2024 and 2025, respectively.

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LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

The following table sets forth our cash flows for the years indicated:

	Year ended March 31,		
	2024	2025	2026
	HK\$'000	HK\$'000	HK\$'000
Net cash generated from operating activities .	15,302	73,348	49,898
Net cash used in investing activities	(5,875)	(113,706)	(149,547)
Net cash (used in)/generated from financing activities	(35,477)	55,970	105,057
Net (decrease)/increase in cash and cash equivalents	(26,050)	15,612	5,408
Cash and cash equivalents at the beginning of the year	75,616	49,358	64,963
Effect of foreign exchange rate changes	(208)	(7)	173
Cash and cash equivalents at the end of the year	49,358	64,963	70,544

Operating activities

For the year ended March 31, 2026, our net cash generated from operations was HK\$49.9 million, reflecting our profit before taxation of HK\$96.7 million adjusted by (i) a net increase of certain non-cash or non-operating items of HK\$35.2 million, which primarily included depreciation and amortization of HK\$31.6 million and finance costs of HK\$4.2 million, partially offset by interest income of HK\$0.6 million; and (ii) a net decrease in working capital of HK\$75.5 million. The net decrease in working capital was primarily attributable to an increase in trade and other receivables of HK\$81.7 million due to increased sales to certain customers with longer credit period and increased advances to JBM Group, and a decrease in trade and other payables and contract liabilities of HK\$3.3 million, partially offset by a decrease in inventories of HK\$9.4 million.

For the year ended March 31, 2025, our net cash generated from operations was HK\$90.4 million, reflecting our profit before taxation of HK\$60.0 million adjusted by (i) a net increase of certain non-cash or non-operating items of HK\$27.3 million, which primarily included depreciation and amortization of HK\$27.5 million and finance costs of HK\$1.2 million, partially offset by interest income of HK\$0.5 million and a gain on disposal of equity interest in a joint venture of HK\$1.0 million; and (ii) a net increase in working capital of HK\$3.0 million. The net increase in working capital was primarily attributable to an increase in trade and other payables and contract liabilities of HK\$8.7 million related to our marketing campaigns that we launched to support business expansion, partially offset by an increase in trade and other receivables of HK\$3.0 million and an increase in inventories of HK\$2.6 million.

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For the year ended March 31, 2024, our net cash generated from operations was HK\$31.2 million, reflecting our profit before taxation of HK\$77.9 million adjusted by (i) a net increase of certain non-cash or non-operating items of HK\$28.5 million, which primarily included depreciation and amortization of HK\$27.4 million and finance costs of HK\$1.1 million; and (ii) a net decrease in working capital of HK\$75.3 million. The net decrease in working capital was primarily attributable to an increase in trade and other receivables of HK\$61.1 million driven by our sales increase and increased advances to JBM Group, and an increase in inventories of HK\$21.7 million in line with our business expansion plan, partially offset by an increase in trade and other payables and contract liabilities of HK\$7.5 million.

Investing activities

For the year ended March 31, 2026, we had net cash used in investing activities of HK\$149.5 million, primarily reflecting (i) net cash outflow from acquisition of subsidiaries of HK\$126.8 million, mainly related to the acquisitions of Tin Hee Tong, Kenford Medical Group, King Pui and Siulun Medheart completed during the year; and (ii) payment for purchase of property, plant and equipment and intangible assets of HK\$23.3 million.

For the year ended March 31, 2025, we had net cash used in investing activities of HK\$113.7 million, primarily reflecting (i) prepayment of acquisition of a subsidiary of HK\$102.6 million for the acquisition of Tin Hee Tong; and (ii) payment for purchase of property, plant and equipment and intangible assets of HK\$13.3 million, mainly for renovations and factory upgrades, partially offset by proceeds from disposal of equity interests in a joint venture of HK\$1.7 million.

For the year ended March 31, 2024, we had net cash used in investing activities of HK\$5.9 million, primarily reflecting payment for purchase of property, plant and equipment and intangible assets of HK\$6.0 million, mainly machinery for our factories.

Financing activities

For the year ended March 31, 2026, we had net cash generated from financing activities of HK\$105.1 million, primarily reflecting increase in amounts due to fellow subsidiaries of HK\$225.0 million relating to our acquisitions subsidiaries and non-controlling interest, which was partially offset by (i) net cash outflow from acquisition of non-controlling interests of HK\$103.0 million in Po Chai Pills and Tin Hee Tong; and (ii) capital element of lease rentals paid of HK\$16.1 million.

For the year ended March 31, 2025, we had net cash generated from financing activities of HK\$56.0 million, primarily reflecting increase in amounts due to fellow subsidiaries of HK\$116.8 million, representing our prepayment for acquisition of subsidiaries and proceeds from disposal of partial ownership interest in a subsidiary without a loss of control of HK\$46.2 million, which were partially offset by (i) dividends paid of HK\$49.0 million; (ii) decrease in amounts due to an intermediate holding company of HK\$46.2 million; and (iii) capital element of lease rentals paid of HK\$9.8 million.

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For the year ended March 31, 2024, we had net cash used in financing activities of HK\$35.5 million, primarily reflecting (i) dividends paid of HK\$29.0 million; (ii) capital element of lease rentals paid of HK\$9.4 million; and (iii) dividends paid to non-controlling interests of HK\$1.0 million; partially offset by increase in amounts due to fellow subsidiaries of HK\$4.9 million.

CAPITAL EXPENDITURES

During the Track Record Period, capital expenditures comprised expenditures on property, plant and equipment and intangible assets to upgrade our manufacturing facilities and expand our business, payment for investments in a joint venture, and payment and prepayment for acquisitions. The following table sets forth our capital expenditures for the years indicated:

	Year ended March 31,		
	2024	2025	2026
	HK\$'000	HK\$'000	HK\$'000
Payment for purchase of property, plant and equipment and intangible assets	5,960	13,298	23,335
Payment for investments in a joint venture . . .	—	20	—
Prepayment of acquisition of a subsidiary . . .	—	102,600	—
Net cash outflow from acquisition of subsidiaries	—	—	126,821
Net cash outflow from acquisition of non-controlling interests	—	—	103,016
Total	5,960	115,918	253,172

We funded our capital expenditure requirements during the Track Record Period mainly from cash generated from operations and advances from fellow subsidiaries of JBM Group. We intend to fund our future capital expenditures and long-term investments with a combination of operating cashflow, equity and debt financing and net [REDACTED] received from the [REDACTED]. We may reallocate the fund to be utilized on capital expenditure based on our ongoing business needs.

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NET CURRENT LIABILITIES

The following table sets forth our current assets, current liabilities and net current liabilities as of the dates indicated:

	As of March 31,			As of May 31,
	2024	2025	2026	2026
	HK\$'000	HK\$'000	HK\$'000	HK\$'000 (unaudited)
Current assets				
Inventories	49,942	52,575	50,116	55,203
Trade and other receivables	154,526	156,917	243,854	249,679
Current tax recoverable	—	294	—	—
Cash and cash equivalents	49,358	64,963	70,544	52,602
	253,826	274,749	364,514	357,484
Current liabilities				
Trade and other payables and contract liabilities	521,113	600,931	840,129	829,458
Bank loans	—	—	437	—
Lease liabilities	7,420	9,093	15,858	14,723
Current tax payable	6,276	1,338	14,886	7,553
	534,809	611,362	871,310	851,734
Net current liabilities	(280,983)	(336,613)	(506,796)	(494,250)

We recorded net current liabilities of HK\$281.0 million, HK\$336.6 million and HK\$506.8 million as of March 31, 2024, 2025 and 2026, respectively. These net current liabilities were primarily due to large trade and other payables and contract liabilities, in particular, amounts due to the intermediate holding company and fellow subsidiaries.

Net current liabilities increased by HK\$55.6 million, or 19.8%, from HK\$281.0 million as of March 31, 2024 to HK\$336.6 million as of March 31, 2025 and further by HK\$170.2 million, or 50.6%, to HK\$506.8 million as of March 31, 2026, which was primarily a result of an increase in amounts due to fellow subsidiaries. As of the date of this document, HK\$350.0 million of the outstanding balance of the trade and other payables and contract liabilities has been capitalized into equity in preparation for the [REDACTED].

We expect to achieve a net current asset position by the end of the third quarter of 2026, as we intend to settle the remaining amounts due to JBM Group by obtaining bank financing.

WORKING CAPITAL

During the Track Record Period, we met our working capital needs primarily through advances and other funding from JBM Group, net cash generated from operating activities, and our cash and cash equivalents on hand. We manage our cash flows and working capital by closely monitoring and managing our operations and expansion plans. We also diligently review future cash flows requirements to ensure that we maintain sufficient working capital to support our business operations and expansion plans.

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Taking into account the expected cash to be generated from our operations, our banking facilities and the [REDACTED] from the [REDACTED], our Directors are of the view that we have sufficient working capital to meet our requirements for at least the next 12 months from the date of this document.

PRINCIPAL CONSOLIDATED STATEMENTS OF FINANCIAL POSITION ITEMS

Inventories

The following table sets forth our balance of inventories as of the dates indicated:

	As of March 31,		
	2024	2025	2026
	HK\$'000	HK\$'000	HK\$'000
Raw materials	5,272	5,587	6,572
Work in progress	1,302	972	800
Finished goods	43,368	46,016	42,744
Total	49,942	52,575	50,116

Our inventory balance increased by 5.3% from HK\$49.9 million as of March 31, 2024 to HK\$52.6 million as of March 31, 2025. This increase was primarily due to an increase in the volume of finished goods. Our inventory balance decreased by 4.7% from HK\$52.6 million as of March 31, 2025 to HK\$50.1 million as of March 31, 2026, which was primarily a result of a decrease in finished goods of HK\$3.3 million driven by increased sales volume during the year ended March 31, 2026. We manage our inventories by monitoring the expiry dates of our raw materials, work in progress and finished goods, which serve as a basis for determining the likelihood of obsolescence and our provision policy. The following table sets forth the aging analysis of our inventories as of the dates indicated based on the expiry date:

	As of March 31,		
	2024	2025	2026
	HK\$'000	HK\$'000	HK\$'000
Raw materials			
Within one year	—	211	80
One to two years	1,050	2,100	3,532
Two to three years	4,222	3,034	2,936
Over three years	—	242	—
No expiry date ⁽¹⁾	—	—	24
	5,272	5,587	6,572
Work in progress			
Within one year	538	275	764
One to two years	—	—	36
Two to three years	764	697	—
Over three years	—	—	—
	1,302	972	800

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	As of March 31,		
	2024	2025	2026
	HK\$'000	HK\$'000	HK\$'000
Finished goods			
Within one year	2	20	436
One to two years	16,439	23,412	17,078
Two to three years	26,927	14,604	25,230
Over three years	—	7,980	—
	43,368	46,016	42,744
Total	49,942	52,575	50,116

Note:

(1) Raw materials with no expiry date mainly comprise packaging materials, such as paper, bottles and aluminum foil.

Raw materials and work in progress mainly relate to our self-manufactured products. We manage the inventory levels by reference to the actual inventory level of finished goods and the anticipated product demands.

The shelf lives of our five top-selling products for the year ended March 31, 2026 ranged from two to four years. For finished goods, the amount of inventories that would expire within one year as of March 31, 2024, 2025 and 2026 only accounted for an insignificant percentage of our total inventory balance of finished goods, respectively.

We make provision to write down the carrying amount of inventories based on the expiry date. We recorded write-down of HK\$48,000 and reversal of write-down of HK\$640,000 and HK\$56,000 for the years ended March 31, 2024, 2025 and 2026, respectively.

The following table sets forth our average inventory turnover days for the period indicated:

	Year ended March 31,		
	2024	2025	2026
Average inventory turnover days ⁽¹⁾	83	98	78

Note:

(1) Inventory turnover days is derived by dividing the arithmetic mean of the opening and closing balances of inventories for the relevant period by cost of sales and services and multiplying by 365 days or the numbers of days for the given period.

Average inventory turnover days increased from 83 days for the year ended March 31, 2024 to 98 days for the year ended March 31, 2025. This increase was primarily due to the higher average inventory levels in 2025 as compared to 2024. Average inventory turnover days decreased from 98 days for the year ended March 31, 2025 to 78 days for the year ended March 31, 2026. This decrease was primarily due to (i) higher sales volume during the year ended March 31, 2026 coupled with a comparatively lower average inventory balance; and (ii) the consolidation of our Chinese medicine clinic services, which do not carry inventory, thereby reducing the overall inventory turnover days.

As of May 31, 2026, HK\$16.4 million, or 32.7% of our inventories as of March 31, 2026 had been sold or used.

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We have closely monitored the expiry dates and the utilization of our inventories and reviewed our inventory provision accordingly. As described in note 15 to our consolidated financial statements included in the Accountants’ Report set forth in Appendix I to this document, there has been no material write down for inventories historically.

Trade and Other Receivables

The following table sets forth our trade and other receivables as of the dates indicated:

	As of March 31,		
	2024	2025	2026
	HK\$'000	HK\$'000	HK\$'000
Trade receivables:			
— Third parties	53,428	61,517	97,146
— Fellow subsidiaries	1,150	1,788	1,289
	54,578	63,305	98,435
Other receivables	152	205	—
Deposits and prepayments	4,832	5,449	18,990
Amounts due from the intermediate holding company	24,114	12,788	12,788
Amounts due from fellow subsidiaries	70,850	75,170	113,641
Total	154,526	156,917	243,854

Trade receivables comprise the outstanding amounts due from our customers for the purchase of our products. 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 credit worthiness of the customers. Trade receivables increased by 16.0% from HK\$54.6 million as of March 31, 2024 to HK\$63.3 million as of March 31, 2025. This increase was primarily driven by higher sales to distributors that were granted longer credit terms. Trade receivables further increased by 55.5% from HK\$63.3 million as of March 31, 2025 to HK\$98.4 million as of March 31, 2026. This increase was primarily driven by higher sales to distributors that were granted longer credit terms and increased sales to Chinese medicine practitioners during the period.

The following table sets forth, as of the dates indicated, the aging analysis of our trade receivables based on invoice dates and net of loss allowances:

	As of March 31,		
	2024	2025	2026
	HK\$'000	HK\$'000	HK\$'000
Less than one month	14,782	20,303	35,708
One to six months	37,459	28,303	39,258
Over six months	2,337	14,699	23,469
Total	54,578	63,305	98,435

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The following table sets forth, as of the dates indicated, the aging analysis of our trade receivables (net of loss allowance) by due date:

	As of March 31,		
	2024	2025	2026
	HK\$'000	HK\$'000	HK\$'000
Current	47,408	50,123	74,543
Less than one month past due	4,872	3,061	10,417
One to three months past due	1,285	4,217	7,304
Over three months past due	1,013	5,904	6,171
	54,578	63,305	98,435

Trade receivables that were neither past due nor impaired as of March 31, 2024, 2025 and 2026 were related to a wide range of customers that had no recent history of default with us. Trade receivables that were past due but not impaired are related to a number of customers that have a good track record with us. We measure loss allowances for trade receivables at an amount equal to lifetime expected credit losses, which, except for amounts due from customers with known financial difficulties or significant doubt on collection that are assessed individually, is calculated using a provision matrix. We apply expected loss rates based on actual loss experience over the past two years, which are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and our view of economic conditions over the expected lives of the receivables. We assessed that there is no significant loss allowance recognized in accordance with HKFRS 9 as of March 31, 2024, 2025 and 2026.

The following table sets forth our average trade receivables turnover days for the years indicated:

	Year ended March 31,		
	2024	2025	2026
Average trade receivables turnover days ⁽¹⁾ . . .	55	60	64

Note:

- (1) Trade receivables turnover days are derived by dividing the arithmetic mean of the opening and closing balances of trade receivables for the relevant period by revenue and multiplying by 365 days or the numbers of days for the given period.

Average trade receivables turnover days increased from 55 days for the year ended March 31, 2024 to 60 days for the year ended March 31, 2025, and further to 64 days for the year ended March 31, 2026. These increases were primarily due to (i) the overall expansion of our business during the relevant periods; and (ii) a higher proportion of sales to distributors, who generally have longer credit terms compared to other customers.

As of May 31, 2026, HK\$44.3 million, or 45.6%, of our trade receivables as of March 31, 2026 had been fully settled.

Deposits and prepayments primarily represented rental deposits for our leased properties and prepayment for advertisers. As of March 31, 2024, 2025 and 2026, such balance was HK\$4.8 million, HK\$5.4 million, and HK\$19.0 million, respectively.

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Amounts due from fellow subsidiaries represented our advances to fellow subsidiaries for centralized treasury management. We entered into transactions with related parties on an arm’s length basis. All such balances will be settled prior to the [REDACTED]. See note 16 to the Accountants’ Report in Appendix I to the document.

Property, Plant and Equipment

The following table sets forth our property, plant and equipment as of the dates indicated:

	As of March 31,		
	2024	2025	2026
	HK\$’000	HK\$’000	HK\$’000
Leasehold land	1,944	1,854	1,763
Buildings	14,231	16,890	51,386
Machinery and equipment	18,486	15,862	15,966
Furniture, fixtures and office equipment.	25,316	23,329	21,991
Leasehold improvements	2,043	2,172	4,387
Total	62,020	60,107	95,493

Our property, plant and equipment decreased by 3.1% from HK\$62.0 million as of March 31, 2024 to HK\$60.1 million as of March 31, 2025, primarily due to depreciation charges. Property, plant and equipment then increased by 58.9% to HK\$95.5 million as of March 31, 2026, primarily due to the acquisition of Tin Hee Tong, Kenford Medical, King Pui and Siulun Medheart during the year, which contributed additional owned properties and right-of-use assets.

Intangible Assets

The following table sets forth our balance of intangible assets as of the dates indicated:

	As of March 31,		
	2024	2025	2026
	HK\$’000	HK\$’000	HK\$’000
Goodwill	67,918	67,918	159,085
Trademarks	158,674	158,674	305,477
Unpatented drugs	15,824	14,969	14,114
Customer relationship	79,981	71,550	67,273
Total	322,397	313,111	545,949

Intangible assets include the following:

- Goodwill, which mainly represents the excess of the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of our previously held equity interest in the acquiree over the net fair value of the acquiree’s identifiable assets and liabilities measured as of the acquisition date. As of March 31, 2024 and 2025, goodwill related primarily to our historical acquisitions of the Orizen Group and our Po Chai Pills. As of March 31, 2026, goodwill related primarily to the newly acquired Tin Hee Tong and Chinese medicine clinic businesses.

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- Trademarks, which mainly represent the registered trademarks owned by the subsidiaries acquired at the acquisition dates (such as Po Chai Pills, Tin Hee Tong Tin Hee Pills, and trademarks owned by the Orizen Group, Kenford Medical Group, King Pui TCM Clinic and Hong Kong Orthopaedic & Chiropractic Specialist Chinese Medical Clinic).
- Unpatented drugs, which mainly represent the formulations and manufacturing know-how of products (such as Flying Eagle Wood Lok Medicated Oil and Tong Tai Chung Medicated Oil) held by the subsidiaries acquired at the acquisition dates.
- Customer relationship, which mainly represents the steady and loyal customer network, which has businesses with the relevant acquiree acquired at the acquisition dates. Customer relationship relates primarily to our historical acquisitions of Po Chai Pills and the Orizen Group.

Goodwill and certain trademarks whose useful lives are assessed to be indefinite are stated at cost less impairment losses. We estimate the recoverable amount of these intangible assets annually in accordance with HKFRS Accounting Standards to determine whether or not there is any indication of impairment. An impairment loss is recognized in profit or loss if the carrying amount of the intangible asset or the relevant cash-generating unit exceeds its recoverable amount.

Unpatented drugs, customer relationship and certain trademarks with finite useful lives are stated at cost less accumulated amortization and impairment losses. Amortization of these intangible assets is charged to profit or loss on a straight-line basis over the assets’ estimated useful lives, and these assets are amortized from the date they are available for use. The estimated useful lives used during the Track Record Period were 30 years for unpatented drugs, 15 to 20 years for customer relationship and 20 to 35 years for certain trademarks with finite useful lives. For further details of the considerations we took into account in estimating the useful lives for unpatented drugs, customer relationship and certain trademarks with finite useful lives, see note 11 to the Accountants’ Report set forth in Appendix I to this document. We review internal and external sources of information (such as interest rate and profitability of the relevant cash-generating unit) at the end of each reporting period to identify indications that any of these intangible assets may be impaired. If any such indication exists, the asset’s recoverable amount is estimated. An impairment loss is recognized in profit or loss if the carrying amount of the intangible asset or the relevant cash-generating unit exceeds its recoverable amount.

Intangible assets decreased by 2.9% from HK\$322.4 million as of March 31, 2024 to HK\$313.1 million as of March 31, 2025, which was primarily the result of amortization. Intangible assets increased by 74.4% from HK\$313.1 million as of March 31, 2025 to HK\$546.0 million as of March 31, 2026, primarily due to the acquisitions of Tin Hee Tong, Kenford Medical, King Pui and Siulun Medheart, leading to increased balances of goodwill and trademarks. See the section headed “History, Reorganization and Corporate Structure — Acquisitions — Acquisition of the Kenford Medical Group” and “— Acquisition of King Pui and Siulun Medheart.”

FINANCIAL INFORMATION

Trade and Other Payables and Contract Liabilities

The following table sets forth our trade and other payables as of the dates indicated:

	As of March 31,		
	2024	2025	2026
	HK\$'000	HK\$'000	HK\$'000
Trade payables	15,298	13,191	12,057
Salary and bonus payables	1,268	4,765	8,938
Other payables and accruals	22,975	32,133	37,136
Amounts due to the intermediate holding company	448,903	402,673	402,673
Amounts due to fellow subsidiaries	30,797	148,169	376,575
Contract liabilities	1,872	—	2,750
Total	521,113	600,931	840,129

Trade payables primarily comprise payables for purchases of raw materials, packaging materials, finished goods from third-party brand owners and products from our third-party manufacturers. Payment terms for invoice settlement as requested by our suppliers range from prepayment or cash on delivery to credit terms of up to 90 days. Trade payables decreased by 13.8% from HK\$15.3 million as of March 31, 2024 to HK\$13.2 million as of March 31, 2025, then further decreased by 8.6% to HK\$12.1 million as of March 31, 2026. These decreases primarily reflected timing differences in order placements.

The following table sets forth, as of the dates indicated, the aging analysis of our trade payables based on invoice dates:

	As of March 31,		
	2024	2025	2026
	HK\$'000	HK\$'000	HK\$'000
Within one month	12,532	8,860	9,812
One to six months	2,689	4,230	1,914
Over six months	77	101	331
Total	15,298	13,191	12,057

The following table sets forth our average trade payables turnover days for the years indicated:

	Year ended March 31,		
	2024	2025	2026
Average trade payables turnover days ⁽¹⁾	31	27	19

Note:

- (1) Trade payables turnover days is derived by dividing the arithmetic mean of the opening and closing balances of trade payables for the relevant period by cost of sales and services and multiplying by 365 days or the numbers of days for the given period.

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Average trade payables turnover days were 31, 27 and 19 for the years ended March 31, 2024, 2025 and 2026, respectively. This fluctuation was primarily attributable to the consolidation of our Chinese medicine clinic services business, which does not carry substantial amount of trade payables, thereby reducing the overall trade payables turnover days.

As of May 31, 2026, HK\$10.7 million, or 88.9%, of our trade payables as of March 31, 2026 had been fully settled.

Other payables and accruals primarily represented capital expenditure, staff costs, audit fees, advertising and promotion, legal and professional fees incurred during the ordinary course of our business.

Amounts due to the intermediate holding company and fellow subsidiaries represented advances from JBM Group to us used for our acquisitions and daily business operations. We entered into transactions with these related parties on an arm’s length basis. All such balances will be settled or capitalized prior to the [REDACTED]. See note 18 to the Accountants’ Report in Appendix I to the document.

INDEBTEDNESS AND CONTINGENT LIABILITIES

Indebtedness

The following table sets forth a breakdown of our outstanding indebtedness as of the dates indicated:

	As of March 31,			As of May 31,
	2024	2025	2026	2026
	HK\$'000	HK\$'000	HK\$'000	HK\$'000 (unaudited)
Current liabilities				
Bank loans	—	—	437	—
Lease liabilities	7,420	9,093	15,858	14,723
Amounts due to the intermediate holding company	448,903	402,673	402,673	402,673
Amounts due to fellow subsidiaries . . .	30,797	148,169	376,575	375,512
Non-current liabilities				
Lease liabilities	5,746	6,612	8,545	7,770
Total	492,866	566,547	804,088	800,678

Bank loans

As of March 31, 2024, 2025, and 2026 and May 31, 2026, we recorded bank loans of nil, nil, HK\$0.4 million, and nil, respectively.

Our Directors confirm that we did not have any difficulty in obtaining bank loans and other borrowings, or material default in payment of bank loans and other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

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Lease liabilities

As of March 31, 2024, 2025, and 2026 and May 31, 2026, we recorded lease liabilities of HK\$13.2 million, HK\$15.7 million, HK\$24.4 million, and HK\$22.5 million, respectively, which were primarily in relation to the properties we leased for our operational premises. For details, see note 20 to the Accountants’ Report in Appendix I to this document.

Amounts due to the intermediate holding company and fellow subsidiaries

As of March 31, 2024, 2025, and 2026 and May 31, 2026, we recorded amounts due to the intermediate holding company and fellow subsidiaries of HK\$479.7 million, HK\$550.8 million and HK\$779.2 million and HK\$778.2 million, respectively, which were primarily advances from JBM Group to us used for our acquisitions and daily business operations.

Contingent Liabilities

As of the Latest Practicable Date, we were not involved in any material legal, arbitration or administrative proceedings that, if adversely determined, would be expected to materially and adversely affect our financial position or results of operations. Our Directors confirm that there has been no material change in our contingent liabilities since March 31, 2026 to the date of this document.

Statement of Indebtedness

Save as disclosed in the section headed “— Indebtedness and Contingent Liabilities — Indebtedness” above, we did not have, as of May 31, 2026, any outstanding debt securities, mortgage, charges, debentures or other loan capital (issued or agreed to be issued), bank overdrafts, loans, liabilities under acceptance or acceptance credits, or other similar indebtedness, leasing and financial leasing commitments, hire purchase commitments, guarantees or other material contingent liabilities.

Our Directors confirm that there is no material change in our indebtedness position since May 31, 2026 and up to the date of this document, except as disclosed above.

OFF-BALANCE SHEET ARRANGEMENTS

We have not entered into, nor do we expect to enter into, any off-balance sheet arrangements or commitments to guarantee the payment obligations of third parties. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing or hedging or research and development services with us.

FINANCIAL INFORMATION

RELATED PARTY TRANSACTIONS

The following table sets forth a breakdown of our material related party transactions (other than key management personnel emoluments) for the years indicated:

	Year ended March 31,		
	2024	2025	2026
	HK\$'000	HK\$'000	HK\$'000
Sales to fellow subsidiaries	12,032	6,531	10,469
Rental expense to a fellow subsidiary	1,320	—	—
Logistics and distribution fees to a fellow subsidiary	11,273	20,304	6,564
Management fees to a fellow subsidiary	13,096	14,696	14,885
Interest expenses to a fellow subsidiary	628	596	3,360
Interest on lease liabilities to related parties . .	325	243	389

Sales to Fellow Subsidiaries

Sales to fellow subsidiaries represented our sales of certain branded PCM products to subsidiaries of JBM Group for trading purposes, which amounted to HK\$12.0 million, HK\$6.5 million and HK\$10.5 million for the years ended March 31, 2024, 2025 and 2026, respectively. The decrease for the year ended March 31, 2025 was primarily due to lower sales to such trading companies, which were made only occasionally in satisfaction of the relevant sales orders from their customers. Although sales increased for the year ended March 31, 2026, in particular the first half of the financial year, such trading companies began to gradually cease trading in all branded PCM products from October 2025, with the last sales transaction completed in March 2026.

Rental Expense to A Fellow Subsidiary

The rental expense to a fellow subsidiary related to short-term rental of a warehouse facility in Hong Kong from a fellow subsidiary of JBM Group for the temporary storage for our inventories.

Logistics and Distribution Fees to A Fellow Subsidiary

Logistics and distribution fees to a fellow subsidiary related to certain logistics and distribution services of the JBM Group we utilize for loading and unloading, local trucking, delivery and return handling of goods, storage and distribution of products, and invoicing and account receivables management and collection, as further described in the sections headed “Business — Sales and Distribution — Distribution and Logistics — Hong Kong” and “Continuing Connected Transactions — Partially Exempt Continuing Connected Transactions — Logistics and Distribution Services.” We had logistics and distribution fees to a fellow subsidiary of HK\$11.3 million, HK\$20.3 million and HK\$6.6 million for the years ended March 31, 2024, 2025 and 2026, respectively. The increase in the year ended March 31, 2025 was primarily due to the expansion of our distribution channels, while the decrease in the year ended March 31, 2026 was mainly due to the termination of certain distribution services following a change in our strategic direction.

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Management Fees to A Fellow Subsidiary

Management fees to a fellow subsidiary represented management expenses for shared administrative management resources between our Group and JBM Group. Such amount remained relatively stable during the Track Record Period. We ceased to incur such fees since April 1, 2026 following the completion of the physical segregation of the relevant costs and expenses relating to us and started to record them directly under the relevant cost items for the purpose of the [REDACTED].

Interest Expenses to A Fellow Subsidiary

Interest expenses to a fellow subsidiary represented interest on the advances from a fellow subsidiary of JBM Group that mainly carries out the centralized treasury management function of the JBM Group primarily to support our daily business operations, acquisitions and business expansion. Such amount was HK\$0.6 million, HK\$0.6 million and HK\$3.4 million for the years ended March 31, 2024, 2025 and 2026, respectively. The increase from the year ended March 31, 2025 to the year ended March 31, 2026 was primarily attributable to the increased advances provided by JBM Group to finance our acquisitions.

Interest on Lease Liabilities to Related Parties

Interest on lease liabilities to related parties relates to the interest expense recognized on lease liabilities associated with certain properties in Hong Kong leased from Jacobson Pharma Group and used for the manufacturing of our branded PCM products and our offices, as further described in the section headed “Business — Properties — Leased or Licensed Properties.”

Related Parties Balances

Balances with related parties are set forth in notes 16 and 18 to our consolidated financial statements included in the Accountants’ Report set forth in Appendix I to this document. All balances that are non-trade nature will be settled prior to the [REDACTED].

It is the view of our Directors that each of the above related party transactions (i) was conducted on an arm’s length basis, and (ii) does not distort our Track Record Period results or make our historical results not reflective of future performance.

FINANCIAL RISKS

We are exposed to credit, liquidity, interest rate and currency risks that arise in the normal course of our business. Further information is set forth in note 26 to our consolidated financial statements included in the Accountants’ Report set forth in Appendix I to this document.

FINANCIAL INFORMATION

KEY FINANCIAL RATIOS

The following table sets forth certain of our key financial ratios as of the dates or for the years indicated:

	As of/Year ended March 31,		
	2024	2025	2026
Profitability ratios			
Gross profit margin ⁽¹⁾	49.6%	46.9%	48.2%
Net profit margin ⁽²⁾	19.4%	13.9%	17.4%
Return on equity ⁽³⁾	124.0%	53.6%	71.8%
Return on total assets ⁽⁴⁾	10.5%	7.1%	8.9%
Liquidity ratios			
Current ratio ⁽⁵⁾	0.48	0.45	0.42
Quick ratio ⁽⁶⁾	0.38	0.36	0.36
Gearing ratio ⁽⁷⁾	—	—	0.4%

Notes:

- (1) Gross profit margin is calculated based on gross profit divided by revenue and multiplied by 100%.
- (2) Net profit margin is calculated based on profit for the year divided by revenue and multiplied by 100%.
- (3) Return on equity is calculated based on profit for the year divided by the arithmetic mean of the opening and closing balances of total equity in the relevant period and multiplied by 100%.
- (4) Return on total assets is calculated based on profit for the year divided by the arithmetic mean of the opening and closing balances of total assets in the relevant period and multiplied by 100%.
- (5) Current ratio is calculated based on total current assets divided by total current liabilities.
- (6) Quick ratio is calculated based on total current assets less inventories divided by total current liabilities.
- (7) Gearing ratio is calculated based on bank loans divided by net assets.

Return on Equity

Our return on equity decreased from 124.0% for the year ended March 31, 2024 to 53.6% for the year ended March 31, 2025, primarily due to the increase in total equity, resulting from (i) the increase in equity as a result of the profit for the year; and (ii) the decrease in net profit for the year ended March 31, 2025 as compared to the previous year. Our return on equity increased to 71.8% for the year ended March 31, 2026, primarily because of the increase in profit for the year offset by our acquisition of non-controlling interest.

Return on Total Assets

Our return on total assets decreased from 10.5% for the year ended March 31, 2024 to 7.1% for the year ended March 31, 2025, primarily attributable to (i) the increase in our total assets, mainly due to the advances from JBM Group we received to fund our business expansion and (ii) the decrease in profit for the year. Our return on total assets increased from 7.1% for the year ended March 31, 2025 to 8.9% for the year ended March 31, 2026, primarily due to the increase in profit for the year.

Current Ratio

Our current ratio was 0.48, 0.45 and 0.42 as of March 31, 2024, 2025 and 2026. The decrease was primarily due to an increase in current liabilities, in particular amounts due to fellow subsidiaries to support our acquisitions, as we received advances from the JBM Group to fund our business expansion.

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Quick Ratio

Our quick ratio remained stable at 0.38, 0.36 and 0.36 as of March 31, 2024, 2025 and 2026, respectively.

Gearing Ratio

We did not have any external borrowings as of March 31, 2024 and 2025, and accordingly did not record a gearing ratio for those periods. As of March 31, 2026, our gearing ratio was 0.4%, reflecting a minimal level of external borrowings relative to our total equity.

For a discussion on the fluctuations in our gross profit margin and net profit margin during the Track Record Period, see the section headed “— Year-to-Year Comparison of Results of Operations” above.

DIVIDENDS

In accordance with our Articles of Association, through a general meeting, we may declare dividends, but no dividend may be declared unless out of either profit or share premium account and no dividend shall exceed the amount recommended by our Board. Our Board may also from time to time pay interim dividends as our Board believes to be justified by the profits of our Company, as well as special dividends on shares of any class of such amounts and on such dates as it deems fit. We cannot guarantee in what form dividends will be paid in the future.

As we are a holding company, our ability to declare and pay dividends will depend on the availability of dividends received from our subsidiaries. In respect of our Singapore-incorporated subsidiary, dividends may only be paid out of the profits of the Singapore-incorporated subsidiary and may not be paid in excess of the amount recommended by its directors. Distributions from our subsidiaries may also be restricted if they incur debt or losses or in accordance with any restrictive covenants in bank credit facilities or other agreements that we or our subsidiaries may enter into in the future.

Our Company currently does not have a pre-determined dividend payment ratio. Our Board has the absolute discretion to recommend and/or declare dividends, subject to our Articles of Association, the Cayman Companies Act, Hong Kong laws and Singapore laws governing our subsidiaries’ ability to declare and pay dividends to us. Any declaration of dividends will depend on our future operations and earnings, capital requirements and surplus, cash flows and general financial conditions, contractual restrictions and other factors that our Directors consider relevant. Our future declarations of dividends may or may not reflect our historical or further declarations of dividends.

DISTRIBUTABLE RESERVES

As of March 31, 2026, our Company did not have distributable reserves.

FINANCIAL INFORMATION

UNAUDITED [REDACTED] FINANCIAL INFORMATION

See Appendix II to this document for the unaudited [REDACTED] financial information of our Group, which is set out therein to illustrate the effect of the [REDACTED] on our net tangible liabilities attributable to equity holders of our Company as of March 31, 2026 as if the [REDACTED] had taken place on March 31, 2026.

[REDACTED] EXPENSES

[REDACTED] expenses represent professional fees, [REDACTED] and other fees incurred in connection with the [REDACTED]. We estimate that our [REDACTED] expenses will be HK\$[REDACTED] million (assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the indicative [REDACTED] range) and no exercise of the [REDACTED]), representing approximately [REDACTED]% of the gross [REDACTED] from the [REDACTED] at the [REDACTED] of HK\$[REDACTED] per [REDACTED], including (i) [REDACTED], SFC transaction levy, Stock Exchange trading fees and AFRC transaction levy for all [REDACTED] of approximately HK\$[REDACTED] million, and (ii) non-[REDACTED] related expenses of approximately HK\$[REDACTED] million, which consists of (a) fees and expenses of legal advisors and reporting accountants of approximately HK\$[REDACTED] million, and (b) sponsor fee and other fees and expenses of approximately HK\$[REDACTED] million. Approximately HK\$[REDACTED] million is expected to be charged to our consolidated statements of profit or loss, and approximately HK\$[REDACTED] million is expected to be deducted from equity. The [REDACTED] expenses above are the best estimate as of the Latest Practicable Date and for reference only and the actual amount may differ from this estimate.

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that, since March 31, 2026 and up to the date of this document, there has been no material adverse change in our financial or trading position or prospects and no event has occurred which would materially and adversely affect the financial information included in the Accountants’ Report in Appendix I to this document.

NO ADDITIONAL DISCLOSURE REQUIRED UNDER THE LISTING RULES

Our Directors have confirmed that, as of the Latest Practicable Date, there were no circumstances which would have given rise to any disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules upon [REDACTED].