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Application Proof of

JPJ (TCM) Limited
保濟元和(TCM)有限公司

(the "**Company**")

(Incorporated in the Cayman Islands with limited liability)

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JPJ (TCM) Limited
保濟元和(TCM)有限公司

(Incorporated in the Cayman Islands with limited liability)

[REDACTED]

Number of [REDACTED] under the [REDACTED]	**:**	**[REDACTED] Shares (subject to the [REDACTED])**
Number of [REDACTED]	**:**	**[REDACTED] Shares (subject to [REDACTED])**
Number of [REDACTED]	**:**	**[REDACTED] Shares (including [REDACTED] [REDACTED] under the [REDACTED]) (subject to [REDACTED] and the [REDACTED])**
Maximum [REDACTED]	**:**	**HK$[REDACTED] per [REDACTED], plus brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015% (payable in full on application in Hong Kong dollars and subject to refund)**
Nominal Value	**:**	**HK$0.01 per Share**
[REDACTED]	**:**	**[REDACTED]**

Sole Sponsor

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QUAM CAPITAL

[REDACTED]

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[REDACTED]

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[REDACTED]

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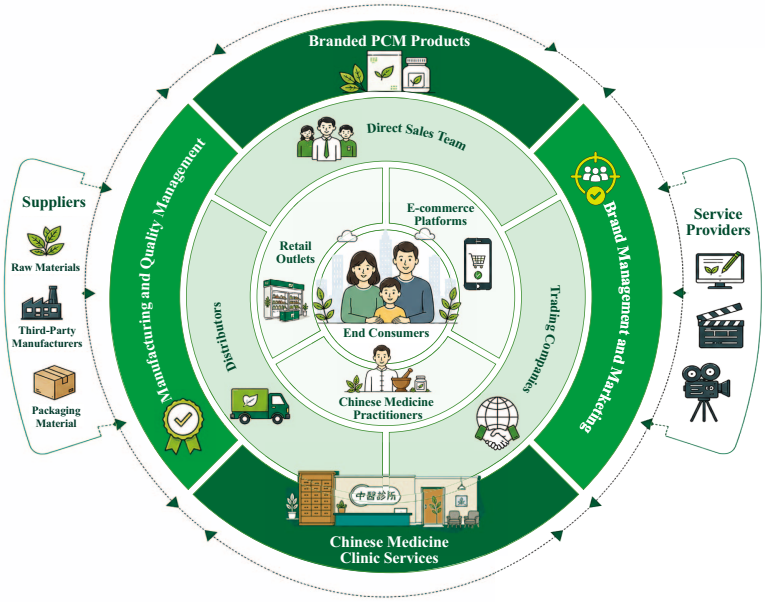
SUMMARY

This summary aims to give you an overview of the information contained in this document. Since it is a summary, it does not contain all the information that may be important to you. You should read this document in its entirety before you decide to **[REDACTED]** *in the* **[REDACTED]**. *There are risks associated with any* **[REDACTED]**. *Some of the particular risks in* **[REDACTED]** *in the* **[REDACTED]** *are set out in the section headed "Risk Factors." You should read that section carefully before you decide to* **[REDACTED]** *in the* **[REDACTED]**.

OVERVIEW

We are a leading Hong Kong-based PCM group with a vertically integrated Chinese medicine business model centered on our trusted heritage brands. We ranked first in the Hong Kong PCM market by end-market sales in 2025, with a market share of 9.2%, according to the Frost & Sullivan Report. Our business comprises two complementary pillars — branded PCM products and Chinese medicine clinic services — supported by integrated capabilities spanning brand management, formulation and product development, manufacturing and quality management, and sales and distribution. By connecting products, practitioners and patients across the Chinese medicine value chain, our vertically integrated business model provides a strong foundation for sustainable development and long-term growth.



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

Building on our branded PCM product portfolio, we expanded holistically into the Chinese medicine clinic service segment during the year ended March 31, 2026, forming a vertically integrated Chinese medicine platform. We offer Chinese medicine clinic services covering internal medicine, orthopedic and traumatology, acupuncture and other Chinese medicine consultation and treatment services through our established clinic brands "Kenford Medical Group 健福堂," "King Pui TCM Clinic 景培中醫" and "Hong Kong Orthopaedic & Chiropractic Specialist Chinese Medical Clinic 香港骨傷及脊椎專科診所." As of March 31, 2026, we operated 40 clinics with over 50 registered Chinese medicine practitioners providing professional consultation services mostly in populated residential areas. According to the Frost & Sullivan Report, we were the fifth largest private Chinese medicine clinic chain, and the largest private Chinese medicine clinic chain with an orthopedic specialty, in Hong Kong by number of clinics as of June 30, 2026. We believe the integration of our branded PCM products with our clinic network provides differentiated insights into practitioner and patient needs, while strengthening our brand development and consumer engagement.

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

Product safety, efficacy and quality underpin our business and have driven sustained consumer trust in our brands over the years. 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. As GMP accreditation is not mandatory for PCM manufacturing in Hong Kong, only 21 of 195 licensed PCM manufacturers, or 10.8%, were GMP-accredited as of June 30, 2026, and we held 2 of those 21 accreditations, according to the Frost & Sullivan Report. Recent regulatory developments have further increased the importance of GMP-accredited manufacturing capabilities, in particular, the Chinese Medicine Development Blueprint issued by the Hong Kong government contemplates phased GMP implementation. We believe our GMP-accredited facilities will position us to compete effectively as the PCM industry transitions toward higher standards of manufacturing, quality and compliance, thereby reinforcing market trust in our product quality. Our in-house manufacturing is complemented by selective manufacturing outsourcing and comprehensive, end-to-end quality management system in strict compliance with GMP requirements, covering the full quality assurance lifecycle from supplier selection and raw material procurement to manufacturing, finished product release, stability studies and post-market product safety monitoring. Unlike some of the industry practices of outsourcing certain quality control activities, according to the Frost & Sullivan Report, all of the quality control testing of our self-manufactured products are performed in-house, which enables us to maintain direct oversight and accountability over product quality.

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

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

OUR PRODUCTS AND SERVICES

Our products and services are broadly divided into two categories: (i) branded PCM products; and (ii) Chinese medicine clinic services.

Branded PCM Products

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

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

Our branded PCM products are all under our own brands (where we own the brands and manufacture the products in-house at our GMP-accredited manufacturing facilities in Hong Kong or with the support of third-party manufacturers), save for third-party brand CCMG products, which we have the exclusive authority to distribute in Hong Kong and Macau. As of March 31, 2026, we offered more than 1,000 branded PCM products, counted by SKUs consistent with industry norm, according to the Frost & Sullivan Report, including a comprehensive CCMG portfolio comprising over 700 single-herb and combo-formula products. We were the second-largest supplier in the Hong Kong CCMG market by end-market sales in 2025, and our CCMG distribution network reached over 70% of active Chinese medicine practitioners in Hong Kong, according to the Frost & Sullivan Report.

Chinese Medicine Clinic Services

We expanded holistically into the Chinese medicine clinic service segment during the year ended March 31, 2026, forming a vertically integrated Chinese medicine platform that connects products, practitioners and patients. We offer Chinese medicine clinic services covering internal medicine, orthopedic and traumatology, acupuncture and other Chinese medicine consultation and treatment services through around 40 clinics. Supported by over 50 registered Chinese medicine practitioners, our clinics are mostly located in populated residential areas.

COMPETITIVE STRENGTHS

Our principal competitive strengths include: (i) a leading PCM group with a portfolio of trusted heritage PCM brands; (ii) proven brand management and rejuvenation capabilities with creative, multi-channel marketing execution; (iii) GMP-accredited manufacturing capabilities and robust quality management; (iv) multi-channel sales and distribution network in Hong Kong with overseas market access; (v) vertically integrated Chinese medicine platform built on our branded PCM products and Chinese medicine clinic network; and (vi) seasoned management team with in-depth industry expertise and strong regional networks. We believe these strengths reinforce one another to create a resilient and scalable business model, support our long-term growth, and enhance our competitive position in the Chinese medicine market.

BUSINESS STRATEGIES

Guided by our mission of delivering trusted and integrated Chinese medicine solutions that support healthier and fuller lives, our business strategies are designed to strengthen the capabilities that underpin our long-term growth, including our portfolio of trusted heritage brands, consumer engagement, rapport with Chinese medicine practitioners and vertically integrated Chinese medicine platform. Through these initiatives, we seek to strengthen our market position while expanding access to our branded PCM products and Chinese medicine clinic services. We aspire to pursue the following key business strategies: (i) further expand our portfolio through organic growth and mergers and acquisitions; (ii) elevate brand impact through our proven branding and marketing capabilities; (iii) deepen market penetration and expansion of our sales and distribution network; (iv) unlock the strategic value of the Chinese medicine practitioner network; and (v) advance clinical research and academic partnerships to reinforce product credibility.

MAJOR SUPPLIERS AND CUSTOMERS

Our suppliers primarily include raw material or packaging material suppliers, and third-party manufacturers. We believe that we have good relationships with our major suppliers. The primary raw materials for our self-manufactured products are menthol, north atractylodes rhizome, eucalyptus oil, and processed poria, while the main packaging materials we use include paper, bottles and aluminum foil, most of which are general commodities commonly available in the market. For the years ended March 31, 2024, 2025 and 2026, our five largest suppliers accounted for 84.8%, 85.9% and 84.5% of our total purchases, respectively.

In Hong Kong, we sell our branded PCM products through direct sales and distributor arrangements to key chains, registered pharmacies and drug stores, as well as through select online platforms. We also provide products to patients through our Chinese medicine clinics, and distribute CCMG products to a substantial majority of active Chinese medicine practitioners. Outside Hong Kong, we sell selected products primarily through distributors and cross-border e-commerce channels, complemented by our local sales and distribution team in Macau. We have maintained stable relationships with our major customers. For the years ended March 31, 2024, 2025 and 2026, our five largest customers accounted for 24.3%, 22.8% and 35.2% of our total revenue, respectively.

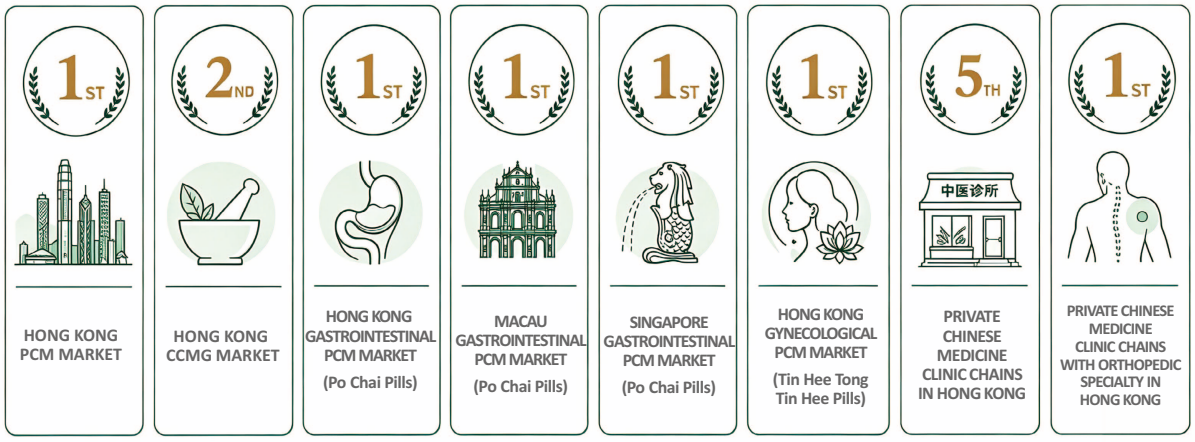
PRICING

We determine product pricing with reference to general market conditions, considering factors such as supply and demand, costs, competing product pricing, our bargaining position, historical sales and market trends, as well as customers' expected margins and, for e-commerce sales, platform discounts and promotions. For pricing of our Chinese medicine clinic services, this is primarily based on treatment complexity, operating costs, local market conditions and competitors' pricing.

MARKET COMPETITION AND RANKINGS

The Hong Kong PCM market is highly competitive and rapidly evolving, characterized by the frequent introduction of new brands and products, changing consumer preferences, and increasingly high expectations for product quality and value. We compete principally with manufacturers and distributors of branded PCM products and, in our Chinese medicine clinic service segment, with Chinese medicine clinic operators. We ranked first in the Hong Kong PCM market by end-market sales in 2025, with a 9.2% market share in a HK$11.8 billion market, which is expected to grow at a CAGR of 5.1% to HK$15.1 billion by 2030, according to the Frost & Sullivan Report. The top five market players accounted for 31.9% of the Hong Kong PCM market in 2025. We believe that our heritage brands, direct access to Chinese medicine practitioners, vertically integrated Chinese medicine platform and quality management capabilities position us to compete effectively and provide a strong foundation for our sustained development and long-term growth. For further details, see the section headed "Industry Overview."

RANKING IN KEY MARKETS



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

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

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The summary of historical financial information should be read together with the historical financial information in the Accountants' Report in Appendix I to this document, including the accompanying notes and the information set out in "Financial Information" in this document.

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

	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**

The following table sets forth our revenue by business segment 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**

Our revenue movements during the Track Record Period were primarily driven by (i) an increase in sales of Po Chai Pills, our top-selling product, which accounted for 32.9%, 39.2% and 36.3% of revenue for the years ended March 31, 2024, 2025 and 2026, respectively, with growth supported by effective brand marketing strategies and the launch of a sachet format; (ii) portfolio expansion, including the introduction of new branded PCM products, notably Tin Hee Tong Tin Hee Pills following the April 2025 acquisition, contributing 4.2% of revenue for the year ended March 31, 2026; and (iii) business expansion into Chinese medicine clinic services through acquisitions completed in 2025 and 2026, which contributed 8.6% of revenue for the year ended March 31, 2026.

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. The increases in the year ended March 31, 2026 were

mainly due to our higher gross profit and a decrease in selling and distribution expenses despite higher revenue. The decreases in the year ended March 31, 2025 were 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.

Summary of Consolidated Statements of Financial Position

	As of March 31,		
	2024	**2025**	**2026**
	HK$'000	*HK$'000*	*HK$'000*
Total non-current assets	392,717	493,691	683,259
Total current assets	253,826	274,749	364,514
Total assets	**646,543**	**768,440**	**1,047,773**
Total non-current liabilities	41,212	40,597	67,591
Total current liabilities	534,809	611,362	871,310
Total liabilities	**576,021**	**651,959**	**938,901**
Net current liabilities	(280,983)	(336,613)	(506,796)
Net assets	70,522	116,481	108,872

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. For further details, see the section headed "Financial Information — Net Current Liabilities."

Summary of Consolidated Cash Flow Statements

	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**

Key Financial Ratios

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

	As of/For the year ended March 31,		
	2024	2025	2026
Profitability ratios			
Gross profit margin	49.6%	46.9%	48.2%
Net profit margin	19.4%	13.9%	17.4%
Return on equity	124.0%	53.6%	71.8%
Return on total assets	10.5%	7.1%	8.9%
Liquidity ratios			
Current ratio	0.48	0.45	0.42
Quick ratio	0.38	0.36	0.36
Gearing ratio	—	—	0.4%

RELATIONSHIP WITH JBM

Immediately following the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised), JBM BVI will be interested in **[REDACTED]**% of our Shares and we will remain as a subsidiary of JBM BVI. JBM BVI is wholly-owned by JBM, a company listed on the Main Board of the Stock Exchange (stock code: 2161), which together with its subsidiaries (including our Group) are principally engaged in the manufacturing and trading of branded healthcare products, being branded medicines and branded PCM products, and distributing health and wellness products. JBM and JBM BVI are therefore our Controlling Shareholders. As of the Latest Practicable Date, Mr. Sum, the founder of the business of our Group, is interested in approximately 71.62% of JBM Shares directly and indirectly through interests in controlled companies and/or discretionary trusts of which he is a settlor and a beneficiary and accordingly, Mr. Sum is our ultimate Controlling Shareholder. Mr. Sum is directly interested in approximately 7.96% of JBM Shares and is indirectly interested in JBM Shares comprising of (i) approximately 39.27% through Lincoln's Hill, which is turn wholly-owned by Trust Co under The Kingshill Trust; (ii) approximately 23.95% through Queenshill, a company wholly-owned by him; and

(iii) approximately 0.44% through Queenshill Trustco under The Queenshill Trust. Accordingly, upon the **[REDACTED]**, Mr. Sum, JBM, JBM BVI, Lincoln's Hill, Trust Co, The Kingshill Trust, Queenshill, Queenshill Trustco and The Queenshill Trust will be a group of Controlling Shareholders.

Our principal businesses and those of the JBM Group are clearly distinct from one another, primarily due to the disparate nature of products carried and services offered. Our Group and the JBM Group have differentiated sales channels and markets, although both groups conduct sales to distributors, trading companies and to OTC channels. Key suppliers of our Group are differentiated from those of the JBM Group and raw materials used in the production processes of our Group and the JBM Group are different as our branded PCM products and the JBM Group's non-Chinese medicine products comprise different ingredients.

[REDACTED] AND THE [REDACTED]

The **[REDACTED]** will constitute a **[REDACTED]** from JBM, our Controlling Shareholder upon the **[REDACTED]**. The proposal in relation to the **[REDACTED]** was submitted by JBM to the Stock Exchange for approval pursuant to Practice Note 15 of the Listing Rules, and the Stock Exchange has confirmed that JBM may proceed with the **[REDACTED]**. Our Board considers that it is in the interest of our Group to conduct the **[REDACTED]**. For details, see "History, Reorganization and Corporate Structure."

STATISTICS OF THE [REDACTED]

Unless otherwise indicated, all statistics in the following table are based on the assumptions that (i) the **[REDACTED]** has been completed and **[REDACTED]** Shares are issued pursuant to the **[REDACTED]**; and (ii) the **[REDACTED]** is not exercised.

	Based on an [REDACTED] of HK$[REDACTED] per [REDACTED]	**Based on an [REDACTED] of HK$[REDACTED] per [REDACTED]**
[REDACTED] of our Shares[(1)]	**[REDACTED]**	**[REDACTED]**
Unaudited **[REDACTED]** adjusted net tangible assets attributable to equity shareholders of our Company per Share[(2)] .	**[REDACTED]**	**[REDACTED]**

Notes:

(1) The calculation of **[REDACTED]** is based on **[REDACTED]** Shares expected to be in issue immediately after completion of the **[REDACTED]**.

(2) The unaudited **[REDACTED]** adjusted net tangible asset attributable to equity shareholders of our Company per Share as of March 31, 2026 is calculated after making the adjustments referred to in "Unaudited **[REDACTED]** Financial Information" in the Appendix II to this document.

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.

RISK FACTORS

Our operations and the **[REDACTED]** involve certain risks and uncertainties, some of which are beyond our control and may affect your decision to **[REDACTED]** in us and the value of your **[REDACTED]**. You should read that section in its entirety carefully before you decide to **[REDACTED]** in our Shares. These risks include, among others: (i) changes in consumer preferences and perceptions affecting demand; (ii) potential brand erosion and reputational risks; (iii) intense competition in the branded PCM product market; (iv) exposure to product liability claims; (v) regulatory and compliance risks relating to our Chinese medicine clinic services; (vi) changes in the regulatory regime in Hong Kong; (vii) risks relating to intellectual property disputes and ongoing litigation; (viii) liquidity risk arising from net current liabilities; (ix) potential impairment of significant intangible assets; and (x) reliance on key management and registered Chinese medicine practitioners.

These risks are not the only significant risks that may affect the value of our Shares. See the section headed "Risk Factors" for details of risks and uncertainties related to us, which we strongly urge you to read in full before making an **[REDACTED]** in our **[REDACTED]**.

USE OF [REDACTED]

We estimate that we will receive net **[REDACTED]** from the **[REDACTED]** of approximately HK$**[REDACTED]** million, after deducting **[REDACTED]**, fees and estimated expenses payable by us in connection with the **[REDACTED]**, assuming no **[REDACTED]** is exercised and an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**, being the midpoint of the indicative **[REDACTED]** range stated in this document.

In line with our strategies, we intend to use the net **[REDACTED]** for the following purposes, subject to changes in light of our evolving business needs and changing market conditions:

- approximately **[REDACTED]**% of the net **[REDACTED]**, or approximately HK$**[REDACTED]** million, to fund strategic mergers and acquisitions to acquire synergistic businesses, brands or products that complement and strengthen our vertically integrated Chinese medicine platform;

- approximately **[REDACTED]**% of the net **[REDACTED]**, or approximately HK$**[REDACTED]** million, to fund advertising and brand promotion initiatives designed to enhance brand awareness, brand loyalty and market standing, and to broaden our consumer base while retaining the trust and loyalty of existing customers of our portfolio of heritage household PCM brands;

- approximately **[REDACTED]**% of the net **[REDACTED]**, or approximately HK$**[REDACTED]** million, to fund capital expenditure relating to the optimization, upgrade and expansion of our manufacturing facilities and production capabilities;

- approximately **[REDACTED]**% of the net **[REDACTED]**, or approximately HK$**[REDACTED]** million, to fund the registration of branded PCM products, trademark registration and the protection and expansion of our intellectual property portfolio;

- approximately **[REDACTED]**% of the net **[REDACTED]**, or approximately HK$**[REDACTED]** million, to fund the expansion and enhancement of our Chinese medicine clinic network; and

- approximately **[REDACTED]**% of the net **[REDACTED]**, or approximately HK$**[REDACTED]** million, to supplement our working capital and for general corporate purposes.

For further details, see the section headed "Future Plans and Use of **[REDACTED]** — Use of **[REDACTED]**."

[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 AND RECENT DEVELOPMENTS

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.

DEFINITIONS

In this document, unless the context otherwise requires, the following terms shall have the following meanings.

"affiliate"	with respect to any person, any other person, directly or indirectly, controlling, controlled by or under common control with such person
"AFRC"	Accounting and Financial Reporting Council
"Articles" or "Articles of Association"	the amended and restated articles of association of our Company, which was conditionally adopted on [•] with effect from the **[REDACTED]**, and a summary of which is set forth in Appendix III to this document
"associate"	has the meaning ascribed to it under the Listing Rules

[REDACTED]

"Board" or "Board of Directors"	the board of directors of our Company
"business day"	a day on which banks in Hong Kong are generally open for business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
"BVI"	the British Virgin Islands
"CAGR"	compound annual growth rate

[REDACTED]

"Cayman Companies Act" or "Companies Act"	the Companies Act, Cap. 22 (Act 3 of 1961, as consolidated and revised), of the Cayman Islands

[REDACTED]

"Chairman"	the chairman of the Board
"China" or "PRC"	the People's Republic of China, excluding, for the sole purpose of this document, Hong Kong, Macau and Taiwan region
"Chinese Medicine Ordinance"	the Chinese Medicine Ordinance (Chapter 549 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"close associate"	has the meaning ascribed to it under the Listing Rules
"CMCHK"	the Chinese Medicine Council of Hong Kong
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company" or "our Company"	JPJ (TCM) Limited, an exempted company incorporated in the Cayman Islands with limited liability on March 26, 2026
"Competition Ordinance"	the Competition Ordinance (Chapter 619 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"connected person"	has the meaning ascribed to it under the Listing Rules
"connected transaction"	has the meaning ascribed to it under the Listing Rules
"Control of Chemicals Ordinance"	the Control of Chemicals Ordinance (Chapter 145 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Controlling Shareholder"	any of the persons referred to in the section headed "Relationship with JBM — Our Controlling Shareholders," each being a controlling shareholder within the meaning of the Listing Rules
"core connected person"	has the meaning ascribed to it under the Listing Rules
"COVID-19"	coronavirus disease 2019
"Department of Health"	the Department of Health of the Government of Hong Kong

"Director"	a director of our Company
	[REDACTED]
"Extreme Conditions"	extreme conditions caused by a super typhoon as announced by the government of Hong Kong
	[REDACTED]
"Frost & Sullivan"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., a market research and consulting company and an Independent Third Party
"Frost & Sullivan Report"	a market research report prepared by Frost & Sullivan as commissioned by our Company for the purpose of this document
	[REDACTED]
"Group," "we," "our" or "us"	our Company and, where appropriate, its subsidiaries or, in respect of the period before our Company became the holding company of its present subsidiaries, the businesses operated by such subsidiaries or their predecessors, as the case may be
	[REDACTED]
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong

"HKFRSs"	HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants

[REDACTED]

"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC

[REDACTED]

[REDACTED]

"Independent Third Party"	any entity or person who, to the best knowledge of our Directors, is not a connected person of our Company within the meaning ascribed thereto under the Listing Rules

[REDACTED]

"Jacobson Pharma"	Jacobson Pharma Corporation Limited, a company with limited liability incorporated under the laws of the Cayman Islands, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 2633) and an associate of Mr. Sum
"Jacobson Pharma Group"	Jacobson Pharma and its subsidiaries
"JBM"	JBM (Healthcare) Limited, a company with limited liability incorporated under the laws of the Cayman Islands, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 2161)
"JBM BVI"	JBM (BVI) Limited, a company with limited liability incorporated under the laws of the BVI on January 15, 2020, which is wholly-owned by JBM
"JBM Group"	JBM and its subsidiaries (excluding our Group)
"JBM Shareholders"	holders of JBM Shares
"JBM Shares"	ordinary shares of HK$0.01 each in the share capital of JBM
"Jetstar"	Jetstar Company Limited, a company with limited liability incorporated under the laws of Hong Kong on October 8, 1991, which is a wholly-owned subsidiary of our Company

[REDACTED]

"Kenford Medical"	Kenford Medical Group Company Limited, a company with limited liability incorporated under the laws of Hong Kong on June 21, 2016, which is a wholly-owned subsidiary of our Company
"Kenford Medical Group"	Kenford Medical and its subsidiaries
"King Pui"	King Pui Chinese Medical Group Limited, a company with limited liability incorporated under the laws of Hong Kong on April 22, 2016, which is a wholly-owned subsidiary of our Company
"Latest Practicable Date"	[July 10, 2026,] being the latest practicable date for the purpose of ascertaining certain information contained in this document prior to its publication
"LCST (Holdings)"	Li Chung Shing Tong (Holdings) Limited, a company with limited liability incorporated under the laws of Hong Kong on January 8, 1988, which is a subsidiary of our Company owned as to 96.8% by our Company

"Legal Counsel"	Cherry Qili Xu, barrister-at-law in Hong Kong
"Ling Chi Medicine"	Ling Chi Medicine (H.K.) Limited, a company with limited liability incorporated under the laws of Hong Kong on January 25, 2017, which is a wholly-owned subsidiary of our Company
"Lincoln's Hill"	Lincoln's Hill Development Limited, a company with limited liability incorporated under the laws of the BVI on November 12, 2020, which was wholly-owned by Trust Co as of the Latest Practicable Date
	[REDACTED]
"Listing Committee"	the listing sub-committee of the board of directors of the Stock Exchange
	[REDACTED]
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"m^3"	cubic meters
"Macau"	the Macau Special Administrative Region of the PRC
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
"Memorandum" or "Memorandum of Association"	the amended and restated memorandum of association of our Company, which was adopted on July 13, 2026, with effect from July 13, 2026, and a summary of which is set forth in Appendix III to this document
"Mr. Sum"	Sum Kwong Yip Derek, our non-executive Director, Chairman and Controlling Shareholder
"NMPA"	the National Medical Products Administration of the PRC, formerly known as China Food and Drug Administration, or CFDA, or China Drug Administration, or CDA

[REDACTED]

"Orizen"	Orizen Capital Limited, a company with limited liability incorporated under the laws of the BVI on June 6, 2018, which is a wholly-owned subsidiary of our Company
"Orizen Group"	Orizen and PCCH

[REDACTED]

"PCCH"	Hong Kong Premier Concentrated Chinese Herbs Limited, a company with limited liability incorporated under the laws of Hong Kong on March 26, 2003, which is a wholly-owned subsidiary of our Company
"Pharmacy and Poisons Ordinance"	the Pharmacy and Poisons Ordinance (Chapter 138 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

[REDACTED]

"Queenshill"	Queenshill Development Limited, a company with limited liability incorporated under the laws of the BVI on December 12, 2012
"Queenshill Trustco"	Queenshill Development Group Inc., a company incorporated in the Commonwealth of The Bahamas which is wholly-owned by UBS Trustees (Jersey) Ltd., the trustee of The Queenshill Trust
"Quinwood"	Quinwood Limited, a company with limited liability incorporated under the laws of Jersey on April 25, 1986, which is a subsidiary of our Company owned as to 92% by our Company

[REDACTED]

"Regulation S"	Regulation S under the U.S. Securities Act
"Renminbi" or "RMB"	Renminbi yuan, the lawful currency of the PRC
"Reorganization"	the reorganization arrangements undergone by us in preparation for the **[REDACTED]**, details of which are set forth in the section headed "History, Reorganization and Corporate Structure — Reorganization"

[REDACTED]

"S$"	Singapore dollars, the lawful currency of Singapore
"Science Park"	the Hong Kong Science and Technology Parks Corporation
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Shares"	the shares of HK$0.01 each in the share capital of our Company
"Shareholder"	holder of Shares
"Siulun Medheart"	Siulun Medheart Company Limited, a company with limited liability incorporated under the laws of Hong Kong on June 2, 2020, which is a wholly-owned subsidiary of our Company
"SKU"	stock keeping unit
"Sole Sponsor"	Quam Capital Limited, a licensed corporation under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities, being the sole sponsor to the **[REDACTED]**

[REDACTED]

"sq.m."	square meters

[REDACTED]

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary"	has the meaning ascribed to it under the Listing Rules
"substantial shareholder"	has the meaning ascribed to it under the Listing Rules
"TGA"	the Australia Therapeutic Goods Administration, a regulatory authority for therapeutic goods in Australia that regulates therapeutic goods through pre-market assessment, post-market monitoring and enforcement of standards, licensing of Australian manufacturers and verifying overseas manufacturers' compliance with the same standards as their Australian counterparts
"The Kingshill Trust"	a discretionary trust established by our non-executive Director and Chairman, Mr. Sum (as the settlor), on May 16, 2016 with Mr. Sum and his family members as the discretionary beneficiaries
"The Queenshill Trust"	a discretionary trust established by our non-executive Director and Chairman, Mr. Sum (as the settlor), on May 16, 2016 with Mr. Sum and his family members as the discretionary beneficiaries
"Tin Hee Tong"	Tin Hee Tong Medicine Factory, Limited, a company with limited liability incorporated under the laws of Hong Kong on December 20, 1966, which is a wholly-owned subsidiary of our Company
"Track Record Period"	the three years ended March 31, 2026
"Trust Co"	Kingshill Development Group Inc., a company incorporated in the BVI which is wholly-owned by UBS Nominees Limited as nominee for UBS Trustees (B.V.I.) Limited, the trustee of The Kingshill Trust
"U.S. dollars" or "US$"	United States dollars, the lawful currency of the United States
"U.S. Securities Act"	the U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder

[REDACTED]

[REDACTED]

"United States" or "U.S."	the United States of America, its territories and possessions, any State of the United States and the District of Columbia
"USM Rules"	the Securities and Futures (Uncertificated Securities Market) Rules (Chapter 571AS of the Laws of Hong Kong), as amended from time to time

GLOSSARY OF TECHNICAL TERMS

This glossary contains definitions of certain technical terms used in this document in connection with our business. These terms and their given meanings may not correspond to industry standard definitions or usage of these terms.

"ancillary CM products"	Chinese medicine-related healthcare products offered by our Group
"branded PCM products"	a segment of our Group's business that comprises PCM marketed under our branded portfolio
"carriage and insurance paid to"	the arrangement whereby the seller is responsible for arranging the carriage and insurance of goods to a named place of destination, and the customer will assume all risks of loss of or damage to the goods from the time the goods have been delivered to the first carrier
"CCMG"	concentrated Chinese medicine granule prepared from traditional Chinese herbal medicines processed through modern extraction and concentration technologies to arrive at a granular form for easy dispensing and administration
"cost, insurance and freight"	the arrangement whereby the seller is responsible for arranging the carriage of goods by sea to a port of destination, and providing the buyer with the documents necessary to obtain the goods from the carrier, and the risk delivered. The risk of loss of or damage to the goods passes when the goods are on board the vessel
"ex-works"	the arrangement whereby title and risks to the products pass to the overseas customer at the premise of the seller and the overseas customer will be responsible for all costs (including freight transport and insurance) and risks to the products collected from the seller's premises
"free on board"	the arrangement whereby the seller is responsible for clearing the products for export and delivering the products to the shipping port, and thereafter the overseas customer will be responsible for all costs (including freight transport and insurance) and risks to the products
"gastrointestinal"	the branch of medicine focuses on the digestive system and its disorders
"GMP"	Good Manufacturing Practice, a set of detailed guidelines on practices governing the production of pharmaceutical products, designed to protect consumers by minimizing production errors and the possibility of contamination

"GSDP"	Good Storage and Distribution Practices, the sets of detailed guidelines governing the storage and distribution of pharmaceutical products formulated by the World Health Organization
"gynecology"	the branch of medicine that deals with the diseases and routine care of the reproductive system of women
"ISO 9001"	a standard under the International Organization for Standardization used for certification or registration and contractual purposes by organizations seeking recognition of their quality management, which specifies the requirements for quality management systems for any organization that needs to demonstrate its ability to consistently provide products that meet its requisite standards
"key chains"	a series of self-service stores (where products are more commonly displayed on open shelves) that share a brand, standardized business practices and central management involving a more planned and organized approach to distribution and logistics management
"MWh"	megawatt-hour, a unit of measure of electric energy
"over-the-counter" or "OTC"	a term used to describe medicines that can be sold directly to a consumer without a prescription from a healthcare professional, as compared to prescription drugs, which are sold only to consumers possessing a valid prescription
"PCM"	proprietary Chinese medicines as defined in section 2 of the Chinese Medicine Ordinance or Chinese herbal medicines as defined and regulated under the Chinese Medicine Ordinance
"PIC/S"	the Pharmaceutical Inspection Convention and the Pharmaceutical Inspection Co-operation Scheme, which seek to promote constructive co-operation in the field of GMP between the participating authorities in different geographic markets
"Po Chai Pills"	unless the context otherwise requires, Po Chai Pills include the classic format, sachet format, and Puji Pills (普济丸)
"registered pharmacy"	a pharmacy with a valid license of "authorized seller of poisons" in Hong Kong, which is authorized to carry on a business of retail sale of poisons if the actual sale of poisons is conducted on premises registered in respect of the seller under section 13 of the Pharmacy and Poisons Ordinance by a registered pharmacist or in his presence and under his supervision
"tCO2e"	tons of carbon dioxide equivalent, a unit of measure used to compare the emissions of different greenhouse gases ("**GHG**") based on their global warming potential

FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements that are, by their nature, subject to significant risks and uncertainties. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from performance or achievements expressed or implied by the forward-looking statements. In some cases, these forward-looking statements can be identified by words or phrases such as "anticipate," "believe," "likely," "could," "should," "ought to," "estimate," "expect," "intend," "may," "aim," "plan," "seek," "will," "would," "assume," "aspire," "going forward," "project," "potential" and other similar expressions. These forward-looking statements relate to, among others:

- our operations and business prospects;
- our future business development, financial condition and results of operations;
- our ability to successfully implement our business plans and strategies;
- the competitive landscape for our business and the development and actions of our existing and future competitors;
- consumer behavior and preferences and market trends for PCM products and Chinese medicine clinic services;
- the regulatory environment and industry outlook for the Chinese medicine sector, our PCM business or our Chinese medicine clinic services;
- general political, economic, legal and social conditions and government policies in Hong Kong and overseas markets;
- fluctuations in the exchange rate of the Hong Kong dollar against Renminbi, Singapore dollars or U.S. dollars;
- our proposed use of **[REDACTED]** from the **[REDACTED]**;
- our future capital needs and capital expenditure plans;
- our dividend payout;
- other statements in this document that are not historical facts; and
- other factors beyond our control.

The forward-looking statements contained in this document relate only to events or information as of the date on which the statements are made in this document. We do not undertake to update or otherwise revise any forward-looking statements, whether as a result of new information, future events or otherwise. You should not place undue reliance on any forward-looking statements.

All forward-looking statements contained in this document are qualified by reference to the cautionary statements set forth in this section.

You should carefully consider all of the information in this document, including the risks and uncertainties described below, before making an **[REDACTED]** *in our Shares. Our business, financial condition and results of operations could be materially and adversely affected by any of these risks and uncertainties. The* **[REDACTED]** *of our Shares could decline due to any of these risks, and you may lose all or part of your* **[REDACTED]**.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Our business is subject to changing consumer preferences and perception

Sales of branded PCM products constituted a significant percentage of our revenue during the Track Record Period. We believe that the branded PCM product market is highly dependent on consumer perception regarding the safety, efficacy, level of side effects and quality of branded PCM products. Any failure to adapt our product offering to respond to changes in consumer preferences may result in a decline in our sales, put pressure on pricing, or lead to increased levels of selling and advertising expenses. Consumer demand may shift away from our products due to a number of factors, including consumer preferences, confidence, income, perception of the safety and quality of our products and changes in economic and social conditions. Consumer perception of our branded PCM products can also be significantly influenced by scientific research or findings, media attention and other publicity regarding related Chinese medicine products. We cannot guarantee that future scientific research, findings, or publicity will be favorable to any of our branded PCM products, or consistent with existing research or findings that are favorable to our products. Future research reports, findings, or publicity that are perceived as less favorable to our branded PCM products could have a negative impact on the demand for our products, and consequently our business, financial condition and results of operations could be materially and adversely affected.

Furthermore, scientific research reports, findings, or media coverage regarding the safety or quality of, or diet or health issues relating to, branded PCM products or the raw materials, ingredients, or processes involved in their manufacturing, may also affect consumer confidence in us and our products and lead consumers to switch to competing products, even if such issues are unfounded. Any changes in consumer preferences and perceptions at any time may affect the demand for our products, which could negatively impact our profitability and materially and adversely affect our financial condition and results of operations.

Brand erosion for one or more of our products could materially and adversely affect our business, financial condition and results of operations

We market and sell branded PCM products and our success is attributable to the well-established brands of our products and our ability to manage the brands effectively. Branded PCM product sales accounted for 91.4% of our total revenue for the year ended March 31, 2026. We have devoted significant resources in brand marketing, promotion and management to enhance their appeal and recognition. For the years ended March 31, 2024, 2025 and 2026, our advertising and promotion expenses amounted to HK$21.0 million, HK$27.9 million and HK$36.9 million, or 6.2%, 7.7% and 8.0% of our total revenue, respectively.

However, our marketing and promotional initiatives may not always be successful. If a major advertising campaign fails to yield the desired sales results, our profitability may be materially and adversely affected. In addition, the success of a brand could be affected if our marketing and

promotional initiatives do not have the desired impact on the brand's image or its ability to attract consumers. Furthermore, our business could be negatively impacted if any of our products suffers substantial harm to its brand reputation due to a product recall, product-related litigation, defects or impurities in the product, product misuse, changing consumer perceptions of the product or its ingredients, allegations of product tampering or the impact of counterfeit products. In addition, negative or inaccurate reports, postings, or comments on social media or websites about any of the product brands, about our Company and its affiliates or celebrity ambassadors could generate negative publicity that could damage the reputation of our product brands or our Group. If we are unable to effectively manage our product brands or address actual or perceived issues that could result in brand erosion, we could experience a decline in demand for our products and our business, financial condition and results of operations could be materially and adversely affected.

We face intense market competition for the sale of branded PCM products

The branded PCM product market is highly competitive and rapidly evolving, driven by frequent introduction of new brands and products, and high consumer expectations on product quality and value. We face intense competition from existing competitors and new entrants, including manufacturers and distributors of products that have competing market positioning or similar efficacies that can be used as substitutes for our products.

The competitiveness of our products depends on a number of factors, including product quality, brand positioning, price, effectiveness of our marketing activities, breadth and depth of our distribution and sales networks and other factors. Some of our existing and potential competitors may have greater business resources, financial resources, or experience in developing and marketing branded PCM products than we do. In addition, such competitors may have greater brand recognition, more established or extensive distribution networks, or more extensive knowledge of our target consumers and target markets.

There is no assurance that our competitors will not introduce products that are or are perceived to be comparable or superior to those of ours, or adapt more quickly than us to changes in industry trends, market preferences and requirements, or consumer behaviors and habits. It is also unpredictable whether our competitors will substantially increase their advertising expenditures and promotional activities or engage in irrational or predatory pricing behavior, or whether there will be consolidation or cooperative arrangements among our competitors that could negatively affect our competitive position. If we are unable to compete effectively or otherwise respond to competitive pressure promptly or adequately, our product prices and sales may be hampered, which could result in lower profitability and materially and adversely affect our financial condition and results of operations.

Defective products may expose us to liability and damage our reputation

The nature of our business exposes us to the risk of product liability, personal injury, or wrongful death claims that are inherent in the development, manufacture and sales of our products. Manufacturers or vendors of defective products could be subject to civil liability for loss or physical injury to any affected person. In Hong Kong, manufacturers of defective products could also be subject to criminal liability and have their business licenses revoked.

In the event a lawsuit is brought against us, we may have to incur substantial costs to defend the lawsuit or be held liable for significant damages, and we may be unable to seek full indemnification from our suppliers, third-party manufacturers, or third-party brand owners, or be fully covered by our

insurance for our liability and costs. Lawsuits could also divert management attention from the development and implementation of our business strategies. In addition, the brand image or reputation of us and our branded PCM products could be harmed if our products are found or perceived to be defective, and any negative publicity drawn from such lawsuits and litigation. As a result, any of the foregoing could materially and adversely affect our business, financial position and results of operations.

Our insurance coverage may not completely cover the risks related to our business and operations

We maintain limited insurance coverage such as material damage insurance, product liability insurance, public liability insurance, marine cargo insurance, money insurance, motor insurance, employees' compensation insurance, employees' life insurance, loss of profit insurance and director insurance. If any claims for injury or damage are brought against us, or if we experience any business disruption, litigation, or natural disaster, we might incur substantial costs and diversion of resources, which may not be fully covered by insurance.

For example, we may face product liability claims on the grounds that the use of our branded PCM products has resulted in bodily injuries, property damage, or other losses. While we maintain product liability insurance covering, among others, bodily injury, property damage, advertising injury, personal injury, and financial injury that happens within specified territories in connection with our business, damages awarded in a product liability action could be substantial and may require us to pay significant monetary damages should our product liability insurance limit be inadequate. Furthermore, although we may have legal recourse against our suppliers, third-party manufacturers, or third-party brand owners, an attempt to enforce our rights against any of them may be expensive, time-consuming and ultimately futile.

In addition, there are certain types of losses, such as from war, acts of terrorism and certain natural disasters, for which we cannot obtain insurance at a reasonable cost, or at all. Should an uninsured loss or a loss in excess of insured limits occur, we could suffer financial losses, as well as damage to our reputation, and lose all or a portion of our production capacity, as well as future revenue anticipated to be derived from the manufacturing activities conducted at that property. Any material uninsured loss could have a material adverse effect on our business, financial position and results of operations.

Our brand-building and management efforts may not yield the desired results

A cornerstone of our success lies in our capability in brand management and marketing. For our heritage household brands, we strive to rejuvenate their brand positioning to adapt to the changing demographics and consumer behaviors.

Brand-building and management can be time-consuming, expensive and may divert attention away from our daily operations. We may not be able to successfully popularize a brand due to reasons beyond our control, including a sufficient amount of retail demand for our products, correct brand positioning, or the popularity of competing brands and products. There is no assurance that any brand-building and management activities conducted by us will succeed or will be completed within the anticipated time frame or that the costs of such activities can be fully or partially recovered. If our brand-building and management activities do not yield the desired results, our business, financial position and results of operations could be materially and adversely affected.

We conduct our business in the strictly regulated Chinese medicine industry and are subject to ongoing compliance costs

We conduct our business in the strictly regulated Chinese medicine industry and are subject to ongoing compliance costs. Our operations are subject to various laws and regulations in Hong Kong, which mainly cover (i) registration of Chinese medicine practitioners, licensing of traders in Chinese medicines, and registration of PCM; (ii) manufacture, registration, labeling, distribution, dispensing, supply, and sale of pharmaceutical products and medicines; (iii) safety of food and drugs, and food importation and distribution; (iv) control of dangerous goods and dangerous drugs; (v) waste disposal, including chemical waste; (vi) fire safety; (vii) import and export controls; (viii) trade descriptions and intellectual property; (ix) business registration; (x) competition law; (xi) employment matters, including employees' compensation and mandatory provident fund schemes; and (xii) occupational safety and health. See the section headed "Regulatory Overview" for details of the laws and regulations to which we are subject. If we cannot meet relevant requirements under the evolving laws and regulations or interpretations of the laws and regulations that regulate our industry, we could be subject to disciplinary warnings or administrative penalties. In particular, Chinese medicine practitioners practicing at our clinics are required to be duly registered under the Chinese Medicine Ordinance. Meanwhile, the operation of our clinics is subject to compliance with the requirements of the Chinese Medicine Ordinance and other applicable legislation, including periodic inspections by the relevant government authorities such as the CMCHK. If Chinese medicine practitioners practicing at our clinics become unregistered or have their registration suspended or canceled at any time during their practice, or if we fail to comply with any material regulatory requirement requisite for our operations, we may face disciplinary orders, fines, suspension of operations or even criminal prosecution, depending on the nature of the incidents, which could adversely affect our business, financial condition and results of operations. If we fail to obtain or maintain the requisite registrations, licenses, permits or approvals for our newly commenced or acquired clinics, we may be subject to corresponding regulatory actions, including suspension of operations under the worst-case scenario.

The registration and renewal of our branded PCM products may be challenging in different markets

Product registration is generally required for our branded PCM products before they can be sold and supplied in Hong Kong, China and selected overseas markets. This may include certain product line extensions that we seek to commercialize in the future. The registration requirements for these products vary by jurisdiction. Complying with these product registration and product license requirements for the requisite existing and new products may require sophisticated facilities and significant initial investments and on-going costs. In addition, regulatory regimes and their implementations are becoming increasingly stringent and there is no assurance that we can continue to comply with such requirements.

In particular, the State Administration for Market Regulation and the NMPA have imposed certain requirements for the renewal of drug licenses. For example, the Measures for the Administration of Drug Registrations promulgated by the NMPA stipulate that a drug license cannot be renewed if the applicant (i) fails to apply for the renewal before the drug license expires; (ii) fails to continuously inspect the quality, efficacy and adverse reaction of the drug; (iii) fails to complete the research work required by the drug approval document and the drug regulatory authority within the prescribed time limit without reasonable reasons; or (iv) applies for renewal of drug license for a drug that is classified as having inaccurate curative effect, large adverse reaction or endangering human health due to other reasons in post-market evaluation. If the drug license holder files a supplementary application simultaneously with the renewal application, the renewal process could involve, for example, (i) new

quality specifications for active ingredients and poisonous substances that require more quantitative analysis, and (ii) additional stability testing based on the quality specifications. Meeting these requirements may require the performance of additional quantitative analytical tests.

As of March 31, 2026, we had five branded PCM products registered with the NMPA, due to expire between April 5, 2027 and August 16, 2029. There is no assurance of the successful or timely renewal of these licenses when we apply for renewal in the future. If we fail to successfully renew these registrations and licenses or if we experience significant delays in such renewals, our business, financial condition and results of operations could be materially and adversely affected.

Owner of our third-party brand CCMG products could early terminate our distribution rights with cause or refuse to renew our distribution agreement upon expiration

We have entered into a distribution agreement with the owner of our third-party brand CCMG products, under which we are granted the right to sell their CCMG products in the relevant geographic markets for an agreed term of five years, subject to renewal. This agreement, however, provides that the brand owner may early terminate our distribution rights in the event of our breach of certain material obligations. Poor sales performance in a certain geographic market may affect our ability to maintain the right to distribute the products in other authorized territories granted to us under the same agreement. If the third-party brand owner terminates its agreement with us for cause or otherwise, if we fail to renew the agreement upon expiration of a term, or if the third-party brand owner discontinues any of the products that are under distributorship arrangement with us, we will cease to sell the relevant products, and there is no assurance that we will be able to source other products of comparable or better quality or popularity, or on comparable or better commercial terms, or at all. The distribution rights of the relevant products may also fall into the hands of our competitors, or a third-party brand owner may deem the engagement of brand operators like us to be redundant in light of the growing popularity of online retail and e-commerce, which provides a viable channel for direct sales by brand owners. If any of these events occur, the sales of our existing or replacement products, our business, financial condition and results of operations could be materially and adversely affected.

Our e-commerce efforts may not yield desired results

We sell select branded PCM products through e-commerce channels. For further details, see the section headed "Business — Sales and Distribution." The e-commerce market in Hong Kong and China is highly competitive with a large number of online stores selling branded PCM products. Some of our competitors may have been involved in e-commerce channels longer than we have, be more adequately staffed with employees with relevant experience and know-how and may have substantially more financial, marketing and other resources than we do. Competing online stores may also have higher visibility and heavier web traffic that can capture a wider customer base. If we fail to cater to the development of online retail and e-commerce, or cannot compete effectively against current and future competitors, our market share may decrease and our results of operations may be adversely affected.

Furthermore, our e-commerce sales are subject to various risks, many of which are beyond our control, including changes in policy and regulations, weakening of general market conditions, popularity of the third-party e-commerce platforms among end consumers, and the ability of the e-commerce platforms, logistics service providers or third-party payment service providers we rely on for our cross-border e-commerce initiatives to maintain the requisite approvals or licenses as required

by relevant laws and regulations. Our e-commerce efforts may divert the attention of our management from our business operations, may not always be successful and may fail to yield the desired sales results, which could materially and adversely affect our profitability.

Our product development efforts may not result in the successful development and commercialization of new products

We believe that product development is key to maintaining competitive product offerings, as well as to adapting to new and evolving consumer demands and regulatory requirements. Tailored to the characteristics of our product portfolio, we focus our product development efforts on product line extensions, formulation variations and formulation refinements for penetration into existing markets and expansion into new overseas markets, and our future growth and prospects are dependent on our ability to successfully develop our portfolio.

However, our research and development efforts may not lead to successful outcomes due to reasons beyond our control, including failure to meet safety, efficacy, or other standards and requirements during testing, or failure to obtain regulatory approvals in the targeted geographical market on a timely basis or at all. The process of obtaining regulatory approval from the relevant government authorities in various markets can also be lengthy and expensive, and the regulatory authorities may impose certain standards on safety, manufacturing, packaging and distribution of new products. Complying with such standards may be time-consuming and expensive, and could result in difficulties and delays in obtaining regulatory approval. Such approval may be subject to certain conditions or limitations, which could lower the profitability of the relevant products.

There is no assurance that any product development activities conducted or commissioned by us will succeed or will be completed within the anticipated time frame or that the costs of such product development activities can be fully or partially recovered. Our product development activities may not yield products that can pass regulatory hurdles. Pursuit of some of our product development activities may require purchasing specialized equipment or additional costs. If our product development activities do not result in the successful development of new product extensions or varied or refined product formulations, we will need to write off the relevant capitalized development costs relating to that product. Furthermore, there is no assurance that we will be able to successfully commercialize our self-developed products. If any of our self-developed products fail to achieve market acceptance after gaining regulatory approval, or if the market size and market demand for our self-developed products remain limited after product launch, our business, financial position and results of operations could be materially and adversely affected.

Failure to maintain the quality of our products could materially and adversely affect the level of market recognition of and trust in our products

We place great emphasis on product quality and adherence to stringent quality assurance and control measures. See the section headed "Business — Quality Management" for more details. Failure to maintain an effective quality assurance and control system may result in quality issues in our products, which could result in a decrease in demand for our products, product return, cancelation, or loss of purchase orders from our customers. If we are unable to obtain or renew our quality standards certifications, we may suffer a decrease in market recognition of our products. In addition, in the event of allegations that any of our products have quality issues or severe adverse side effects or are otherwise harmful, we may need to recall our products from the market, the process of which may involve substantial costs to us. For further details, see the section headed "Business — Sales and

Distribution — Product Returns, Recalls and Warranties." Any negative publicity or adverse associations with our products, including with respect to their efficacy or side effects, may negatively affect our reputation. Furthermore, the discovery of severe side effects of products manufactured or sold by other companies may also dampen the sales of our products that have the same active ingredients. Any of the foregoing could materially and adversely affect our business, financial position and results of operations.

Failure to maintain stable relationships with our distributors may have a material adverse effect on our business, financial position and results of operations

We sell selected products through third-party distributors who then on-sells our products to their customers, mainly retail chain stores, pharmacies, and end consumers through e-commerce platforms. Outside of Hong Kong, we generally engage one to two overseas distributors per country or region for the distribution of our selected products. For the years ended March 31, 2024, 2025 and 2026, sales to distributors accounted for 18.3%, 21.1% and 34.8% of our revenue, respectively.

Our relationships with our distributors depend on our ability to deliver on their purchase requests in a timely manner and in accordance with their pricing, quality and other requirements. To the extent that we cannot meet their requirements or effectively monitor their performance, we may damage or lose our relationships with these distributors. In cases where agreements with our distributors are terminated, we may need to incur additional costs to increase our sales and marketing footprint and we may need to look for appropriate alternative or replacement distributors to distribute and on-sell our products. Finding appropriate alternative distributors involves a significant investment of time and resources, and such replacements may not be as effective and capable in on-selling our products in their respective local regions, which in turn would reflect negatively on the demand and accordingly the volume of product purchases from us. As a result, our failure to maintain stable relationships with our distributors could have a material adverse effect on our business, financial position and results of operations.

We may be unable to effectively manage our network of distributors

We may not be able to manage the activities of our distributors, who are independent from us. Our distributors may fail to comply with or breach the terms of our distribution agreements, or engage in activities that, while not restricted by our agreed terms, nonetheless result in competing interests with us, including, among other things:

- failing to meet minimum sales targets;
- selling our products outside their designated territories or channels in violation of any requisite agreed terms;
- failing to adequately promote our products;
- selling products that compete with ours;
- failing to comply with regulatory requirements when selling our products; or
- violating applicable laws or otherwise engaging in illegal practices in relation to their sales and marketing of our products.

Identifying underperforming distributors and finding appropriate alternative distributors involves a significant investment of time and resources, and there is no assurance that replacement distributors will comply with the terms of our distribution agreements or generate a satisfactory level of sales or refrain from engaging in activities that we consider as having competing interests with us. Failure to adequately manage our network of distributors could harm our corporate reputation and disrupt our sales and consequently have a material adverse effect on our revenue, profitability, business, financial position and results of operations.

The actions of our distributors and trading company customers may adversely impact our business, financial condition and results of operations

We sell our products to distributors and trading company customers, which then on-sell our products to their customers. We generally do not impose any control over their on-selling activities or their respective downstream customers and have limited control over the ultimate retail sales of our products. We only monitor the sales and inventory of our distributors and trading company customers by communicating with them regularly or reviewing the sales and inventory reports of our distributors and their sales targets, as applicable. We cannot guarantee that the downstream customers of our distributors and trading company customers will not compete with each other for market share in respect of our products. If any of them carry out actions which are inconsistent with our business strategy, it may affect our brand and reputation, and consumers' perception of our products may also be tarnished, which may in turn hamper our sales and our business, financial condition and results of operations may be materially and adversely affected.

The existence of products sold by sellers without proper authorization from us in our markets may negatively affect our sales

Some of our products may be available in our markets for various reasons beyond our control, such as the illegal importation from countries where market dynamics result in lower prices, from trading companies that have procured or imported such products without proper authorization from us, or from other sellers who have procured such products through e-commerce channels and resell them at lower prices. Any of these unauthorized sales may have quality or service issues that may give rise to negative publicity in respect of our products and consequently damage the reputation of our products in the market in general. In addition, such unauthorized sellers may sell the products at lower prices than us and exert pricing pressure on our sales. Regardless, sales of our products by unauthorized sellers in our markets could materially and adversely affect our business, financial condition and results of operations.

We may be negatively impacted by quality and supply issues with products manufactured by third-party manufacturers or sourced from third-party brands

As we are not involved in the manufacture of certain own brand products manufactured by third-party manufacturers and third-party brand CCMG products, we cannot guarantee that there will not be any unexpected interruption of their supply of products to us or any increase in the manufacturing costs for any reason beyond our control or expectation, such as introduction of new regulatory requirements, import restrictions, loss of their certifications or licenses, power interruptions, fires or other events. If any of these events occur, in particular to any of our major suppliers, this could result in disruption to our supply of products and generate negative publicity that could damage our reputation and cause consumers to switch to competing products, which could have a material adverse impact on our business operations and profitability.

In addition, we have limited control over the manufacturing process of third-party manufacturers and third-party brand owners, and we cannot guarantee that the products manufactured by third-party manufacturers or third-party brand CCMG products are free from defects or other quality issues. The risks of such products not being produced in accordance with our manufacturing or product specifications, in the necessary volume, or at the appropriate quality levels are higher than if we manufacture these products ourselves. In addition, third-party manufacturers and third-party brand owners may fail to maintain the necessary licenses, permits and certificates to carry out the manufacture of our products, breach their obligations to manufacture and deliver our products on a timely basis, or fail to abide by the requisite manufacturing protocols or our quality control requirements. Quality issues related to products that our third-party manufacturers manufacture for third parties may also be imputed to the products they manufacture for us and adversely affect our reputation. We are also exposed to the risks of increased pricing for our outsourced manufacturing, and we may be unable to appoint or re-appoint third-party manufacturers in commercially acceptable terms. Any of the above situations could negatively impact our business operations, profitability and reputation.

We may encounter unstable or inadequate supply or oversupply if we fail to accurately project demand for our products

Our distributors and customers typically order our products on an order-by-order basis. We project demand for our products based on, among other things, our marketing plan, sales targets as agreed with our distributors (if any), our sales reports and our internal database of historical customer orders. We may fail to accurately forecast demand and coordinate our procurement and production to meet demand on a timely basis. Even where our demand forecasts are reasonably accurate, we may experience instability in our supply chain due to factors beyond our control, such as fluctuations in raw material availability, changes in supplier capacity, logistical disruptions, or shifts in market conditions, which could result in unstable or unpredictable supply of our products. Any of the foregoing could lead to insufficient raw materials for manufacturing our own branded PCM products, or insufficient inventory of third-party brand CCMG products to meet the demand and capture the sales. If we overestimate such demand, we may purchase more raw materials or source more products than required, or we may have resolved and incurred substantial costs and efforts in developing new product extensions or varied or refined product formulations or expanding the production capacity for a product that will not provide the anticipated returns. Our inability to accurately predict market demand and to timely meet such demand could materially and adversely affect our business, financial position and results of operations.

If our products and inventories become obsolete, our business, financial position and results of operations will be materially and adversely affected

We believe that the branded PCM product industry is characterized by evolving consumer preferences, continuous product innovation, regulatory developments and increasing market competition. Changes in consumer demand, market trends, regulatory requirements and competitive dynamics, including the introduction of new or enhanced products by competitors, may adversely affect the demand for our products. Consequently, this may affect the viability of our products and render our existing products obsolete. Our products and inventories, including our raw materials, packaging materials and finished goods, may also become obsolete as a result of adverse changes in demand and consumer preference or overstock due to overestimation of demand. If we fail to respond to these changes by adjusting our product portfolio, procurement, or production amount, or manage our inventory effectively in a timely fashion, or if future products we carry do not achieve adequate market acceptance, we may be subject to a heightened risk of inventory obsolescence, a decline in inventory

values, and significant inventory write-downs or write-offs. In addition, we may be required to lower sale prices in order to reduce inventory levels, which may lead to lower gross margins. High inventory levels may also require us to commit substantial capital resources, preventing us from using that capital for other important purposes. Any of the above may materially and adversely affect our business, financial condition and results of operations.

We may have difficulty managing our manufacturing operations or our production capacity, and our manufacturing facilities are exposed to risks of substantial disruption

Our manufacturing operations are an important part of our business. Any damage or malfunction to our manufacturing equipment may affect our ability to fulfill product orders. In addition, the operation of our manufacturing equipment requires employees with experience, technical know-how and qualifications. Any failure to effectively manage our manufacturing operations due to loss of employees or otherwise could have a material adverse effect on our business, financial position and results of operations.

Management of production capacity is also critical to our manufacturing operations and results of operations. If our production capacity is insufficient for satisfying all sales orders, our customer relationships and reputation could be materially and adversely affected. If we do not have sufficient demand for our products, we may suffer from underutilization of our capacity and, accordingly, a higher average cost of production. We cannot guarantee that our forecasted or anticipated product demand will materialize. If our manufacturing facilities are underutilized, we may suffer a decrease in profitability and our results of operations could be materially and adversely affected.

Our manufacturing operations are also subject to a number of risks, such as fire, theft, machinery breakdowns, sub-standard performance of our manufacturing equipment, raw material contamination, natural disasters, power outages, or water shortages. The occurrence of any of these may severely disrupt our manufacturing operations. Our manufacturing facilities may also be subject to repairs, upgrades, refurbishments, or modifications from time to time, which may require suspension of operations. For further details, see the section headed "Business — In-House Manufacturing — Manufacturing facilities — Adjustments and upgrades of manufacturing facility." In addition, the operations of a manufacturing facility can be substantially interrupted due to a suspension or loss of licenses, certifications, or permits, or changes in governmental planning for the land underlying these facilities and regulatory changes. If the operation of our manufacturing facilities is substantially disrupted, we may not be able to replace or repair the damaged equipment or facilities, or use a different facility to continue our production in a timely and cost-effective manner, or at all. As a result, we may fail to fulfill contractual obligations or meet market demands for our products, and our business, financial condition and results of operations could be adversely affected.

Failure to obtain a steady supply of raw materials and packaging materials of our required quality could materially and adversely affect our business, financial position and results of operations

For the years ended March 31, 2024, 2025 and 2026, our five largest suppliers accounted for 84.8%, 85.9% and 84.5% of our total purchases, respectively. There is no assurance that we will be able to maintain our relationships with our suppliers. In addition, to the extent that suppliers of our raw materials face quality issues, we may need to discard and write off any inventory from those suppliers. Meanwhile, importation of certain of our raw materials is subject to import approval, and there is no assurance that we will be able to obtain such approval. Failure to obtain approval may limit our ability

to access these raw materials. The supplies and prices of raw materials and packaging materials may also be impacted, which may affect our cost of sales and services. In particular, our branded PCM products contain Chinese medicinal materials and other natural ingredients, which originate from raw materials of a suitable quality whose properties are related to the regions and climatic conditions in which they are grown. In addition, there have been historical instances in the branded PCM product industry of raw materials being adulterated or contaminated, causing harm to the persons consuming them. The quality, availability and prices of these natural ingredients are dependent on and are closely affected by weather conditions and other seasonal factors, which may have an impact on the yields of such natural ingredients each year.

Furthermore, notwithstanding our strict quality control system for the procurement of our raw materials and packaging materials, it cannot be assured that our suppliers will not inadvertently contaminate the raw materials or provide us with substandard raw materials or packaging materials that would adversely impact the quality of our products. If we experience any quality or safety problems in relation to our raw materials, our reputation and business may suffer, which could materially and adversely affect our financial position and results of operations.

Any increase in the prices of raw materials and packaging materials may have a negative impact on our business and profitability

We are exposed to the risk of price increases in raw materials and packaging materials. For the years ended March 31, 2024, 2025 and 2026, our cost of raw materials and packaging materials accounted for 12.6%, 17.9% and 17.4% of our cost of sales and services, respectively. The availability and prices of raw materials and packaging materials required for the production of our products may be impacted by factors such as general market conditions, including increased demand or reduced supply of such materials within a specific period, weather conditions and the occurrence of natural disasters, many of which are beyond our control. We may also be unable to respond to increases in the prices for raw materials and packaging materials, and unable to pass on such price increases to our customers due to competitive conditions or other reasons. Increases in the prices of raw materials and packaging materials could therefore result in lower margins for our products. In the event that we are unable to obtain a supply of the raw materials and packaging materials necessary for the production of our products at commercially acceptable prices, we may be forced to reduce, suspend, or cease production or sale of certain of our products, as a result of which our business operations and financial results could be adversely affected.

We are dependent on a limited number of suppliers, and in particular our largest supplier, for a significant portion of our purchases

We source a significant portion of our raw materials and products from a limited number of suppliers. For the years ended March 31, 2024, 2025 and 2026, our five largest suppliers accounted for 84.8%, 85.9% and 84.5% of our total purchases, respectively, and our single largest supplier accounted for 61.5%, 62.2% and 63.0% of our total purchases for the same periods. There is no assurance that we will be able to maintain stable and favorable relationships with our major suppliers, including our largest supplier. If any of our major suppliers were to terminate its relationship with us, significantly reduce or delay supply, or experience operational, financial or regulatory difficulties, we may be unable to secure adequate supplies on commercially acceptable terms, or at all. Our high level of dependence on a single supplier means that any disruption in supply from this supplier could have an immediate and material impact on our ability to meet production schedules and fulfill customer orders, leading to loss of sales, damage to customer relationships and erosion of market position.

Our supplier concentration may also limit our bargaining power and expose us to pricing pressure. Identifying and qualifying alternative suppliers may be time-consuming, costly and may not be successful, and may require regulatory approvals resulting in further delays. Alternative suppliers may not provide raw materials or products of comparable quality, in sufficient quantities, or at commercially acceptable prices. In addition, our major suppliers may face their own challenges, including, among others, operational, financial, regulatory or compliance difficulties, or may be affected by factors beyond our control such as natural disasters, changes in laws and regulations, labor disputes or supply chain disruptions, any of which could adversely affect the quality, availability or cost of the raw materials or products we source. Any negative publicity concerning our suppliers could negatively affect consumer confidence in our products and damage our reputation. If any of the foregoing risks materializes, our business, financial condition and results of operations could be materially and adversely affected.

We are exposed to increases in compliance costs and uncertainties due to GMP requirements

Our two manufacturing facilities for branded PCM products in Tai Po, Hong Kong, are GMP-accredited. We are required to comply with the respective standards when manufacturing products in these facilities, which contain minimum requirements for the quality controls used in manufacturing, processing, and packaging of our branded PCM products. Complying with these standards is a costly, time-consuming and highly technical process. Furthermore, regulatory changes may require us to upgrade our facilities and modify our manufacturing process, resulting in increases in compliance costs. A determination that we are in violation of or not in compliance with GMP standards or other regulations could lead to an interruption of our production output and the imposition of civil penalties, including fines, contractual damages, product recalls, or product seizures and criminal sanctions. Any such instances may result in import bans, regulatory proceedings and criminal lawsuits, all of which will require us to devote significant resources and attention to address, and will materially and adversely affect our business, reputation, financial position and results of operations.

We are exposed to risks relating to commercial real estate rental market

A majority of our office, warehouse, and Chinese medicine clinic operation facilities are situated on leased properties as set forth in the section headed "Business — Properties — Leased or Licensed Properties." If we are unable to reach an agreement with our landlords for the renewal of these lease agreements upon their expiration on terms and conditions acceptable to us, we may have to relocate. Relocation involves a significant investment of time and resources and, in the case of Chinese medicine clinics, may lead to temporary suspension of services, which may result in a material negative impact on our financial condition and results of operations.

Delays, losses or damages in delivery by logistics providers may adversely affect our reputation

We rely on a number of logistics providers for the transportation and delivery of products. The services provided by these logistics providers could be interrupted by various reasons beyond our control, such as poor handling provided by these logistics service providers, natural disasters, pandemics, adverse weather conditions, social unrest, labor strikes and mishandling of products. Any delays, losses or damages in delivery may result in loss of customers, sales and turnover, which may materially and adversely affect our reputation, business, financial condition and results of operations.

We may not be able to successfully identify, consummate and integrate future acquisitions

We have historically experienced significant growth through a series of strategic acquisitions and we intend to continue to pursue suitable opportunities in key markets. However, acquisition of any large target would require significant financial resources, resulting in significant cash outflow, increased debt financing, or all of the above. Acquisitions may also increase our indebtedness through existing indebtedness of the acquired company, which could significantly reduce or eliminate the headroom under existing bank loans or facilities and make it more difficult for us to incur additional indebtedness.

Acquisitions involve various risks, including:

- we may not be able to identify suitable targets or acquire companies on favorable terms;
- we compete with other companies that may have stronger financial positions and may therefore not be able to win over them in the acquisition of target product lines or companies;
- we may not be able to obtain the necessary financing, on favorable terms or at all, to finance any of our potential transactions;
- we may not be able to obtain the necessary regulatory approvals, including the approval of antitrust regulatory bodies, in any of the countries in which we may seek to consummate potential transactions;
- we may ultimately fail to complete a transaction after we announce that we plan to acquire a product line or a company;
- we may not succeed in integrating the acquired assets and businesses into our existing platform, or managing these assets and businesses to draw benefits and synergies from them;
- the acquired businesses or assets may not perform as expected or incur losses, or may subsequently be found to be over-valued;
- transactions may require significant management resources and divert attention away from our daily operations, result in the loss of key customers and personnel, and expose us to unanticipated liabilities; and
- we may be adversely affected by any negative publicity that is associated with the companies, businesses, or products we have acquired or may acquire in the future.

Any of the above could materially and adversely affect our business, financial position and results of operations.

Our planned expansion of the Chinese medicine clinic network may not yield the desired results

We intend to establish new Chinese medicine clinics. However, there is no assurance that our expansion plans will yield the desired results. Our ability to successfully open and operate new clinics depends on factors beyond our control, including identifying suitable sites in strategically attractive locations, obtaining necessary regulatory approvals, recruiting qualified Chinese medicine practitioners,

competing effectively with established healthcare providers, and attracting sufficient patient volume to achieve profitability. We may also experience cost overruns or delays in construction and renovation. If our clinic expansion does not proceed as planned or newly established clinics underperform, our business, financial condition and results of operations could be materially and adversely affected.

Changes in Hong Kong's regulatory regime for the Chinese medicine clinic services industry could materially affect our business operations and future expansion

Hong Kong's regulatory regime for the Chinese medicine clinic services industry continues to develop, which may affect the way we operate our Chinese medicine clinics. New regulations may be promulgated, and the current applicable laws and regulations may be amended or replaced to implement strengthened or additional supervision and more stringent management requirements. For instance, the CMCHK may, from time to time, update or revise the codes of practice, guidelines or standards applicable to Chinese medicine practitioners and Chinese medicine clinics, including standards relating to diagnosis and treatment service offerings, establishment of internal policies and systems of medical records, and continuing professional development requirements. In addition, the laws and regulations may also be subject to further interpretation and enforcement and are evolving.

Any such developments could require us to obtain additional registrations, licenses, permits, or approvals, broaden the scope of liabilities relating to medical incidents, increase our operating costs and expenses, or even result in the invalidation of our existing registrations, licenses, permits, or approvals. Moreover, our business operations and future expansion could be materially affected by governmental policies, which may be subject to further amendments and changes. If we are found to be non-compliant with any of the applicable rules, laws, or regulations, we may face disciplinary orders, fines, suspension of operations, or even criminal prosecution, depending on the nature of the findings, any of which could materially and adversely affect our business, results of operations and financial condition. Additionally, future regulatory changes may reduce coverage or reimbursement rates or extend the payment processing cycle under public healthcare programs, or implement additional pricing controls on Chinese medicine clinic services and products, which could have an adverse impact on our business, results of operations and financial condition.

We may be exposed to liability arising from medical negligence or professional misconduct by Chinese medicine practitioners at our Chinese medicine clinics, which could also damage our reputation

Chinese medicine practitioners practicing at our clinics may be subject to claims of medical negligence, professional misconduct, or substandard care, whether or not such claims are substantiated or have any merit. Any such claims could result in civil liability, disciplinary proceedings before the Chinese Medicine Practitioners Board, or regulatory action by the CMCHK. Any such incidents, allegations, or claims, even if ultimately determined to be groundless, could expose us to legal claims, require us to incur defense costs, increase our operating costs, and damage our reputation and the credibility of our clinic network. In addition, adverse publicity arising from complaints, disciplinary findings, or patient disputes involving practitioners at our clinics could negatively affect patient confidence and our ability to attract and retain both patients and qualified practitioners, which could materially and adversely affect our business, financial condition and results of operations.

Our business may be affected by therapeutic changes or by shifts in Chinese medicine practitioners' or patients' preferences for other treatments

New services and equipment may arise in the Chinese medicine clinic services industry in Hong Kong with continuous technological advances, which could cause variation in Chinese medicine practitioners' or patients' preferences and the competitive landscape. As a Chinese medicine clinic services provider, we are required to remain familiar with modern technologies and apply new services and equipment in our daily operations to the extent necessary. If our Chinese medicine clinics are unable to adapt to therapeutic changes more successfully than competitors or fail to obtain access to new treatment methods in a timely manner, we may lose attractiveness to potential patients, and our ability to compete could be strained. Even if we timely identified and applied new services and equipment, there can be no assurance that we will be able to recover the relevant expenditure or compete successfully with our competitors in integrating the newly introduced services or equipment into the existing business. In addition, rapid technological improvements could, at times, lead to earlier-than-planned obsolescence or redundancy of equipment and result in impairment charges, which may adversely affect our results of operations.

We recorded net current liabilities during the Track Record Period

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 intermediate holding company and amounts due to fellow subsidiaries, mainly representing balances owed to the JBM Group under a centralized cash management arrangement. Net current liabilities expose us to liquidity risk. Payment of trade and other payables, our capital expenditure plans and the repayment of our outstanding debt obligations as and when they become due will primarily depend on our ability to maintain adequate cash generated from operating activities and adequate external financing. In addition, if we encounter any liquidity issues in the future, we may curtail or defer our business expansion plans based on the availability of sufficient funds. If we continue to have net current liabilities in the future, our working capital for operations or business expansion plans could be limited and our business, financial position and results of operations could be materially and adversely affected.

We are exposed to risks relating to the recoverability of trade receivables

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. As of March 31, 2024, 2025 and 2026, trade receivables amounted to HK$54.6 million, HK$63.3 million and HK$98.4 million, respectively. For the years ended March 31, 2024, 2025 and 2026, our average trade receivables turnover days were 55 days, 60 days, and 64 days, respectively. For further details of our trade receivables, see the section headed "Financial Information — Principal Consolidated Statements of Financial Position Items — Trade and Other Receivables." We cannot guarantee that we will be able to recover our trade receivables in a timely manner or in full. Any default or delay in payment by our customers or our failure to collect trade receivables from them may cause allowance for impairment loss on trade receivables to be made in the future. All of these may result in untimely and significant cash flow shortcomings in the future and adversely affect our cash position and results of operations.

The carrying amount of our intangible assets is substantial and is subject to potential impairment

We have a substantial amount of intangible assets. As of March 31, 2026, the carrying amount of our intangible assets was HK$545.9 million, which represented 52.1% of our total assets, while we had net assets attributable to equity shareholders of our Company of HK$57.3 million, as a result of which our net tangible liabilities attributable to equity shareholders of our Company was HK$481.3 million. Intangible assets consisted of HK$159.1 million of goodwill, HK$305.5 million of trademarks, HK$14.1 million of unpatented drugs and HK$67.2 million of customer relationships as of March 31, 2026. In particular, goodwill and trademarks related to our cash-generating units of branded PCM products and Chinese medicine clinic services, totaling HK$226.6 million, HK$226.6 million, and HK$464.6 million as of March 31, 2024, 2025 and 2026, respectively.

Intangible assets are reviewed and tested for impairment either individually or at the cash-generating unit level in accordance with the relevant accounting standards. 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. The recoverable amount of a cash-generating unit is determined by using cash flow projections of that cash-generating unit based on financial forecasts of five years prepared by our management, and involves substantial management judgments, estimates and assumptions. When making these forecasts and projections, our management would typically take into account our historical and forecast financial performance indicators, particularly revenue, cost of sales and services, advertising and promotion costs, staff costs and other expenses, which could be affected by general market conditions, our brand management and sales capabilities, cost of materials and labor, and other factors beyond our control. Consequently, any material decline in our actual performance may negatively impact our forecasts and projections (which we apply to determine the recoverable amounts of our intangible assets for impairment testing), which in turn may lead to a decline in our assessed recoverable amount to below the carrying amount of our intangible assets and result in impairment. These forecasts and projections may also be materially different from the actual results, and our periodic assessment of the impairment of our intangible assets may turn out to be inaccurate. During the Track Record Period, we did not record any impairment losses on our intangible assets. However, there is no guarantee that we will not incur impairment losses in the future. Any significant impairment losses could materially and adversely affect our profitability and result in net liabilities.

Potential increase in finance costs may impact our cash flows and profitability and burden our future financial performance

We incurred finance costs of HK$1.1 million, HK$1.2 million and HK$4.2 million for the years ended March 31, 2024, 2025 and 2026, respectively, which consisted of interest on bank loans, interest expense on amounts due to a fellow subsidiary and interest on lease liabilities. Our finance costs may increase in the future due to a variety of factors, including increases in prevailing interest rates, additional borrowings to fund our business operations or strategic initiatives, or changes in the credit environment. Any significant increase in interest rates, adverse change in the credit environment or any failure in satisfactorily managing our liquidity and business performance, therefore, could materially and adversely affect our cash flows and profitability and cause a significant burden on our business, financial condition and results of operations.

We may need additional capital to meet our operating cash requirements, and financing may not be available on terms acceptable to us, or at all

We believe our current cash and cash equivalents will be sufficient to meet our anticipated cash needs for the next 12 months. We may, however, require additional cash resources to meet our continued operating cash requirements further in the future, such as to finance the expansion of existing business or develop new businesses through business collaborations, licensing arrangements, other forms of organic growth, or mergers and acquisitions. If the financial resources available to us after the **[REDACTED]** are insufficient to satisfy our cash requirements, we may seek additional funding through equity offerings and debt financings. It is uncertain whether financing will be available in amounts or on terms acceptable to us, if at all. If we were not able to obtain additional capital to meet our cash requirements in the future, our ability to expand may be constrained, and our business, financial condition, results of operations and prospects could be materially and adversely affected.

Our business depends on the continuing efforts of our executive Directors and our key personnel

We believe that our success largely depends on the continued contributions and our ability to retain the services of our key personnel, including our executive Directors, manufacturing staff and for our Chinese medicine clinic services, our registered Chinese medicine practitioners. Our executive Directors possess expertise and experience in our industry, operations and business that are difficult to replace. We also depend on other members of our management team, our product development personnel and other key personnel. Failure to retain our product development personnel could increase our product development costs, delay the product development process and reduce our efficiency to commercialize potential new products.

If one or more of our executive Directors or key personnel are unable or unwilling to continue in their present positions, and we are not able to find suitable replacements or maintain a sufficient number of registered Chinese medicine practitioners, our business may be severely disrupted and we may incur additional expenses to recruit and retain replacements. In addition, if any of our executive Directors or key personnel leave and join a competitor or form a competing company, we may lose some of our customers or other business partners, which could materially and adversely affect our business, financial position and results of operations. There is no assurance that the services of our executive Directors and our key personnel will continue to be available to us or that we will be able to replace any executive Director or key personnel with persons who have similar knowledge or experience. The loss of our executive Directors' or key personnel's services without suitable replacement, or which is not covered or sufficiently covered by our insurance coverage, would have a material adverse effect on our business, financial position and results of operations.

We are exposed to fluctuations in foreign currency exchange rates

Our functional currency is the Hong Kong dollar and a majority of our sales are made in Hong Kong dollars. We procure certain raw materials from suppliers in China and engage select third-party manufacturers in China for the manufacturing of our own brand CCMG products. We pay Renminbi for a large amount of our purchases and are therefore exposed to fluctuations in the exchange rates of Renminbi. For further details of our exposure to currency risk and its sensitivity, see note 26 to the Accountants' Report set forth in Appendix I to this document. Accordingly, fluctuations in any of these foreign currencies against the Hong Kong dollar may affect our cost of sales and services and consequently our profit margin and our results of operations.

We are unable to prevent or detect all incidents of wrongdoings committed by our employees, Chinese medicine practitioners at our clinics or other third parties

Employee wrongdoings at different operational levels could reduce the operational efficiency and business performance and may even result in violations of laws, third-party claims and regulatory actions against us, causing reputational or financial damage to us. We cannot guarantee that all our employees and Chinese medicine practitioners will conduct their duties at all times in good faith and in a manner which is in full compliance with the laws and our policies. In addition, we have limited ability to thoroughly investigate the backgrounds of our business partners, such as third-party brand owners, suppliers, marketing and advertising agencies, distributors and landlords, or monitor their conduct. We are unable to prevent or detect all incidents of wrongdoings, including corruption, violations of relevant laws and regulations (such as non-compliance with building orders) or other improper conduct, committed by such third parties. If any of our employees, Chinese medicine practitioners or other third parties with whom we have business dealings are engaged or alleged to have engaged in any such activities, our business, financial position, results of operations and reputation could be materially and adversely affected.

We may be involved in claims, disputes and legal proceedings in our ordinary course of business

From time to time, we may be involved in claims, disputes and legal proceedings in our ordinary course of business. These may concern issues relating to, among others, breach of contract, employment or labor disputes, antitrust, and environmental matters. Any claims, disputes or legal proceedings initiated by us, or brought against us, with or without merit, may result in substantial costs and diversion of resources and may materially harm our reputation. If we fail in defending against any such claims, we may be subject to substantial damages to compensate the claimants. Furthermore, claims, disputes or legal proceedings against us may be due to defective supplies sold to us by our suppliers, who may not be able to indemnify us in a timely manner, or at all, for any costs that we incur as a result of such claims, disputes and legal proceedings.

We may be exposed to infringement claims, which may lead to monetary damages, the forfeiture of intellectual property and disruptions to our business

In the course of developing new products, we may be unaware that some third parties have patented similar processes or obtained regulatory protection of similar products and, as a result, unknowingly infringe on some third-party proprietary or intellectual property rights. We may also enter into agreements with third parties to acquire or use their technologies or methods for the production of new products. We may be exposed to infringement claims by third parties in our business pursuits. We also purchase active ingredients, or other raw materials from third parties for our manufacturing operations and undertake the sales and distribution of third-party brand products. If such active ingredients, raw materials, or third-party brand CCMG products infringe on the intellectual property rights of other third parties, we could also be exposed to infringement claims. A competitor commenced proceedings against us in Hong Kong and China in December 2024 and March 2026, respectively, relating to, among others, trademark infringement and unfair competition allegations in respect of the packaging of two medicated oil products in aggregate. Our Directors, based on Hong Kong and PRC legal advice, consider that such proceedings are not expected to have a material adverse effect on our financial position or results of operations, nonetheless relevant provisions have been made. If we are subject to claims relating to infringement of intellectual property rights or wrongful use or disclosure of trade secrets, with or without merit, we would need to defend ourselves and could become involved in litigation. Even if we are successful in defending against these claims, litigation could result in

substantial costs and divert the attention of our management from our business operations and may draw negative publicity or negatively impact our reputation and industry standing. If we fail to defend such claims, we may pay monetary damages or lose valuable intellectual property rights. Any of these could adversely affect our business, financial position and results of operations.

We may not be able to adequately protect our intellectual property rights and prevent the existence of counterfeit products on the market

Our success depends in part on our ability to protect our intellectual property rights. We rely primarily on trademarks, unpatented proprietary processes and know-how, and other contractual provisions to protect our intellectual property rights. However, these may not be adequate to protect our rights to our existing products as well as those products under development. In addition, we may not be able to successfully register or otherwise secure protection for certain intellectual property we seek to protect, whether due to prior registrations by third parties, regulatory requirements, or other factors beyond our control.

Our third-party manufacturers or other third parties could imitate or use our intellectual property rights without authorization, or register our trademarks in jurisdictions where we have not done so, and policing such uses of intellectual property can be difficult, time consuming and expensive. Third parties may also develop or market products that are sufficiently similar to ours but sufficiently different to avoid a successful infringement claim, in which case we may have limited or no legal recourse against such competitors. In addition, when our employees leave our company, they may take with them certain trade secrets, know-how, or other intellectual property. If they provide such information to a competitor, our business may be less competitive as a result. Our third-party manufacturers, competitors, or other third parties may also independently develop proprietary technologies similar to ours, introduce counterfeits of our products, misappropriate our proprietary information or infringe on our brand names or trademarks. Counterfeit branded PCM products are generally sold at lower prices than their authentic counterparts due to their low manufacturing costs and may cause confusion to our customers because, in some cases, they have a very similar appearance and use very similar packaging as authentic ones.

Although government authorities have generally intensified their efforts to combat counterfeit branded PCM products, effective regulatory oversight and enforcement mechanisms against counterfeiting remain limited in any of our key markets. The proliferation of counterfeit branded PCM products has grown in recent years and may continue to grow in the future. Any increase in the sales and production of counterfeit products or the technological capabilities of the counterfeiters could negatively impact our business, financial position and results of operations. In addition, any misappropriation of our intellectual property rights may impair the pricing for our products and materially and adversely affect our brand and reputation. Our efforts to protect our intellectual property may not be adequate and we may not be able to identify any unauthorized use of our intellectual property or to take appropriate steps to enforce our rights on a timely basis. The resulting diversion of financial and management resources to enforce our intellectual property rights or the proliferation of counterfeit products could have a material adverse effect on our business, financial position and results of operations.

Our operations are subject to environmental and fire safety regulations and may be exposed to liability and potential costs associated with compliance

We operate manufacturing facilities for the manufacture of certain of our branded PCM products, which are subject to various environmental and fire safety regulations in Hong Kong. These include regulations concerning the discharge of general waste during our manufacturing processes, the controlled use, storage, handling and disposal of hazardous materials and chemicals, and compliance with fire safety requirements. See the section headed "Regulatory Overview — Laws and Regulations Relating to Our Business Operations in Hong Kong." Any violation of these regulations may result in substantial fines, criminal sanctions, revocations of operating permits, shutdown of our facilities and obligations to take corrective measures. Furthermore, the cost of complying with current and future environmental protection and fire safety laws, rules and regulations and the liabilities which may potentially arise from meeting various requirements, may increase our costs significantly and lower our profitability.

Our internal control system may not fully protect us against various risks inherent in our business and financial reporting

Internal controls are essential to the integrity of our business and financial results. Effective internal control is necessary for us to produce reliable financial reports and prevent fraud. However, due to the inherent limitations in the design and implementation of any internal control system, we cannot guarantee that our internal control system will be able to identify, prevent and manage all risks arising from our business and financial reporting, or that we will be able to timely and effectively refine or enhance our internal control systems to adapt to evolving business and operational environments. Our management may need to invest significant time and we may incur additional costs if we identify any deficiency in the implementation of our internal control procedures. Failure to address such a deficiency in a timely and effective manner may undermine the effectiveness of our internal control system and may cause **[REDACTED]** to lose confidence in the reliability of our financial statements, which in turn may materially and adversely affect our business, financial position, results of operations and reputation.

Our information systems may experience failure or breakdown and cause interruptions to our business

We use our information systems in the daily operations of our business. Our information systems record various operational data, including but not limited to sales information, payment records as well as inventory records, which allow us to analyze our business performance and make timely business and financial decisions. Any system setback or failure, or other damage from unforeseen events, which causes delays or interruptions to the input, retrieval and transmission of data, could disrupt our operations. We cannot guarantee that our information system recovery plan can effectively resolve all system failures, or that we will be able to restore our operational capacity in a timely manner to avoid disrupting our business. In addition, if the capacity of our information systems fails to meet the increasing needs of our expanding operations, our ability to expand may be constrained, or we may need to invest substantial financial and human resources to upgrade and expand our information systems capacity. The occurrence of any of these events could have a material adverse effect on our business, financial condition and results of operations.

We may be liable for our consumers' or patients' privacy being compromised which may materially and adversely affect our reputation and business

We collect, receive, store and process personal information and other data from users of our own online e-shops and patients of our Chinese medicine clinics. For example, visitors may register for an account on our online e-shops and we also collect our online consumers' personal details, such as address for the delivery of products. In addition, our Chinese medicine clinics collect and maintain patient records, including personal details, medical histories, diagnostic information and treatment records. Our information technology system monitors visitors' activities on our webpages so as to collect certain data relating to consumer preferences and website usage patterns. Our privacy policy is stated on our online e-shops and our internal control procedure aims to ensure compliance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) or other applicable laws in relation to the proper collection, use and storage of the personal data we collect.

Despite our efforts to employ security features to safeguard user and patient information, there is no guarantee that we can successfully keep our users and patients free from inappropriate behavior, offensive contact, or other acts of third parties that violate their privacy. Similar to other providers of Internet content services and operators of Internet platforms, we are subject to risks of hacking. Unauthorized users may gain access to or control of other users' personal accounts and their personal data for malicious purposes. Patient data at our Chinese medicine clinics could also be subject to unauthorized access or disclosure. Any failure or perceived failure by us to (i) prevent our users' or patients' exposure to such infiltration and (ii) comply with our privacy policies, our privacy-related obligations to users or other third parties, or any privacy laws or regulations, or any compromise of security that results in the unauthorized release or transfer of personally identifiable information or users' or patients' personal data, may result in governmental enforcement actions, litigation or public statements against us by our users, patients, consumer advocacy groups or others, which could detrimentally affect our reputation, and materially and adversely affect our business.

Unexpected business interruptions resulting from epidemics, natural disasters, social unrest, or terrorist acts could materially adversely affect our business, financial position and results of operations

Our business may be adversely affected by the occurrence of typhoons, severe storms, earthquakes, floods, fires or other natural disasters or similar events especially in the areas where we operate. In addition, any outbreak of a contagious disease, such as severe acute respiratory syndrome (SARS), Middle East respiratory syndrome, avian influenza or novel coronavirus disease (COVID-19), could disrupt our operations with respect to our supply chain, production, delivery and sales. Such events could decrease the demand for our products, impact the productivity of our workforce, make it difficult or impossible for us to manufacture and deliver products to our customers in a timely manner, or to receive materials and equipment from our suppliers. Should major public health emergencies, including pandemics, arise, we could be adversely affected by more stringent employee travel restrictions, additional requirements in freight, relevant policies affecting the movement of products between regions, delays in the ramp-up of the production capacity and disruptions in the operations of our suppliers. In the event of a natural disaster, we could incur significant losses, which could require substantial recovery time and result in significant expenditures in order to resume operations.

RISKS RELATING TO OUR GEOGRAPHIC MARKETS

We generate the majority of our revenue in Hong Kong and thus are susceptible to changes in the economic, political and other policies of Hong Kong

Our operations are based in Hong Kong and we generate the majority of our revenue in Hong Kong. During the Track Record Period, sales in Hong Kong accounted for 86.8%, 81.6% and 86.0% of our revenue for the years ended March 31, 2024, 2025 and 2026, respectively. As a result, our business, financial condition, results of operations and prospects are substantially affected by political, economic and legal developments in Hong Kong. Economic growth in Hong Kong has been uneven, and there can be no assurance that the local economy will continue to grow at a pace favorable to our business. In addition, the overall economic environment in Hong Kong is influenced by government regulations and policies. Any changes in these regulations and policies could affect the business environment in Hong Kong, thus impacting our business and its growth prospects.

Changes in the political environment could also increase our costs, heighten our exposure to legal and business risks, disrupt our operations and affect our results of operations. Hong Kong's economy and business environment are closely linked to the economic and political conditions of China and the broader geopolitical landscape. Developments such as changes in the relationship between China and other major economies, shifts in trade policies, or heightened geopolitical tensions could indirectly affect economic sentiment and business conditions in Hong Kong, which could in turn have a material adverse effect on our business prospects and results of operations.

Failure to comply with overseas regulatory requirements could materially and adversely affect our business, financial condition and results of operations

Our manufacturing facilities are required to have precise and reliable controls in line with Hong Kong, China, Macau and other applicable overseas regulations (depending on sales of our products to these jurisdictions). Such jurisdictions have imposed regulatory requirements and compliance obligations on manufacturers of branded PCM products. For example, all facilities and manufacturing process used for the manufacture of certain branded PCM products must be operated in conformity with these standards, and manufacturing facilities may be subject to periodic announced and unannounced inspections by the Department of Health, the NMPA, and other regulatory authorities. Complying with such regulatory requirements and obligations may result in increased costs or delays in our manufacturing operations. Any determination that we have failed to comply with such regulatory requirements and obligations could result in the loss of relevant licenses to conduct manufacturing activities, which may halt or restrict operations at our manufacturing facilities or prohibit sales of our products to such relevant regions, which would have a material adverse effect on our business, financial position and results of operations.

Geographical expansion may be costly, time-consuming and difficult, and our entry into overseas markets may expose us to certain risks

An increasing portion of our revenue may be generated from outbound sales in the longer run. For the years ended March 31, 2024, 2025 and 2026, sales outside Hong Kong accounted for 13.2%, 18.4%, and 14.0% of our revenue, respectively. It is one of our business strategies to grow our business through overseas expansion. We intend to enter new geographical markets by cultivating new distributor relationships in select markets. In expanding our business geographically, we have entered and intend to continue to enter markets in which we have limited or no experience and in which our company may

not be recognized. Our target countries may withhold approval for the sale of our products due to differences in regulatory standards or protectionist trade policies. We may be unable to attract a sufficient number of distributors or at all in such markets, and our selected distributors may not be suitable for selling our products. Furthermore, we may fail to anticipate competitive conditions in markets that are different from those in our home market. These competitive conditions may make it difficult or impossible for us to effectively operate in these markets. If our expansion efforts in existing and new markets are unsuccessful, our profitability and prospects will be materially and adversely affected.

In addition, we are exposed to other risks associated with businesses involving outbound markets, including but not limited to:

- compliance with foreign laws, regulatory requirements and local industry standards, in particular, those related to branded PCM products;
- poor financial condition, expertise and performance of local distributors in these regions;
- difficulty in collecting accounts receivable;
- exposure to increased litigation risks;
- social, political, regulatory and economic instabilities;
- imposition of restrictions on imports or other trade barriers by overseas countries to which we export our products;
- unauthorized re-export of our products;
- unfamiliarity with local operating and market conditions;
- competition from local companies;
- potentially adverse tax consequences;
- inability to effectively enforce contractual or legal rights;
- environment, safety and labor regulatory compliance;
- unfamiliarity with overseas labor markets and difficulty in attracting local talents; and
- potential disputes and difficulty in managing relationships with local customers and distributors in these regions.

Any of the foregoing and other risks and uncertainties could adversely affect our sales and operations in these regions, which in turn could adversely affect our financial condition and results of operations.

Changes in the economic, political or social conditions or government policies in the countries and regions in which we operate or from which we generate revenue could affect our business, financial condition and results of operations.

Revenue generated from outside of Hong Kong accounted for 13.2%, 18.4%, and 14.0% of our revenue for the years ended March 31, 2024, 2025, and 2026, respectively. Accordingly, our business, financial condition and results of operations could also be influenced by political, economic and social conditions in these markets. Economic growth in each of our geographic markets has been uneven, both geographically and among various sectors within any one of the relevant economies. Any economic downturn, whether actual or perceived, further decrease in economic growth rates or an otherwise uncertain economic outlook in our geographic markets or any other market in which we may operate could affect our business, financial condition and results of operations. Changes in the economic or political environment could increase our costs, increase our exposure to legal and business risks, disrupt our operations and affect our results of operations.

Developments in the legal system and relevant rules, guidelines, laws or regulations of certain geographic markets in which we operate or from which we generate revenue could materially and adversely affect us.

Legal systems of the geographic markets in which we operate or from which we generate revenue vary significantly from jurisdiction to jurisdiction. Some jurisdictions have a civil law system based on written statutes and others are based on common law. Unlike the common law system, prior court decisions under the civil law system may be cited for reference but have limited precedential value.

The legal systems of some geographic markets in which we operate or from which we generate revenue are consistently evolving. Laws and regulations that are recently enacted may not sufficiently cover all aspects of economic activities in such markets. In particular, the interpretation and enforcement of these laws and regulations are subject to future implementations, and the application of some of these laws and regulations to our businesses is not settled. Since local administrative and court authorities are authorized to interpret and implement statutory provisions and contractual terms, it may be difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we have in many of the geographic markets in which we operate or from which we generate revenue. Local courts may have discretion to reject enforcement of foreign awards or arbitration awards. These uncertainties may affect our judgment on the relevance of legal requirements and our ability to enforce our contractual rights or claims. In addition, the regulatory uncertainties may be exploited through unmerited or frivolous legal actions, claims concerning the conduct of third parties, or threats in attempt to extract payments or benefits from us.

Furthermore, many of the legal systems in the geographic markets in which we operate or from which we generate revenue are based in part on their respective government policies and internal interpretations, some of which are not published on a timely basis or at all and may have retroactive effects. There are other circumstances where key regulatory definitions are unclear, imprecise or missing, or where interpretations that are adopted by regulators are inconsistent with interpretations adopted by a court in analogous cases. As a result, we may not be aware of our violation of certain policies or rules until sometime after the violation. In addition, administrative and court proceedings in certain of our geographic markets may be protracted, resulting in substantial costs and diversion of resources and management attention.

It is possible that a number of laws and regulations may be adopted or construed to be applicable to us in our geographic markets and elsewhere that could affect our businesses and operations. Scrutiny and regulations of the industries in which we operate may further increase, and we may be required to devote additional legal and other resources to addressing these regulations. Changes in current rules, guidelines, laws or regulations or the imposition of new rules, guidelines, laws and regulations in our geographic markets may slow the growth of our industries and affect our business, financial condition and results of operations.

RISKS RELATING TO THE [REDACTED]

An active [REDACTED] market in our Shares may not develop

Prior to the **[REDACTED]**, there has been no **[REDACTED]** for our Shares. The **[REDACTED] [REDACTED]** for our Shares was the result of negotiations between us and the **[REDACTED]** (for itself and on behalf of the **[REDACTED]**), and the **[REDACTED]** may differ significantly from the **[REDACTED]** for our Shares following the **[REDACTED]**.

We have applied for **[REDACTED]** of, and permission to **[REDACTED]** in, our Shares on the Stock Exchange. A **[REDACTED]** on the Stock Exchange, however, does not guarantee that an active and liquid **[REDACTED]** market for our Shares will develop, or if it does develop, that it will be sustained following the **[REDACTED]** or that the **[REDACTED]** of our Shares will not decline following the **[REDACTED]**. You may not be able to **[REDACTED]** your Shares at a price that is attractive to you, or at all.

The [REDACTED] and [REDACTED] of our Shares may be volatile, which may result in substantial losses for [REDACTED] in our Shares

The **[REDACTED]** of our Shares may be volatile. The market price of our Shares may fluctuate significantly and rapidly as a result of the following factors, among others, some of which are beyond our control:

- actual or anticipated changes in our results of operations, earnings and cash flows;
- changes in competitive landscapes of our industries, including strategic alliances, acquisitions or joint ventures by us or our competitors;
- changes in securities analysts' estimates or market perception of our financial performance;
- changes in general economic or market conditions affecting us or our industries;
- regulatory developments, and our inability to obtain or renew necessary licenses and permits;
- fluctuations in **[REDACTED]** volume or the release of lock-up or other transfer restrictions on our outstanding Shares or **[REDACTED]** or perceived **[REDACTED]** of additional Shares by us or other Shareholders;
- changes in our senior management or other key personnel;

- fluctuations of the general stock market, particularly fluctuations in stock prices of other companies in our industry that are listed on the Stock Exchange; and

- potential or material litigation or regulatory investigations affecting us or our senior management.

Moreover, the capital market has from time-to-time experienced significant price and **[REDACTED]** volume fluctuations that were unrelated or not directly related to the operating performance of the underlying companies in the market. These broad market and industry fluctuations may have a material and adverse effect on the **[REDACTED]** and **[REDACTED]** of our Shares.

Our Controlling Shareholders have substantial influence over our Company and their interests may not be aligned with the interests of other Shareholders

Upon the completion of the **[REDACTED]**, our Controlling Shareholders will in aggregate be interested in **[REDACTED]**% of the issued share capital of our Company (assuming that the **[REDACTED]** is not exercised).

After the completion of the **[REDACTED]**, our Controlling Shareholders will continue to have significant influence on us on various important corporate actions requiring the approval of Shareholders, such as mergers, disposal of assets, election of Directors, and timing and amount of dividends and other distributions. There may be a conflict between our Controlling Shareholders' interests and your interests. If our Controlling Shareholders cause us to pursue strategic objectives that would conflict with your interests, your interests in our Company may be materially and adversely affected.

Future sales or major divestment of our Shares by any of our Controlling Shareholders could materially and adversely affect the prevailing [REDACTED] of our Shares

The **[REDACTED]** of our Shares may be materially and adversely affected by future **[REDACTED]** of a significant number of our Shares in the **[REDACTED]** after the **[REDACTED]**, or the possibility of such sales, by our Controlling Shareholders.

Furthermore, all our Controlling Shareholders are subject to a 12-month lock-up period commencing from the **[REDACTED]** during which they will not, inter alia, directly or indirectly dispose of, or enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of any Shares. After the restrictions of the lock-up arrangements expire, our Controlling Shareholders may dispose of our Shares. Any major disposal of our Shares by any of such Controlling Shareholders upon expiry of the relevant lock-up period (or the perception that these disposals may occur) may cause the prevailing **[REDACTED]** of our Shares to fall which could materially and adversely affect our ability to raise equity capital in the future.

Our future financing may cause dilution of your shareholding or place restrictions on our operations

In order to raise capital and expand our business, we may consider **[REDACTED]** and issuing additional Shares or other securities convertible into or exchangeable for our Shares in the future other than on a pro rata basis to our then existing Shareholders. As a result, the shareholdings of those Shareholders may experience dilution in net asset value per Share. If additional funds are to be raised through debt financing, certain restrictions may be imposed on our operations, which may:

- further limit our ability or discretion to pay dividends;
- increase our risks in adverse economic conditions;
- adversely affect our cash flows; or
- limit our flexibility in business development and strategic plans.

We may not be able to pay any dividends on our Shares

We cannot guarantee when and in what form dividends will be paid on our Shares following the **[REDACTED]**. The declaration of dividends is proposed by the Board and is based on, and limited by, various factors, including without limitation, our business and financial performance, capital and regulatory requirements, and general business conditions. We may not have sufficient or any profits to enable us to make dividend distributions to our Shareholders in the future, even if our financial statements indicate that our operations have been profitable.

Certain facts, forecasts, information and statistics contained in this document are obtained from third party reports and publicly available official sources, and may not be accurate, reliable or complete

We have derived certain information and statistics in this document, particularly the section headed "Industry Overview," the report prepared by Frost & Sullivan, which was commissioned by us, and from various official government publications and other publicly available publications provided by various governments, industry associations, independent research institutes and other third-party sources. We believe that the sources of such information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading in any material respect or that any fact has been omitted that would render such information false or misleading in any material respect.

The information from official government sources has not been independently verified by us, the Sole Sponsor, the **[REDACTED]**, the **[REDACTED]**, the **[REDACTED]**, the **[REDACTED]**, the **[REDACTED]**, any of their respective directors and advisers, or any other persons or parties involved in the **[REDACTED]**, and, therefore, we cannot assure you as to the accuracy and reliability of such information and statistics, which may not be consistent with other information compiled inside or outside Hong Kong. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable with statistics produced for other economies, and you should not place undue reliance on them. Furthermore, we cannot assure you that they are stated or

compiled on the same basis, or with the same degree of accuracy, as similar statistics presented elsewhere. In all cases, you should consider carefully how much weight or importance you should attach to or place on such information or statistics.

Forward-looking statements contained in this document are subject to risks and uncertainties

This document contains certain statements and information that are forward-looking and uses forward-looking terminology such as "anticipate," "believe," "could," "going forward," "intend," "plan," "project," "seek," "expect," "may," "ought to," "should," "would" or "will" and similar expressions. You are cautioned that reliance on any forward-looking statement involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate and as a result, the forward-looking statements based on those assumptions could also be incorrect. In light of these and other risks and uncertainties, the inclusion of forward-looking statements in this document should not be regarded as representations or warranties by us that our plans and objectives will be achieved and these forward-looking statements should be considered in light of various important factors, including those set forth in this section. Subject to the requirements of the Listing Rules, we do not intend to update publicly or otherwise revise the forward-looking statements in this document, whether as a result of new information, future events or otherwise. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this document are qualified by reference to this cautionary statement.

You should read the entire document carefully and should not rely on any information contained in press articles or other media regarding us and the [REDACTED]

We strongly caution you not to rely on any information contained in press articles or other media regarding us and the **[REDACTED]**. Prior to the publication of this document, there may have been press and media coverage regarding us and the **[REDACTED]**. Such press and media coverage may include references to certain information that does not appear in this document, including certain operating and financial information and projections, valuations and other information. We have not authorized the disclosure of any such information in the press or media and do not accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this document, we disclaim responsibility for it and you should not rely on such information.

WAIVER FROM COMPLIANCE WITH THE LISTING RULES

In preparation for the **[REDACTED]**, our Company has sought the following waiver from strict compliance with the relevant requirements under the Listing Rules:

Waiver in Respect of Partially Exempt Continuing Connected Transactions

We have entered into and expect to continue to engage in certain transactions after the **[REDACTED]** which will constitute partially exempt continuing connected transactions of our Company under Chapter 14A of the Listing Rules upon the **[REDACTED]**. Accordingly, our Company has applied to the Stock Exchange pursuant to Rule 14A.105 of the Listing Rules for, and the Stock Exchange [has granted] us, a waiver from strict compliance with the announcement requirement under Chapter 14A of the Listing Rules. For details of the waiver, see the section headed "Continuing Connected Transactions — Waiver from Strict Compliance with the Listing Rules."

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

Name	Residential Address	Nationality
Executive Directors		
YU Chun Kau (余振球)	Flat E, 43/F, Tower 4 L'Hiver, Les Saisons 28 Tai On Street Sai Wan Ho Hong Kong	Chinese
NG Kwan Ho (吳君豪)	Flat C, 4/F Hong Yan Court Healthy Village North Point Hong Kong	Chinese
Non-executive Directors		
SUM Kwong Yip Derek (岑廣業)	Flat A, 18/F, Block 3 The Leighton Hill 2B Broadwood Road Happy Valley Hong Kong	British
YIM Chun Leung (嚴振亮)	Flat A, 41/F Imperial Kennedy 68 Belcher's Street Kennedy Town Hong Kong	Chinese
XU Hongxi (徐宏喜)	Flat A, 8/F, Court B, Tower 2 Dragons Range 33 Lai Ping Road Kau To Shan Sha Tin, New Territories Hong Kong	Chinese
LENG Wei (冷巍)	Flat D, 8/F, Block 3 Orchid Court 2 Sha Tin Centre Street Shatin, New Territories Hong Kong	Chinese
Independent non-executive Directors		
YOUNG Chun Man Kenneth (楊俊文)	Flat A, 10/F, Tower 1 Serenade 11 Tai Hang Road Hong Kong	Chinese

Name	Residential Address	Nationality
LIN Zhixiu (林志秀)	Flat C, 15/F, Block 2 Hill Paramount, STTL 539 18 Hin Tai Street Tai Wai, Sha Tin New Territories Hong Kong	Chinese
NGAI Wah Sing Francis (魏華星)	Flat G, 43/F, Block 1 Grand Central 33 Hip Wo Street Kwun Tong Hong Kong	Chinese

Further information about the Directors and other senior management members are set forth in the section headed "Directors and Senior Management."

PARTIES INVOLVED IN THE [REDACTED]

Sole Sponsor

Quam Capital Limited
5/F and 24/F (Rooms 2401 and 2412)
Wing On Centre
111 Connaught Road Central
Hong Kong

[REDACTED]

Legal Advisors to our Company

As to Hong Kong law:
Norton Rose Fulbright Hong Kong
38/F Jardine House
1 Connaught Place, Central
Hong Kong

As to Hong Kong law in relation to our business operations in Hong Kong:
Cherry Qili Xu
Barrister-at-law
Des Voeux Chambers
38/F Gloucester Tower
The Landmark
Central
Hong Kong

	As to Cayman Islands law: **Conyers Dill & Pearman** Cricket Square, Hutchins Drive PO Box 2681 Grand Cayman, KY1-1111 Cayman Islands
Legal Advisors to the Sole Sponsor and the [REDACTED]	*As to Hong Kong law:* **Howse Williams** 27/F, Alexandra House 18 Chater Road, Central Hong Kong
Auditors and Reporting Accountants	**KPMG** *Certified Public Accountants* *Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance* 8/F Prince's Building 10 Chater Road, Central Hong Kong
Industry Consultant	**Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.** Room 2504, Wheelock Square No. 1717 West Nanjing Road Jing'an District Shanghai China

[REDACTED]

CORPORATE INFORMATION

Registered Office	Cricket Square, Hutchins Drive PO Box 2681 Grand Cayman, KY1-1111 Cayman Islands
Head Office and Principal Place of Business in Hong Kong	807, 8/F C-Bons International Centre 108 Wai Yip Street Kwun Tong Kowloon Hong Kong
Company's Website	**www.jpjtcm.com.hk** *(information contained on this website does not form part of this document)*
Company Secretary	TSUI Kai Tsun (徐繼浚) Flat A, 37/F, Block 4 Verbena Heights 8 Mau Tai Road Tseung Kwan O New Territories Hong Kong
Authorized Representatives	YU Chun Kau (余振球) Flat E, 43/F, Tower 4 L'Hiver, Les Saisons 28 Tai On Street Sai Wan Ho Hong Kong NG Kwan Ho (吳君豪) Flat C, 4/F, Block 1B Hong Yan Court Healthy Village North Point Hong Kong
Audit Committee	YOUNG Chun Man Kenneth (楊俊文) (*Chairman*) LIN Zhixiu (林志秀) NGAI Wah Sing Francis (魏華星)
Remuneration Committee	YOUNG Chun Man Kenneth (楊俊文) *(Chairman)* NGAI Wah Sing Francis (魏華星) YIM Chun Leung (嚴振亮)
Nomination Committee	NGAI Wah Sing Francis (魏華星) *(Chairman)* YOUNG Chun Man Kenneth (楊俊文) LENG Wei (冷巍)

CORPORATE INFORMATION

Principal Share Registrar and Transfer Office	**Conyers Trust Company (Cayman) Limited** Cricket Square, Hutchins Drive PO Box 2681 Grand Cayman, KY1-1111 Cayman Islands

[REDACTED]

Compliance Advisor	**Quam Capital Limited** 5/F and 24/F (Rooms 2401 and 2412) Wing On Centre 111 Connaught Road Central Hong Kong
Principal Bankers	**The Hongkong and Shanghai Banking Corporation Limited** 1 Queen's Road Central Hong Kong **Chong Hing Bank Limited** Ground Floor Chong Hing Bank Centre 24 Des Voeux Road Central Hong Kong

The information and statistics set out in this section have been extracted, in part, from various official governmental and official publications and the Frost & Sullivan Report commissioned by us. We believe that these sources are appropriate sources for such information and statistics and reasonable care has been exercised by us in extracting and reproducing such information and statistics. We have no reason to believe that such information and statistics are false or misleading or that any fact has been omitted that would render such information false or misleading. None of our Company, the Sole Sponsor, the **[REDACTED]**, *the* **[REDACTED]**, *the* **[REDACTED]**, *the* **[REDACTED]**, *the* **[REDACTED]** *and our or their respective directors, advisors and affiliates has independently verified such information and statistics. Accordingly, none of our Company, the Sole Sponsor, the* **[REDACTED]**, *the* **[REDACTED]**, *the* **[REDACTED]**, *the* **[REDACTED]**, *the* **[REDACTED]** *and our or their respective directors, advisors and affiliates or any other party involved in the* **[REDACTED]** *makes any representation as to the accuracy of such information and statistics. Accordingly, the information should not be unduly relied upon. The Directors confirm that, to the best of their knowledge and belief, there has been no adverse change in the market information since the date of the Frost & Sullivan Report which may qualify, contradict or have any material impact on the information in this section.*

SOURCE OF INFORMATION

We have commissioned Frost & Sullivan to conduct market research and prepare a report on the Chinese medicine market in Hong Kong, Macau and Singapore with the **[REDACTED]**. Frost & Sullivan is an independent global consulting firm founded in 1961 in New York that offers industry research and market strategies. We were charged HK$608,000 by Frost & Sullivan in connection with its preparation of the report. Our payment of such fee is not contingent upon the results of its research and analysis.

In preparing the Frost & Sullivan Report, Frost & Sullivan conducted detailed primary research involving in-depth telephone and face-to-face interviews with industry participants. Frost & Sullivan also conducted secondary research involving a review of annual reports, industry publications and data based on its own research database. Frost & Sullivan obtained the figures for various market size estimates from historical data analysis plotted against macroeconomic data, and considered related industry drivers. Its forecasting methodology integrates several forecasting techniques with its internal analytics of critical market elements investigated in connection with its market research work. These elements primarily include identification of market drivers and restraints and integration of expert opinions. In preparation of the Frost & Sullivan Report, Frost & Sullivan assumed: (i) global economy is likely to maintain steady growth in the next decade; (ii) global social, economic and political environment is likely to remain stable in the forecast period; and (iii) market drivers such as supportive government policies and increasing public awareness of health management and self-care, are expected to continue during the forecast period.

CHINESE MEDICINE

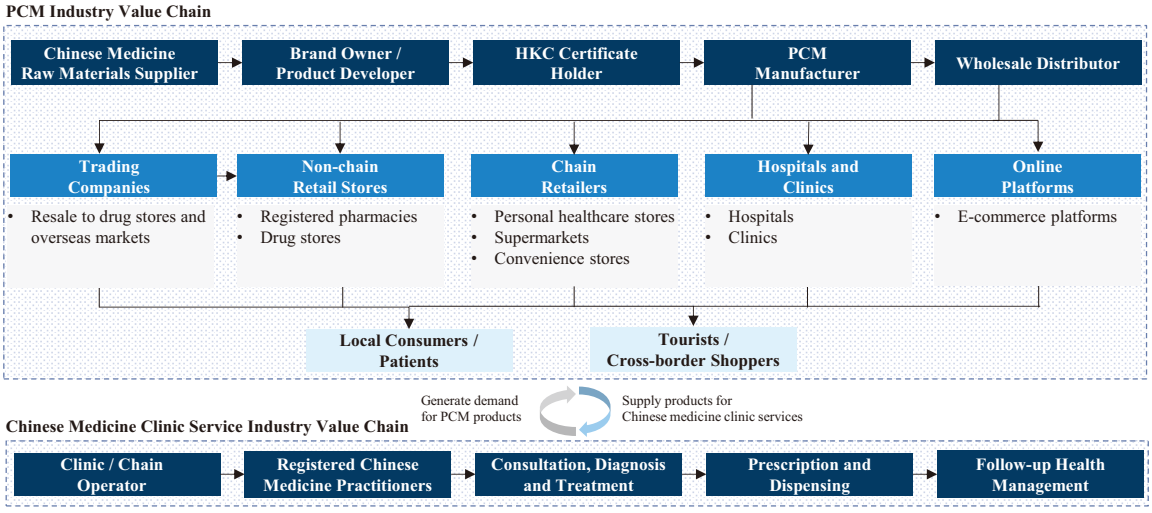
The Chinese medicine industry encompasses an integrated value chain spanning PCM supply and Chinese medicine clinic services:

- *PCM supply*: The PCM supply chain includes (i) upstream sourcing and primary processing of Chinese medicine materials derived from plant, animal and minerals; (ii) midstream processing into herbal pieces and extracts for use in PCM production, and (iii) downstream

commercialization of retail-oriented PCM (being registered, finished dose Chinese medicine products that can be purchased through retail channels and are commonly used for mild symptom relief), single-herb CCMG (made from a single Chinese medicinal material by extraction and dispensed only pursuant to prescription issued by a Chinese medicine practitioner), and Chinese herbal pieces (being processed Chinese herbal medicines used for prescription dispensing and clinical decoction preparation).

- *Chinese medicine clinic services*: Chinese medicine clinic service chain is the service-side segment of the Chinese medicine market, mainly covering diagnosis, treatment and health management services provided by Chinese medicine healthcare institutions or registered Chinese medicine practitioners based on syndrome differentiation. As the front-end clinical touchpoint of the Chinese medicine ecosystem, Chinese medicine clinic services help convert patient demand into prescription, dispensing and follow-up scenarios, forming an important bridge between clinic services and Chinese medicine products.

Value Chain Analysis



Source: Frost & Sullivan analysis

The Chinese medicine industry in Hong Kong is supported by favorable government policies. China's 15th Five-Year Plan for National Economic and Social Development of the PRC (the "**15th Five-Year Plan**") emphasizes the inheritance and innovation of Chinese medicine and supports its international development. In parallel, the Hong Kong government is formulating a five-year plan to align with national policy to promote Chinese medicine internationally. Recent initiatives include the Chinese Medicine Development Blueprint issued by the Hong Kong government (the "**Chinese Medicine Development Blueprint**"), the commissioning of the Chinese Medicine Hospital of Hong Kong and the permanent premises of the Government Chinese Medicines Testing Institute. These measures, together with continued development of Chinese medicine service models, Chinese-Western medicine collaboration and cross-border and international exchanges, are expected to strengthen the integration of Chinese medicine into Hong Kong's healthcare system, enhance market recognition of Chinese medicine products and services in Hong Kong, and support industry growth in Hong Kong, while also facilitating access to overseas markets.

PCM MARKET IN HONG KONG

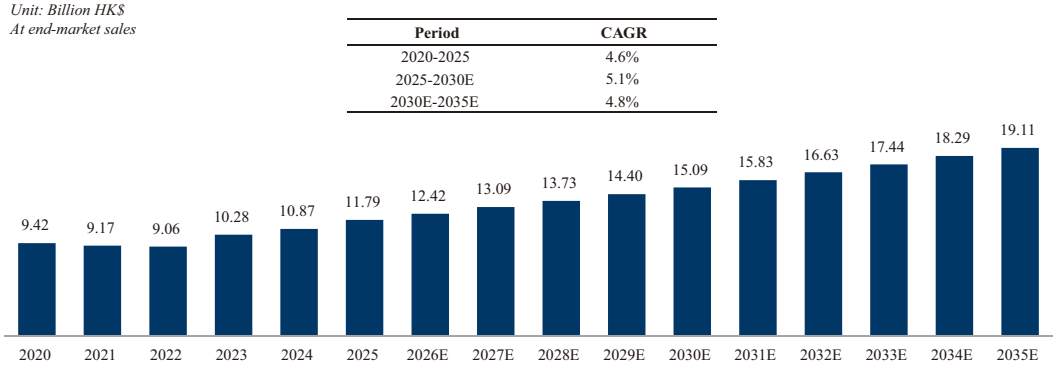
PCM comprise (1) proprietary Chinese medicines as defined in section 2 of the Chinese Medicine Ordinance, namely proprietary products (a) composed solely of the following as active ingredients: (i) any Chinese herbal medicines, (ii) any materials of herbal, animal or mineral origin customarily used by the Chinese; or (iii) any medicines and materials referred to in subparagraphs (i) and (ii) respectively; (b) formulated in a finished dose form; and (c) known or claimed to be used for the diagnosis, treatment, prevention or alleviation of any disease or any symptom of a disease in human beings, or for the regulation of the functional states of the human body, or (2) Chinese herbal medicines regulated under the Chinese Medicine Ordinance. The PCM industry segment and our branded PCM products segment represent the same category of drugs.

The PCM market in Hong Kong comprises registered ready-to-use Chinese medicine products commercialized through retail, wholesale and practitioner-related channels, and single-herb CCMG that must be dispensed pursuant to prescriptions issued by Chinese medicine practitioners. PCM products have both pharmaceutical attributes (subject to product registration, packaging and labeling requirements, and relevant manufacturers and wholesalers are required to comply with the Chinese medicines trader licensing framework) and consumer healthcare attributes (positioned as household self-care products for recurring health needs such as gastrointestinal discomfort, external pain relief, women's health, cooling and soothing uses, and general health maintenance). The market is characterized by strong brand heritage, household self-care demand and high reliance on channel access and consumer trust.

Market Size

The Hong Kong PCM market has greatly developed over the past decades, driven primarily by improved health consciousness and favorable government policies. Despite the negative impact of the pandemic from 2020 to 2022, the market has recovered steadily since 2023 and is projected to undergo fast growth in the future driven by policy support under the 15th Five-Year Plan and the Chinese Medicine Development Blueprint, more professionalized PCM product development and quality management, increasing public recognition of and trust in PCM, and enhanced payment accessibility for PCM through development of government-subsidized Chinese medicine clinic services and related insurance products.

Market size of Hong Kong PCM by end-market sales, 2020 to 2035E



Source: Frost & Sullivan analysis

Growth Drivers

The major growth drivers of the Hong Kong PCM market are as follows:

- *Aging population and rising household healthcare demand*: As Hong Kong's population ages and health awareness grows, demand for self-care and household medicines is expected to increase. Benefiting from retail accessibility, gentle therapeutic effects and household stock-up demand, branded PCM products are well positioned to capture stable repeat consumption and long-term demand from aging consumers and health-conscious households.

- *Unique formulations, brand heritage and value-for-money pricing*: Heritage PCM brands benefit from long operating histories, unique formulations and cross-generational word-of-mouth, which enhance consumer confidence in product efficacy, safety and value. As a result, such brands are better-positioned to build stronger consumer stickiness, support repeat purchase and maintain long-term market resilience.

- *Expansion through cross-border and overseas channels*: Hong Kong's free-trade environment and connectivity with China enable PCM products to expand beyond the local market. In particular, the NMPA has introduced a simplified PRC registration pathway for eligible Hong Kong products with local approval, over 15 years of use, and GMP-compliant manufacturing to enter the PRC market. This creates opportunities for entities with brands with proven local use history, compliant manufacturing and strong registration foundations to benefit from early market access. Moreover, overseas expansion further broadens exposure among overseas Chinese communities and consumers familiar with Chinese medicine culture.

- *Policy-driven standardization and market access*: Policy support under the 15th Five-Year Plan and the Chinese Medicine Development Blueprint is expected to promote Hong Kong's PCM market. The 15th Five-Year Plan supports Chinese medicine quality improvement, healthcare service integration and internationalization, while the Chinese Medicine Development Blueprint provides more direct support through GMP implementation, testing standards, registration support and PRC cooperation. These measures are expected to enhance product credibility and market access.

Entry Barriers

The key entry barriers of the Hong Kong PCM market are as follows:

- *Brand heritage*: Established PCM brands are typically built on long formulation history, accumulated consumer recognition and cross-generational trust. Consumers tend to associate well-known brands with proven safety, stable quality and reliable effects.

- *Product registration*: PCM products must obtain registration with the CMCHK before they can be legally sold in Hong Kong. This requires compliance with product safety, quality, labeling and documentation requirements, increasing the regulatory threshold and time required for market entry.

- *Formulation expertise*: PCM products rely heavily on formulation compatibility, ingredient selection, dosage design and traditional processing techniques. Such technical know-how is accumulated over time and is important for maintaining therapeutic effects and batch-to-batch consistency.

- *Retail distribution*: PCM companies require access to multiple retail channels, including pharmacies, Chinese medicine retailers and other consumer healthcare outlets. Securing shelf space, building product visibility and generating repeat purchases require established distributor relationships and sustained marketing investment.

- *Product efficacy*: Product efficacy is a core entry barrier because consumer acceptance in the PCM market is largely driven by actual usage experience, repeat purchase behavior and word-of-mouth recognition. Products with clear functional positioning and long-term market validation are more likely to gain consumer and channel trust.

Future Trends

The future trends of the Hong Kong PCM market are as follows:

- *Modernization of traditional household medicines*: Branded PCM companies are expected to modernize products through refreshed packaging, convenient dosage forms and lifestyle-oriented positioning to better engage younger consumers.

- *Development of multi-category product portfolios*: Companies with established single blockbuster product are increasingly expanding their portfolios with broader product offerings to adapt to changing dynamics. This shift toward multi-category portfolios is expected to enhance resilience, alongside improved consumer retention and channel bargaining power.

- *Omnichannel integration*: Sales of branded PCM will see deeper omnichannel integration, with unprecedented synergies across pharmacies, duty-free retail, e-commerce platforms and Chinese medicine clinic services.

- *Compliance upgrade of PCM registration and GMP manufacturing*: With the advancement of the Chinese Medicine Development Blueprint, compliance requirements for PCM will become more stringent. Products with therapeutic or symptom-relief claims are required to obtain HKC registration, while manufacturers are expected to face rising GMP standards. As only 10.8% of Hong Kong Chinese medicine manufacturers meet GMP standards as of June 30, 2026, companies with GMP-certified manufacturing capabilities and HKC-registered products are expected to gain a stronger first-mover advantage amid regulatory upgrades.

Competitive Landscape of Hong Kong PCM Market and Other Relevant Therapeutic PCM Markets

Hong Kong PCM Market

The Hong Kong PCM market is competitive, with the top five players accounting for 31.9% of the total market in 2025. Competition is primarily driven by brand heritage, consumer trust, product efficacy, quality and compliance, formulation and production know-how, different indications, retail channel coverage and repeat-purchase demand, while established players benefit from long operating histories, well-recognized household brands and broad product portfolios across different healthcare scenarios.

Top five companies in the Hong Kong PCM market by end-market sales, 2025

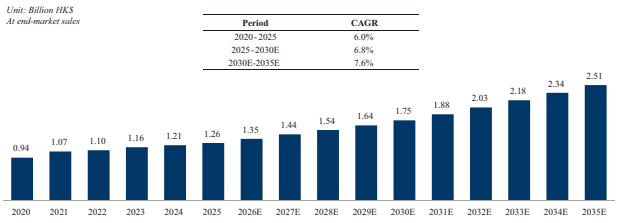
Rank	Company	Background	Market Share
1.	Our Group		9.2%
2.	Company A	Company A is a Hong Kong listed company engaged in the manufacturing, retail and wholesale of Chinese medicine products in Hong Kong and overseas.	8.2%
3.	Company B	Company B is a private company engaged in the manufacturing and export of Chinese medicine and herbal healthcare products, with key products including herbal cough syrup and herbal candies.	6.4%
4.	Company C	Company C is a Hong Kong listed company engaged in the production and sales of Chinese and Western pharmaceutical products, healthcare products and Chinese medicine clinic services.	4.2%
5.	Company D	Company D is a Hong Kong listed company engaged in Chinese medicine production and operation, covering Chinese medicine materials, Chinese herbal pieces, Chinese medicine health products.	3.9%

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

Hong Kong CCMG market

CCMG mainly refers to modernized Chinese medicine preparations made from traditional Chinese herbal medicines through standardized extraction, concentration, drying and granulation processes. Each batch of CCMG is subject to multiple quality testing before release to ensure product efficacy, safety, quality consistency and regulatory compliance. The market for CCMG has increased steadily in recent years, mainly due to the rising public trust in Chinese medicine, an expanding aging population and the consumer shift from traditional raw herbs to modern granules.

Market size of Hong Kong CCMG by end-market sales, 2020 to 2035E



Top five companies in the Hong Kong CCMG market by end-market sales, 2025

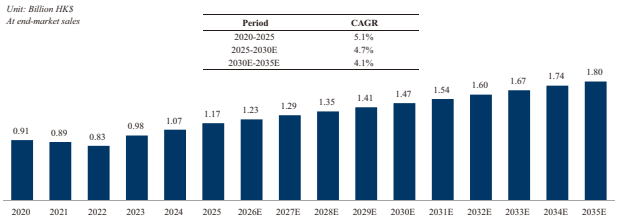
Rank	Company	Market Share
1.	Company E	26.2%
2.	Our Group	25.2%
3.	Company F	11.9%
4.	Company D	8.3%
5.	Company G	6.0%

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

Gastrointestinal PCM market

Gastrointestinal PCM mainly refers to PCM products used to relieve gastrointestinal discomfort, support daily gastrointestinal care, and meet household self-medication needs. The market for gastrointestinal PCM products has increased steadily in the post-pandemic period, mainly due to the rising health consciousness, and prevalence of stress- and diet-related gastrointestinal issues among urban populations.

Market size of Hong Kong gastrointestinal PCM by end-market sales, 2020 to 2035E



Top five companies in the Hong Kong gastrointestinal PCM market by end-market sales, 2025

Rank	Company	Market Share
1.	Our Group (Product: Po Chai Pills)	20.2%
2.	Company H	14.2%
3.	Company C	14.0%
4.	Company B	8.1%
5.	Company I	7.6%

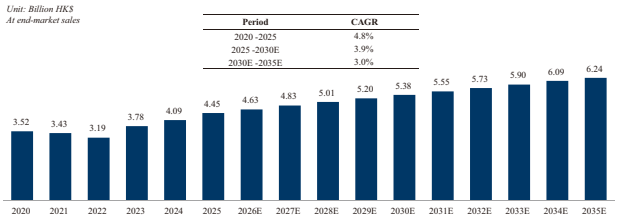
Source: Annual reports of listed companies, interviews with industry experts, Frost & Sullivan analysis

In addition to the Hong Kong gastrointestinal PCM market, we also ranked first in the Macau and Singapore gastrointestinal PCM markets by end-market sales value, in 2025, according to the Frost & Sullivan Report.

Gynecological PCM market

Gynecological PCM mainly refers to PCM products targeting women's health scenarios such as menstrual care, fertility support, postpartum recovery, menopausal management and daily qi-blood nourishment. The market for gynecological PCM has increased steadily in the post-pandemic period, mainly due to the increasing focus on reproductive wellness, menstrual health management, fertility preparation and postpartum conditioning.

Market size of Hong Kong gynecological PCM by end-market sales, 2020 to 2035E



Top five companies in the Hong Kong gynecological PCM market by end-market sales, 2025

Rank	Company	Market Share
1.	Our Group (Product: Tin Hee Tong Tin Hee Pills)	11.8%
2.	Company B	11.6%
3.	Company C	10.9%
4.	Company J	7.2%
5.	Company H	7.0%

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

Notes:

(1) Company E is a Hong Kong listed company engaged in the research and development, production, marketing and sales of CCMG.

(2) Company F is a private company engaged in the provision of CCMG and Chinese medicine-related products.

(3) Company G is a private company engaged in the research, development, manufacturing and distribution of CCMG and related Chinese medicine products.

(4) Company H is a private company engaged in the manufacturing, retail and distribution of Chinese medicine products, Chinese medicine healthcare products and Chinese medicine clinic services across Asian markets.

(5) Company I is a private company engaged in the manufacturing of PCM and Chinese herbal medicines.

(6) Company J is a private company engaged in the development, manufacturing and sales of PCM and Chinese medicine healthcare products.

CHINESE MEDICINE CLINIC SERVICE MARKET IN HONG KONG

The Hong Kong Chinese medicine clinic service market encompasses diagnosis, treatment, prescription, acupuncture, bone-setting, rehabilitation and health management services provided by qualified Chinese medicine practitioners. Key practice areas include internal medicine and pain management (including orthopedics and acupuncture). It is primarily an outpatient and community-based market focused on general consultation, chronic disease management, pain conditions, rehabilitation, women's health, and preventive care.

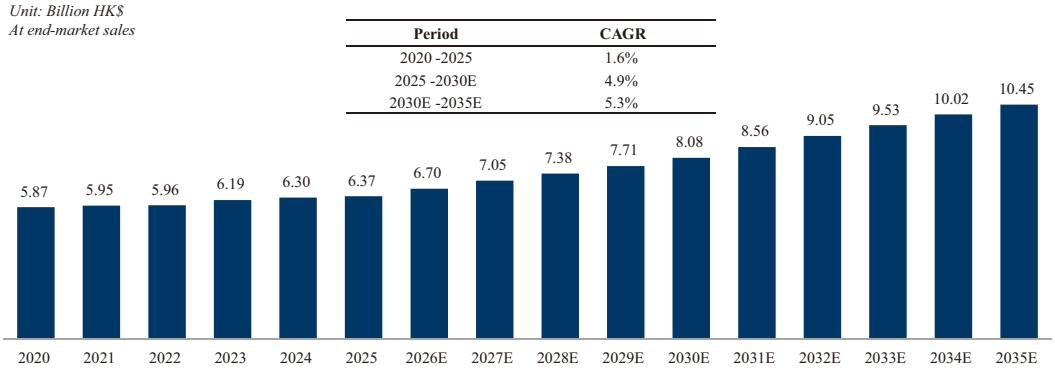
Private clinics form the core service network, with over 90% of practitioners in the private sector providing approximately 14 million outpatient consultations annually as of June 2024. Public services (including non-governmental organizations) support talent training and clinical research through 18 Chinese Medicine Clinics cum Training and Research Centres. As of June 30, 2026, Hong Kong had 8,797 registered Chinese medicine practitioners.

The market is consultation-driven and practitioner-centered, generating revenue from consultation fees, prescriptions and service fees. Chain operators benefit from standardized management, shared branding and digital systems, while independent clinics rely on practitioner reputation and neighborhood trust. Competitiveness depends on practitioner reputation, patient trust, accessibility and dispensing capability.

Market Size

The number of Chinese medicine clinic service users in Hong Kong remained relatively stable between 2020 and 2025, reflecting steady underlying demand. The user base is expected to expand at a faster pace in the future, driven by population aging, increasing demand for chronic disease management and rehabilitation, and growing acceptance of Chinese medicine clinic services.

Market size of Hong Kong Chinese medicine clinic services by end-market sales, 2020 to 2035E



Source: Frost & Sullivan analysis

Growth Drivers

The major growth drivers of the Hong Kong Chinese medicine clinic service market are as follows:

- *Aging population and chronic disease management*: Hong Kong's aging population is driving demand for Chinese medicine (including clinic services) in chronic disease management, rehabilitation and holistic long-term care.

- *Growing acceptance of Chinese medicine*: The rising acceptance of Chinese medicine is broadening the demand base for Chinese medicine clinic services. A wider range of population groups, including younger consumers, urban professionals and health-conscious households, increasingly view Chinese medicine as a complementary and holistic approach to preventive healthcare, sub-health management, stress relief and routine body conditioning. As consumer trust in Chinese medicine continues to improve, willingness to seek Chinese medicine clinic services is expected to increase.

- *Policy support and preventive healthcare demand*: The Chinese Medicine Development Blueprint is expected to enhance Chinese medicine service quality and integration into Hong Kong's healthcare system. As Chinese medicine clinic services become more professionally delivered, they are expanding beyond disease treatment and into daily wellness, preventive care and long-term health management.

- *Cross-border patient flow and one-stop clinic chain model*: Hong Kong's regulated healthcare environment and proximity to the Greater Bay Area support demand from mainland consumers, while branded clinic chains can integrate services to improve patient retention and lifetime value.

Entry Barriers

The key entry barriers of the Hong Kong Chinese medicine clinic service market are as follows:

- *Registered Chinese medicine practitioner requirements*: Chinese medicine practice in Hong Kong is regulated under the Chinese Medicine Ordinance. Service providers must secure registered Chinese medicine practitioners with credible qualifications and clinical experience.

- *Integrated care capabilities*: Chinese medicine clinics typically provide an integrated service model covering medicine sourcing, storage and dispensing. Clinics with broader service coordination are better positioned than single-point providers.

- *Clinical reputation*: Chinese medicine clinic services rely heavily on long-term patient trust. Established clinics with stable practitioner-patient relationships enjoy stronger patient stickiness, while new entrants need time to build clinical credibility.

- *Clinic network development*: Chinese medicine clinic services remain highly offline and location-sensitive. In Hong Kong, where clinic rental is high, building a multi-site clinic network requires significant upfront investment and long-term operating commitment.

- *Quality control*: Clinic chain operators must maintain consistent service quality across practitioners and sites. This requires in-house training and credentialing systems, including senior mentorship and continuing practitioner education.

Future Trends

The key future trends of the Hong Kong Chinese medicine clinic service market are as follows:

- *Corporatization and brand consolidation*: The market is expected to shift from traditional independent practices toward modern, corporatized clinic chain networks.
- *Digital transformation*: Chinese medicine clinic service providers are expected to increasingly adopt digital tools (such as telemedicine, artificial intelligence-assisted diagnosis, electronic records) to improve operating efficiency and patient experience.
- *Expansion into comprehensive health management*: Chinese medicine clinics are expected to move beyond disease treatment into preventive care and lifestyle-based health management.

Competitive Landscape

The Hong Kong Chinese medicine clinic service market is primarily private-sector driven and remains relatively fragmented, with major chain operators competing through clinic network coverage, practitioner resources, quality control, professional consultation and dispensing services and brand reputation.

Top five Hong Kong private Chinese medicine clinic chains as of June 30, 2026

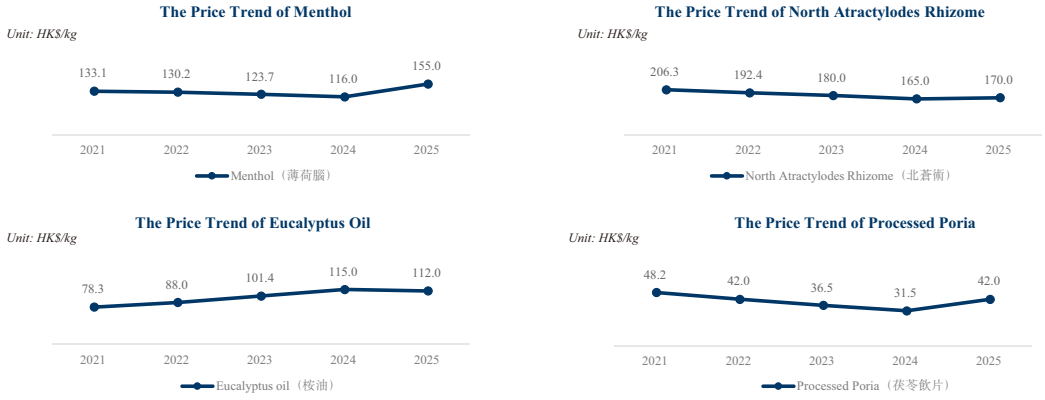
Rank	Company	Background	Number of outlets
1.	Company K	Company K is a private company engaged in the operation of community-based Chinese medicine clinic chains.	66
2.	Company L	Company L is a private company engaged in Chinese medicine research, manufacturing and Chinese medicine clinic services.	46
3.	Company M	Company M is a private company engaged in the operation of modern Chinese medicine clinics.	43
4.	Company N	Company N is a private company engaged in the operation of Chinese medicine centers.	41
5.	Our Group		40

Source: Clinic websites, Frost & Sullivan analysis

We were also the largest private Chinese medicine clinic chain with an orthopedic specialty, in Hong Kong by number of clinics as of June 30, 2026.

HISTORICAL PRICE TRENDS OF RAW MATERIALS AND FINAL PRODUCTS

We manufacture a diverse range of branded PCM products using various raw materials and packaging materials. Our key raw materials include menthol, north atractylodes rhizome, eucalyptus oil, and processed poria. From 2021 to 2025, raw material prices exhibited mixed fluctuations, thereby subjecting our overall cost environment to variability across different ingredients. However, such fluctuations did not materially affect our overall cost of sales and services during the Track Record Period. 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. The following charts illustrate the historical prices for menthol, north atractylodes rhizome, eucalyptus oil, and processed poria from 2021 to 2025:



Source: Frost & Sullivan Report

Notes:

(1) Prices represent the market procurement costs for production grade raw materials and processed herbal pieces instead of origin-level quotations.

(2) North atractylodes rhizome refers to wild north atractylodes rhizome pieces utilized for manufacturing.

LAWS AND REGULATIONS RELATING TO OUR BUSINESS OPERATIONS IN HONG KONG

Sale of Goods Ordinance

The Sale of Goods Ordinance (Chapter 26 of the Laws of Hong Kong) provides for, inter alia, certain implied conditions in relation to the safety and quality of goods supplied under a contract of sale in Hong Kong, including: (i) where there is a sale of goods by description, there is an implied condition that the goods shall correspond with the description; (ii) where the seller sells goods in the course of a business, there is an implied condition that the goods shall be of merchantable quality; and (iii) where the seller sells goods in the course of a business and the buyer makes known to the seller any particular purpose for which the goods are being bought, there is an implied condition that the goods shall be reasonably fit for that purpose.

Chinese Medicine Ordinance and Chinese Medicines Regulation

The Chinese Medicine Ordinance makes provisions for the registration of practitioners in Chinese medicines, the licensing of traders in Chinese medicines, and the registration of proprietary Chinese medicines, as defined in the said ordinance, and other related matters. Under the said ordinance, "proprietary Chinese medicine" is defined as any proprietary product that is (i) composed solely of the following as active ingredients: (a) any Chinese herbal medicines and/or (b) any materials of herbal, animal or mineral origin customarily used by the Chinese; (ii) formulated in a finished dose form; and (iii) known or claimed to be used for the diagnosis, treatment, prevention or alleviation of any disease or any symptom of a disease in human beings, or for the regulation of the functional states of the human body, while "Chinese herbal medicine" refers to any substances specified in Schedule 1 or 2 of the said ordinance. All of our branded PCM products are either classified as proprietary Chinese medicines under such definition and are registered with the Chinese Medicines Board or as Chinese herbal medicines which are regulated under the Chinese Medicine Ordinance.

Registration of proprietary Chinese medicines

According to the Chinese Medicine Ordinance, no person shall sell, import or possess any proprietary Chinese medicines unless the proprietary Chinese medicines are registered with the Chinese Medicines Board. A certificate of registration would be issued to the applicant in respect of the relevant proprietary Chinese medicines upon approval of the registration application. Any person who is found guilty of an offense under the said ordinance shall upon conviction be liable to a maximum fine of HK$100,000 and to imprisonment for two years.

Furthermore, the particulars of a proprietary Chinese medicine, namely Chinese and English name, dose form, name and quantity of each of its active ingredient, name and quantity of each of its excipient (if any), specification, indication (if any), dosage and method of usage, each of its labels to be attached or printed on its package, package insert to be supplied for its sales inside Hong Kong, each of the package inserts to be supplied for its sales outside Hong Kong (if any), name and address of each of its manufacturer, and function or pharmacological action, are required by the Chinese Medicines Regulation (Chapter 549F of the Laws of Hong Kong) to be registered.

License to manufacture proprietary Chinese medicines

Pursuant to the Chinese Medicine Ordinance, no person shall manufacture any proprietary Chinese medicines, whether registered or not, without a manufacturer license issued by the Chinese Medicines Board; or at any place other than the premises specified in such license. Furthermore, manufacturers are required to comply with the licensing requirements under the Chinese Medicines Regulation.

License to trade in Chinese medicines and Chinese herbal medicines

According to the Chinese Medicine Ordinance, no person shall sell or distribute by way of wholesale, or possess for the purpose of wholesale, any proprietary Chinese medicines or Chinese herbal medicines without a wholesaler license in proprietary Chinese medicines or Chinese herbal medicines, as applicable, issued by the Chinese Medicines Board, or at any place other than the premises specified in such license. An application for a retailer license or a license for wholesale dealer in Chinese herbal medicines shall be made to the Chinese Medicines Board in accordance with sections 114 and 115 of the ordinance, respectively. The retailer or wholesaler in Chinese herbal medicines must also comply with the licensing requirements set out in sections 3 and 4 of the Chinese Medicines Regulation, respectively.

Furthermore, wholesalers of proprietary Chinese medicines and Chinese herbal medicines are required to maintain the premises in suitable condition for storage and to keep transaction records under the Chinese Medicines Regulation. The duties of licensed retailers and wholesalers in Chinese herbal medicines are set out in sections 7 to 10 and sections 11 to 14 of the Chinese Medicines Regulation respectively, which require the licensed retailers and wholesalers, inter alia, to maintain the relevant premises in suitable condition for storage etc. and to keep proper records.

Labeling and packaging requirements

Pursuant to the Chinese Medicine Ordinance, no person shall sell or have in his possession for the purpose of selling any proprietary Chinese medicines if such proprietary Chinese medicine is without a package label or package insert in the prescribed manner in accordance with the Chinese Medicines Regulation. However, these do not apply to proprietary Chinese medicines imported by a licensed wholesaler for the purpose of re-exporting by the same wholesaler, and the case where a person is in possession of a proprietary Chinese medicine manufactured in Hong Kong for the purpose of exporting the same, according to the said regulation.

Registration of Chinese Medicine Practitioners

Pursuant to sections 75 and 76 of the Chinese Medicine Ordinance, a person may only practice Chinese medicine if he is (i) a registered Chinese medicine practitioner who is registered under section 69 of the Chinese Medicine Ordinance with a practicing certificate; (ii) a listed Chinese medicine practitioner under the transitional provisions listed under section 90 of the Chinese Medicine Ordinance; or (iii) a person with limited registration for treating patients in the course of educational or research purposes who is registered under section 85 of the Chinese Medicine Ordinance.

Under section 108(2) of the Chinese Medicine Ordinance, any person who is not a registered Chinese medicine practitioner or listed Chinese medicine practitioner practices Chinese medicine commits an offense and is liable to a fine of HK$100,000 and imprisonment for three years, or on conviction upon indictment to imprisonment for five years.

Section 158 of the Chinese Medicine Ordinance exempts the registered Chinese medicine practitioners from obtaining licenses for dispensing Chinese herbal medicines listed in Schedule 1 to the Chinese Medicine Ordinance to persons on prescription.

Dangerous Goods Ordinance and its subsidiary legislation

The Dangerous Goods Ordinance (Chapter 295 of the Laws of Hong Kong) sets forth the regulation relating to "dangerous goods" and shall apply to, inter alia, all explosives, compressed gasses, petroleum and other substances giving off inflammable vapors, substances giving off poisonous gas or vapor, corrosive substances, substances which become dangerous by interaction with water or air, substances liable to spontaneous combustion or of a readily combustible nature and radioactive material.

The Dangerous Goods Ordinance prescribes that no person shall manufacture, store, convey or use any dangerous goods except under and in accordance with the license granted by the Hong Kong Fire Services Department. The manufacture, store, convey or use any dangerous goods not under and in accordance with a license granted under the ordinance constitutes an offense which shall be liable (i) for a first offense, to a fine of HK$100,000 and to imprisonment for six months, and (ii) for a subsequent offense, to a fine of HK$200,000 and to imprisonment for 12 months. Notwithstanding any other liability which may arise under the provisions of such ordinance or otherwise, the breach of any term or condition endorsed upon any license issued shall constitute an offense which shall be punishable on summary conviction (i) for a first offense, by a fine of HK$50,000 and imprisonment not exceeding one month, or (ii) for a subsequent offense, by a fine of HK$100,000 and imprisonment not exceeding three months. If a company is found guilty of an offense under the said ordinance, the directors and officers concerned in the management of the company shall be guilty of the like offense unless he proves that the act constituting the offense took place without his knowledge or consent.

The Dangerous Goods (Application and Exemption) Regulation 2012 (Chapter 295E of the Laws of Hong Kong) and Dangerous Goods (Control) Regulation (Chapter 295G of the Laws of Hong Kong) classify "dangerous goods" into different classes and further regulates the manufacture, storage, use, conveyance, packing, marking and labeling of each corresponding class.

Public Health and Municipal Services Ordinance and the Regulations thereunder

The Public Health and Municipal Services Ordinance (Chapter 132 of the Laws of Hong Kong) (the "**Public Health Ordinance**") regulates food and drugs. Under this ordinance, "food" has the same meaning as that under the Food Safety Ordinance (Chapter 612 of the Laws of Hong Kong) as further described in the section headed "— Food Safety Ordinance" below, and "drug" includes any medicine, Chinese herbal medicine or proprietary Chinese medicines for internal or external use by man. As our business involves the sales and distribution of PCM products and ancillary CM products in Hong Kong, we are subject to the regulation of the Public Health Ordinance.

The Public Health Ordinance makes provision for the safety of food and drugs, and regulates the preparation and sale of adulterated food or drugs, among others. In particular, (i) no person shall add any substance to food, use any substance as an ingredient in the preparation of food, abstract any constituent from food, or subject food to any other process or treatment, so as (in any such case) to render the food injurious to health, with intent that the food shall be sold for human consumption in that state; (ii) no person shall add any substance to, or abstract any constituent from, a drug so as to affect injuriously the quality, constitution or potency of the drug, with intent that the drug shall be sold

in that state; and (iii) no person shall sell for human consumption, offer, expose or advertise for sale for human consumption, or have in his possession for the purpose of such sale, any food rendered injurious to health or any drug injuriously affected in its quality, constitution or potency by any operation described above. In determining whether an article of food is injurious to health, the probable effect of that article on the health of a person consuming it as well as the probable cumulative effect of articles of substantially the same composition on the health of a person consuming such articles in ordinary quantities shall be taken into account. Any person who contravenes the said provisions commits an offense.

Furthermore, the Public Health Ordinance prohibits false labeling and advertisement of food or drugs and provides that: (i) if any person gives with any food or drug sold by him, or displays with any food or drug exposed for sale by him, a label, whether or not the same is attached to or printed on the wrapper or container, which falsely describes the food or drug, or is calculated to mislead as to its nature, substance or quality, he shall be guilty of an offense, unless he proves that he did not know, and could not with reasonable diligence have ascertained, that the label was of such a character as aforesaid; (ii) if any person publishes, or is partly to the publication of, an advertisement, other than a label which falsely describes any food or drug, or is likely to mislead as to the nature, substance or quality of any food or drug, he shall be guilty of an offense, and, in any proceedings against the manufacturer, producer or importer of the food or drug, it shall rest on the defendant to prove (a) that he did not publish, and was not a party to the publication of, the advertisement; or (b) that he did not know, and could not with reasonable diligence have ascertained, that the advertisement was of such a character as is described in that subsection; or (c) that being a person whose business it is to publish, or arrange for the publication of, advertisements, he received the advertisement in the ordinary course of business.

According to the Public Health Ordinance, any person who is guilty of an offense under the ordinance shall be liable on summary conviction to a fine of HK$10,000 to HK$50,000 and to imprisonment for three to six months. Furthermore, the regulations made under the Public Health Ordinance make provision for, inter alia, sweeteners in food, metallic contamination of food, composition and labeling of food and drugs, harmful substances in food, and mineral oil in food. Any person who contravenes these said regulations shall be guilty of an offense and shall be liable on summary conviction to a fine of HK$50,000 and to imprisonment for six months.

Food Safety Ordinance

The Food Safety Ordinance establishes a registration scheme for food importers and food distributors, to require the keeping of records by persons who acquire, capture, import or supply food and to enable food import controls to be imposed. Under this ordinance, "food" is defined to include, inter alia, drink and articles and substances used as ingredients in the preparation of food, which does not include Chinese herbal medicine or proprietary Chinese medicines as defined under the Chinese Medicine Ordinance.

For the purpose of the Food Safety Ordinance, any food commonly used for human consumption is presumed, unless there is evidence to the contrary, to be intended for human consumption. As such, our ancillary CM products, insofar as they do not constitute Chinese herbal medicines or proprietary Chinese medicines and are for human consumption for the purpose of the Chinese Medicine Ordinance, are likely to be considered "food" for the purpose of the Food Safety Ordinance.

Registration as food importer or distributor

The Food Safety Ordinance requires that any person who carries on a food importation business or food distribution business to register with the Food and Environmental Hygiene Department as a food importer or food distributor. Any person who does not register but carries on a food importation or distribution business, without reasonable excuse, commits an offense and is liable to a maximum fine of HK$50,000 and imprisonment for six months.

Record-keeping requirements relating to movement of food

The Food Safety Ordinance sets forth the record-keeping requirements for local acquisition of food, acquisition of imported food, capture of local aquatic products, and wholesale supply of food. In general, a food importer or food distributor should keep the record, including details such as the date the food was acquired or imported, name and contact details of the supplier or purchaser, and total quantity of the food and description of the food, for the specified period. Any person who fails to comply with the record-keeping requirements, without reasonable excuse, commits an offense and is liable to a maximum fine of HK$10,000 and imprisonment for three months.

Waste Disposal Ordinance and Waste Disposal (Chemical Waste) (General) Regulation

The Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong) provides for the control and regulation of the production, storage, collection and disposal including the treatment, reprocessing and recycling of waste of any class or description, the licensing and registration of places and persons connected with any such activity, the protection and safety of the public in relation to any such activity and to provide for matters incidental thereto.

Pursuant to the Waste Disposal Ordinance, only licensed or authorized collection service provider can provide any services for the removal and disposal of general waste. The collection and disposal of chemical waste is further regulated by the Waste Disposal (Chemical Waste) (General) Regulation (Chapter 354C of the Laws of Hong Kong) (the "**Chemical Waste Disposal Regulation**"). All of our general waste and chemical waste generated during our manufacturing process during the Track Record Period were collected by licensed waste collecting service providers listed by the Environmental Protection Department.

According to the Chemical Waste Disposal Regulation, a person shall not produce or cause to be produced chemical waste unless he is registered with the Environmental Protection Department as a chemical waste producer. A person who contravenes the requirement for registration commits an offense and is liable on conviction to a fine of HK$200,000 and to imprisonment for six months. Furthermore, a chemical waste producer shall ensure that chemical waste is properly packed, labeled and stored before disposal and shall keep and furnish records of its chemical waste disposal information for inspection. Any waste producer who fails to comply with any of such requirements commits an offense and is liable to a maximum fine of HK$100,000 and to imprisonment for six months.

Fire Safety (Buildings) Ordinance

The Fire Safety (Buildings) Ordinance (Chapter 572 of the Laws of Hong Kong) provides for fire safety improvements to be made to certain composite buildings and domestic buildings and to provide for related matters. The purpose of the said ordinance is to provide better protection from the risk of fire for occupants and users of, and visitors to, certain kinds of composite buildings.

As prescribed by the Fire Safety (Buildings) Ordinance, an owner or occupier of a composite building may be directed by the Buildings Department and the Fire Services Department of Hong Kong to comply with fire safety measures in relation to the planning, design and construction of a composite building, and the fire service installation or equipment. An owner or occupier who, without reasonable excuse, fails to comply with a fire safety direction is guilty of an offense and is liable on conviction to a fine of HK$100,000 and to a further fine of HK$10,000 for each day or part of a day during which the failure continues after the expiry of the period specified in the direction.

Fire Safety (Commercial Premises) Ordinance

The Fire Safety (Commercial Premises) Ordinance (Chapter 502 of the Laws of Hong Kong) provides better protection from the risk of fire for occupants and users of, and visitors to, certain kinds of commercial premises and commercial buildings.

Similar to the provision under the Fire Safety (Buildings) Ordinance, the owner or occupier of such a commercial building may be directed by the relevant enforcement authorities to comply with fire safety measures in relation to the planning, design and construction of the building, and fire service installation or equipment. An owner or occupier who, without reasonable excuse, fails to comply with the fire safety direction is guilty of an offense and is liable on conviction to a fine at HK$25,000 and to a further fine of HK$2,500 for each day or part of day during which the failure continues after the expiry of the period specified in the direction.

Boilers and Pressure Vessels Ordinance

The Boilers and Pressure Vessels Ordinance (Chapter 56 of the Laws of Hong Kong) controls the use and operation of boilers and pressure vessels, to provide for the holding of inquiries into accidents in or to boilers and pressure vessels and to provide for matters connected with the purposes aforesaid. Under the said ordinance, no boiler or pressure vessel may be operated until it is registered with the Boilers and Pressure Vessels Authority, and it has been examined and certified (with a certificate of fitness) or it has been granted an exemption by the Boilers and Pressure Vessels Authority. As we use and operate pressure vessels in some of our manufacturing processes, we are subject to the regulation of this ordinance.

In accordance with the Boilers and Pressure Vessels Ordinance, periodic examination of boilers and pressure vessels shall be carried out. Depending on the type of boiler or pressure vessel, after the date of any certificate of fitness issued in respect thereof, each boiler or pressure vessel should be examined by an appointed examiner within 14 or 26 months, or any shorter period as suggested by the appointed examiner and endorsed by the Boilers and Pressure Vessels Authority. Furthermore, the owner of a boiler or pressure vessel shall keep the latest certificate of fitness issued, or a copy thereof, at the premises or place at which the boiler or pressure vessel is installed. The owner of a boiler or pressure who, without reasonable excuse, contravenes these requirements shall be guilty of an offense and shall be liable on summary conviction to a fine of HK$10,000.

Protection of Endangered Species of Animals and Plant Ordinance

The Protection of Endangered Species of Animals and Plant Ordinance (Chapter 586 of the Laws of Hong Kong) (the "**Protection of Endangered Species Ordinance**") regulates the import, introduction from the sea, export, re-export, and possession or control of certain endangered species of animals and plants and parts and derivatives of those species, and provides for incidental and connected

matters. As we import artificially propagated Saussurea costus (雲木香) which is used as an ingredient for manufacturing one of our branded PCM products, and export such branded PCM products which contains artificially propagated Saussurea costus, we are subject to the regulation of the said ordinance. We are however not required to obtain a license for the possession or control of a specimen of a scheduled species as none of the Saussurea costus we imported during the Track Record Period were live plant.

According to the Protection of Endangered Species Ordinance, a person may obtain a license for the import, export or re-export of a specimen of a scheduled species from the Agriculture, Fisheries and Conservation Department. A person shall not import, export or re-export a specimen of an appendix II species (in our case, Saussurea costus) except, inter alia, under and in accordance with a license issued in respect of that specimen prior to the import, and a Convention certifying document showing that (i) the specimen is not a live animal or plant of wild origin, nor is it a live animal or plant that shall be treated as a specimen of an appendix II species, and (ii) the species is not of a population included in appendix I if the species is specified in both appendix I and appendix II. A "Convention certifying document" in this context means a permit, certificate or other document that is issued by a relevant authority of that place in respect of that specimen and remains in force when relied on to show compliance with the said ordinance, and that conforms to the provisions applicable to such a permit, certificate or other document as the case may be issued in respect of that specimen. A person who contravenes an offense under the said ordinance is liable on summary conviction to a fine of HK$500,000 and to imprisonment for one year or liable on conviction on indictment to a fine of HK$1,000,000 and to imprisonment for seven years.

Import and Export Ordinance, Import and Export (General) Regulations, and Import and Export (Registration) Regulations

The Import and Export Ordinance (Chapter 60 of the Laws of Hong Kong) regulates and controls, inter alia, the import of articles into and the export of articles from Hong Kong. As we import certain herbs which are toxic herbs in schedule 1 (namely unprocessed Radix Aconiti, unprocessed Rhizoma Arisaematis, unprocessed Rhizoma Pinelliae and unprocessed Radix Aconiti Lateralis) for the manufacturing purposes of our business, and we export our branded PCM products, we are subject to the regulation of this ordinance.

The Import and Export Ordinance stipulates that no person shall import or export any articles specified in schedule 1 to the Import and Export (General) Regulations (Chapter 60A of the Laws of Hong Kong) without a proper import or export license. The articles in the said schedule 1 include, inter alia, proprietary Chinese medicines as defined under the Chinese Medicine Ordinance, and certain Chinese herbal medicines. Any person who contravenes an offense under the Import and Export Ordinance in respect of pharmaceutical products, medicines, and proprietary Chinese medicines shall be liable on conviction to a fine of HK$500,000 and to imprisonment for two years.

As dictated by the Import and Export (Registration) Regulations (Chapter 60E of the Laws of Hong Kong), every person who imports or exports any article other than an exempted article shall lodge with the Hong Kong Customs and Excise Department an accurate and complete import or export declaration. Any person who fails or neglects, without reasonable excuse, to lodge the required declaration within 14 days shall be guilty of an offense and shall be liable on summary conviction to a fine of HK$2,000, and, commencing on the day following the date of conviction, to a fine of HK$100 in respect of every day during which his failure or neglect to lodge such declaration in that manner

continues. Furthermore, any person who knowingly or recklessly lodges any declaration that is inaccurate in any material particular shall be guilty of an offense and shall be liable on summary conviction to a fine of HK$10,000.

Undesirable Medical Advertisements Ordinance

The Undesirable Medical Advertisements Ordinance (Chapter 231 of the Laws of Hong Kong) aims to protect public health through restricting certain advertisements relating to medical and health matters. The labeling and advertising of certain of our products are subject to the regulation of this ordinance.

The Undesirable Medical Advertisements Ordinance prohibits the publishing of any advertisements likely to lead to the use of any medicine, surgical appliance or treatment for (i) the purpose of treating human beings for, or preventing human beings from contracting, any diseases or condition specified in column 1 in schedule 1 to the said ordinance (including, among others, parasitic diseases, diseases of the heart or cardiovascular system, gastro-intestinal diseases, diseases of the nervous system, diseases of the blood or lymphatic system, diseases of the musculoskeletal system, diseases of the skin, hair or scalp, and viral, bacterial, fungal or other infectious diseases); or (ii) treating human beings for any purpose specified in schedule 2 to the said ordinance (including (a) the induction of menstruation or relief of amenorrhea or delayed menstruation or any other gynecological or obstetrical disease; (b) the promotion of sexual virility, desire or fertility, or the restoration of lost youth; and (c) the correction of deformity or the surgical alteration of a person's appearance).

According to the Undesirable Medical Advertisements Ordinance, "advertisement" includes any notice, poster, circular, label, wrapper or document, and any announcement made orally or by any means of producing or transmitting light or sound, published in newspapers and magazines, leaflets, on radio, television, and internet, as well as on the label of a container or package containing any medicine, surgical appliance, treatment, or orally consumed product. However, the supply, inside any container or package containing any medicine, surgical appliance or treatment, of information relating to that or any other medicine, surgical appliance or treatment shall not constitute the publication of an advertisement.

Any person who contravenes a provision under the Undesirable Medical Advertisements Ordinance shall be guilty of an offense and shall be liable upon a first conviction to a maximum fine of HK$50,000 and to imprisonment for six months and upon a second or subsequent conviction for an offense under the same provision to a maximum fine of HK$100,000 and to imprisonment for one year.

Trade Descriptions Ordinance

The Trade Descriptions Ordinance (Chapter 362 of the Laws of Hong Kong) prohibits false trade description, false, misleading or incomplete information, false marks and misstatements in respect of goods provided in the course of trade or suppliers of such goods. Under the said ordinance, "trade description" in relation to goods is defined as an indication, direct or indirect, and by whatever means given, with respect to the goods or any part of the goods including an indication of the specified matters, including, inter alia, quantity, size or gage, method of manufacture, composition, fitness for purpose, availability, compliance with a standard specified or recognized by any person, price, place or date of manufacture, production, processing or reconditioning, person by whom manufactured, produced, processed or reconditioned. The labeling and advertisements in respect of our products are subject to the relevant provisions therein.

The Trade Descriptions Ordinance provides that it is an offense to (i) in the course of any trade or business apply a false trade description to any goods, or supply or offer to supply any goods to which a false trade description is applied; or (ii) have in one's possession for sale or for any purpose of trade or manufacture any goods to which a false trade description is applied; (iii) apply a false trade description to a service supplied or offered to be supplied to a consumer; (iv) supply or offer to supply to a consumer a service to which a false trade description is applied; or (v) have the importation or exportation of any goods to which a false trade description or forged trade mark is applied. The Trade Descriptions Ordinance further prescribes that a trader who engages in relation to a consumer in a commercial practice that is (i) a misleading omission; (ii) aggressive; or (iii) constitutes (a) bait advertising, (b) a bait and switch, or (c) wrongly accepting payment for a product, commits an offense.

Any person who commits an offense under the Trade Descriptions Ordinance shall be liable, on conviction on indictment, to a fine of HK$500,000 and to imprisonment for five years, and on summary conviction, to a maximum fine of HK$100,000 and to imprisonment for two years.

Trade Marks Ordinance

The Trade Marks Ordinance (Chapter 559 of the Laws of Hong Kong) provides for the registration of trade marks, the use of registered trade marks and connected matters. Under the said ordinance, "trade mark" is defined as any sign which is capable of distinguishing the goods or services of one undertaking from those of other undertakings and which is capable of being represented graphically. The registration and maintenance of trade marks for our self-manufactured own brand products, and the distribution of products under third-party trade marks are subject to the regulation of this ordinance.

The Trade Marks Ordinance provides territorial protection for trade marks. As such, trade marks registered in other countries or regions are not automatically entitled to protection in Hong Kong. In order to enjoy protection by the laws of Hong Kong, trade marks must be registered with the Trade Marks Registry of the Intellectual Property Department. Upon registration of the trade mark, the owner is conferred exclusive rights in the trade mark which are infringed by use of the trade mark in Hong Kong without his consent. In respect of any infringement of a registered trade mark, the owner is entitled to remedies under the said ordinance, including, inter alia, damages, injunctions, accounts, order for delivery up and order for disposal.

Companies Ordinance

Pursuant to the Companies Ordinance, a private company incorporated in Hong Kong must in respect of every year (except the year of its incorporation) deliver to the Registrar of Companies (the "**Registrar**") for registration an annual return in the specified form within 42 days after the anniversary of the date of the company's incorporation in that year. In the event of certain corporate changes, including but not limited to alteration of articles of association, change of company name, change of place at which the register of members is kept, that company must also notify the Registrar of such change in prescribed form and be delivered to the Registrar within the specified period. A company that fails to do any of the above, and every responsible person of the company, shall be guilty of an offense and liable to a fine and, in the case of a continuing offense, to a further fine for each day during which the offense continues.

The Companies Ordinance also imposes certain obligations on, among other matters, registration of transfer of shares, keeping records of all proceedings at meeting of directors, notification on passing of written resolutions and holding of annual general meetings. A company that fails to do any of the above, and every responsible person of the company, shall be guilty of an offense and liable to a fine.

Business Registration Ordinance

The Business Registration Ordinance (Chapter 310 of the Laws of Hong Kong) sets forth the law relating to the registration of businesses in Hong Kong. Under this ordinance, "business" is defined as any form of trade, commerce, craftsmanship, profession, calling or other activity carried on for the purpose of gain and also defined as a club.

Under the Business Registration Ordinance, every person carrying on any business or commencing to carry on any business shall make application to the Inland Revenue Department in the manner prescribed for the registration of that business. A business registration application shall be made within one month of the commencement of such business. In addition, any person carrying on business at a branch of business shall make application in the manner prescribed for the registration of that branch within one month of the commencement of business at the branch. The valid business registration certificate or branch registration certificate must be displayed in a conspicuous place at the address where the business is carried on and should be produced for official inspection on demand. Where business registration certificates are issued in electronic form under the one-stop company and business registration service, companies must display a printed copy of such certificates. Any person who fails to make any registration application as required under the said ordinance shall be guilty of an offense and shall be liable to a maximum fine of HK$5,000 and to imprisonment for one year.

Personal Data (Privacy) Ordinance

The Personal Data (Privacy) Ordinance protects the privacy interests of living individuals in relation to personal data. It covers any automated and non-automated data relating directly or indirectly to a living individual and applies to both public and private bodies as data users that control the collection, holding, processing or use of personal data. There are six principles in respect of the purpose and manner of collection of data, the accuracy and duration of retention of data, the use of personal data, the security of personal data, the information to be generally available and the access to personal data. In general, the personal data shall be lawfully and fairly collected and steps should be taken to ensure that the data subject is explicitly or implicitly informed on or before collecting the data. Personal data should also be accurate, up-to-date and kept no longer than necessary while unless with the consent from the data subjects, personal data should be used for the purposes for which they were collected or a directly related purpose.

The Office of the Privacy Commissioner for Personal Data (the "**PCPD**") is the governing body to promote, administer and oversee the enforcement of the Personal Data (Privacy) Ordinance. It has the power to carry out inspections of any personal data systems, to receive complaints from individuals and to investigate data users in respect of the complaints filed. The PCPD may issue an enforcement notice to the person or company who committed the breach, with intent to direct that wrongdoer to stop violating the data collection principles and take any necessary remedial action. Non-compliance with the PCPD's enforcement notice is an offense and is liable (i) for a first offense, to a fine of HK$50,000, imprisonment for two years and a daily penalty of HK$1,000 for an offense which continues after the conviction, and (ii) for a subsequent offense, to a fine of HK$100,000, imprisonment for two years and

a daily penalty of HK$2,000 for an offense which continues after the conviction. Those who suffer damage, including injury to feelings, as a result of such violation may also be entitled to compensation from the wrongdoer through civil proceedings.

Competition Ordinance

The Competition Ordinance prohibits (i) making or giving effect to agreements, engaging in a concerted practices, or, in the case of associations of undertakings, making or giving effect to decisions, that have as their object or effect the prevention, restriction or distortion of competition in Hong Kong; (ii) unilateral abuses of substantial market power that are engaged in with the object or effect of the prevention, restriction or distortion of competition in Hong Kong; and (iii) mergers of telecommunications carriers that have, or are likely to have the effect of substantially lessening competition in Hong Kong. This ordinance came into effect on December 14, 2015. There will be no retrospective application of these three prohibitions. Therefore, this ordinance applies to the entry into and giving effect of agreements that we concluded after the coming into effect of the Competition Ordinance. The ordinance also applies to agreements, if any, that we entered into before the effective date of the Competition Ordinance, insofar as the parties continued to give effect to such agreements after the effective date.

Upon contravention of a competition rule by an offender, the Competition Tribunal may impose penalties including pecuniary penalty, injunctive orders, disqualification orders, costs orders, award of damages, and other orders. If a pecuniary penalty is to be imposed, the maximum amount of such pecuniary penalty imposed in relation to conduct constituting a single contravention is 10% of the turnover of the undertaking concerned for each year the contravention occurred, or, if the contravention occurred in more than three years, 10% of the turnover of the undertaking concerned for the three years in which the contravention occurred that saw the highest, second highest and third highest turnover.

Employees' Compensation Ordinance

The Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong) establishes a no-fault and non-contributory employee compensation system for work injuries and lays down the rights and obligations of employers and employees in respect of injuries or death caused by accidents arising out of and in the course of employment, or by prescribed occupational diseases. This ordinance applies to all full-time or part-time employees who are employed under contracts of service or apprenticeship, but does not apply to casual employees (but still applies to employees employed for the purposes of the employer's trade or business), outworkers, or members of the employer's family who live with him.

According to the Employees' Compensation Ordinance, if an employee sustains an injury or dies as a result of an accident arising out of and in the course of his employment, his employer is in general liable to pay compensation even if the employee might have committed acts of faults or negligence when the accident occurred. Similarly, an employee who suffers incapacity or dies arising from an occupational disease is entitled to receive the same compensation as that payable to employees injured in occupational accidents. We, as an employer, shall report work injuries of our employees to the Labor Department not later than 14 days after the accident, irrespective of whether the accident gives rise to any liability to pay compensation.

As imposed by the Employees' Compensation Ordinance, all employers are required to take out insurance policies to cover their liabilities both under such ordinance and at common law for injuries at work in respect of all their employees (including full-time and part-time employees). The minimum insurance cover is: (i) HK$100 million per event where the number of employees in relation to whom the policy is in force does not exceed 200; and (ii) HK$200 million per event where the number of employees in relation to whom the policy is in force exceeds 200. An employer who fails to comply with the said ordinance to secure an insurance cover commits an offense and is liable on conviction upon indictment to a fine of HK$100,000 and imprisonment for two years and on a summary conviction to a fine of HK$100,000 and to imprisonment for one year.

According to the Employees' Compensation Ordinance, an employer shall not, without the consent of the Labor Department, terminate, or give notice to terminate, the contract of service of an employee (who has suffered incapacity or temporary incapacity in circumstances which entitle him to compensation under such ordinance) before occurrence of certain events. Any person who commits breach of this provision is liable on conviction to a maximum fine of HK$100,000.

Employment Ordinance

The Employment Ordinance (Chapter 57 of the Laws of Hong Kong) provides for the protection of the wages of employees, regulates general conditions of employment and employment agencies, and for matters connected therewith. Subject to limited exceptions, this ordinance applies to all employees engaged under a contract of employment, to employers of such employees and to the contract of employment between such employers and employees, and makes provision for, inter alia, payment of wages, end of year payment, rest days, holidays, and leave, sickness allowance, maternity protection and paternity leave. An employer who, without reasonable excuse, fails to comply with the relevant provisions, shall be guilty of an offense and shall be liable on conviction to a fine ranging between HK$10,000 and HK$350,000.

The Employment Ordinance also requires an employer to keep records of, inter alia, sickness days, annual leave, wage and employment history in relation to each employee. An employer who fails to keep such record is shall be liable on conviction to a fine of HK$10,000.

Mandatory Provident Fund Schemes Ordinance

The Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) (the "**MPF Schemes Ordinance**") specifies that employers shall participate in a registered mandatory provident fund scheme for employees employed under the jurisdiction of the Employment Ordinance.

Under the MPF Schemes Ordinance, employers are required to enroll their regular employees (full-time and part-time) and self-employed persons, except for exempt persons, who are at least 18 but under 65 years of age who have been employed for a continuous period of 60 days or more within the first 60 days of employment. For both employees and employers, it is mandatory to make regular contributions into a registered mandatory provident fund scheme. For an employee, subject to the maximum and minimum levels of income (HK$30,000 and HK$7,100 per month, respectively), an employer will deduct 5% of the relevant income on behalf of an employee as mandatory contributions to a registered mandatory provident fund scheme with a ceiling of HK$1,500. An employer will also be required to contribute an amount equivalent to 5% of an employee's relevant income to the registered mandatory provident fund scheme, subject only to the maximum level of income (HK$30,000 per month).

According to the MPF Schemes Ordinance, employers found to have evaded or delayed payment of MPF contributions, deducted employer contributions from an employee's pay, or failed to enroll their employees to a registered mandatory provident fund scheme, may be liable to a financial penalty and potential criminal prosecution.

Occupational Safety and Health Ordinance

The Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong) aims to ensure the safety and health of persons when they are at work and provides for related matter. This ordinance and its subsidiary regulations impose general duty of care on employers, occupiers of premises and employees, and formulate basic requirements in accident prevention, fire prevention, working environment, workplace hygiene, first aid, manual handling operation and use of display screen equipment. Under the Occupational Safety and Health Ordinance, an employer is responsible to ensure the safety and health of its employees, which includes, inter alia: (i) providing or maintaining plant and systems of work that are, so far as reasonably practicable, safe and without risks to health; (ii) making arrangements for ensuring, so far as practicable, safety and absence of risks to health in connection with the use, handling, storage and transport of plant or substances; (iii) providing such information, instruction, training and supervision as may be necessary to ensure, so far as reasonably practicable, the safety and health at work of the employer's employees; (iv) maintaining the workplace in a condition that is, so far as reasonably practicable, safe and without risks to health; (v) providing or maintaining means of access to or egress from the workplace that are, so far as reasonably practicable, safe and without such risks; and (vi) providing or maintaining a working environment for its employees that is, so far as reasonably practicable, safe and without risks to health. An employer who fails to comply with the said provisions commits an offense and is liable on summary conviction to a fine of HK$3 million or conviction on indictment to a fine of HK$10 million. An employer who fails to comply with the said provisions intentionally, knowingly or recklessly commits an offense and is liable on summary conviction to a fine of HK$3 million and to imprisonment for six months, or conviction on indictment to a fine of HK$10 million and to imprisonment for two years.

OVERVIEW

We are the largest PCM group in Hong Kong by end-market sales in 2025 that manufactures, markets and distributes branded PCM products with deep heritage and unique formulations, and provides Chinese medicine clinic services.

Our history can be traced back to the establishment of Jacobson Pharma Group by Mr. Sum in 1998, initially as a pharmaceutical company which expanded and grew successfully to encompass, among others, a branded healthcare business. Over the years, this branded healthcare business developed a large portfolio of branded PCM products, including an array of well-known PCM brands, branded medicines and health and wellness products among consumers worldwide. Among its various businesses, the manufacturing, marketing and distribution of branded PCM products have been operated by our Group.

In 2021, recognizing the significant growth of its branded healthcare business and in order to facilitate its further expansion, Jacobson Pharma conducted a spin-off listing on the Stock Exchange of its branded healthcare business under JBM and thereafter, such branded healthcare business continued its operations under the listed platform of the JBM Group, including the manufacturing, marketing and distribution of branded PCM products by our Group. Subsequently, in 2023, Jacobson Pharma completed a distribution in specie of JBM Shares it held at the time, upon which JBM ceased to be a subsidiary of Jacobson Pharma. As of the Latest Practicable Date, our Company was indirectly wholly-owned by JBM.

Over the years of our history and development, we have built an extensive portfolio of branded PCM products. We carry a number of well-established and reputable PCM brands, including Flying Eagle Wood Lok Medicated Oil since 2003, Po Chai Pills since 2010, Tong Tai Chung Medicated Oil and Konsodona Medicated Oil since 2014, Shiling Oil since 2017, Hoitin brand CCMG products since 2018 and Tin Hee Tong Tin Hee Pills since 2025. We rejuvenated the heritage household brands and market positions and have grown their businesses substantially.

In 2025, we expanded our business by extending to the provision of Chinese medicine clinic services, which allowed us to tap into the Chinese medicine value chain, spanning from the production and distribution of Chinese medicine products to the delivery of Chinese medicine healthcare services, creating synergies with our product offerings. With the continuing growth and expanding in scale of our Chinese medicine business, the **[REDACTED]** is conducted with a view to create a dedicated platform for the development, expansion and strategic positioning of our branded PCM products and Chinese medicine clinic services and further strengthening brand recognition among consumers and patients. For further details of the reasons for and benefits of the **[REDACTED]**, see "— **[REDACTED]** of Our Group from JBM" below.

KEY MILESTONES

The following table illustrates the key milestones and achievements of our corporate and business development:

Year	Milestones
2003	• Acquired the Flying Eagle Wood Lok Medicated Oil business, an early milestone of the development of our branded PCM product business

Year	Milestones
2010	• Acquired control of the Po Chai Pills business, which carries the Po Chai Pills brand, a well-recognized heritage brand with 130 years of tradition. The addition of Po Chai Pills to our branded PCM product portfolio significantly fueled our growth
	• The manufacturing facility for Flying Eagle Wood Lok Medicated Oil obtained GMP accreditation
2014	• The manufacturing of Po Chai Pills was moved to Tai Po InnoPark expanding its manufacturing scale. Our manufacturing facilities for Po Chai Pills in the Tai Po InnoPark became GMP-accredited
2014–2017	• Acquired the Tong Tai Chung Medicated Oil and Shiling Oil businesses, which further enriched our own branded PCM product portfolio
2015	• Po Chai Pills brand was named as a "Hong Kong Top Brand" by the Hong Kong Brand Development Council and the Chinese Manufacturers' Association of Hong Kong
2016	• Tong Tai Chung brand was named as a "Hong Kong Top Brand" by the Hong Kong Brand Development Council and the Chinese Manufacturers' Association of Hong Kong
2017	• Po Chai Pills brand was named as a "Hong Kong Premier Brand" by the Hong Kong Brand Development Council and the Chinese Manufacturers' Association of Hong Kong
2018–2019	• Acquired shareholding in the Orizen Group, which expanded our product coverage to include CCMG products
2021	• Spin-off listing of JBM
2024	• Po Chai Pills brand was awarded the "Hong Kong Top Brand Ten Year Achievement Award" by the Hong Kong Brand Development Council and the Chinese Manufacturers' Association of Hong Kong
2025	• Acquired Tin Hee Tong, which expanded our own branded PCM product portfolio to include the Tin Hee Tong Tin Hee Pills, an 120-year-old heritage branded PCM product
	• Acquired the Kenford Medical Group, which expanded our business to the provision of Chinese medicine clinic services, including Chinese medicine and acupuncture

Year	Milestones
	• Po Chai Pills brand was awarded the following recognition: — Silver Award in the High Speed Rail category at the 10th OOH Contextual Marketing Award — Bronze Award for "Best Use of User Generated Content" at the 2025 Spark Awards with its "Ho Chai Kung — Po Chai Pills AI Photobooth" campaign — Excellence Award in the Digital Outdoor category at the 25th IAI Awards with the "Ho Chai Kung — Po Chai Pills AI Photobooth" campaign
	• Flying Eagle Wood Lok Medicated Oil brand was named as a "Hong Kong Top Brand" by the Hong Kong Brand Development Council and the Chinese Manufacturers' Association of Hong Kong. In addition, it received the Silver Award in the "Best Idea — Launch/Rebranding" category of the MARKies Awards by MARKETING-INTERACTIVE and the special award for "Excellence in TV Commercial" by the Hong Kong Management Association under the "HKMA/ViuTV & Now TV Awards for Marketing Excellence" for its marketing campaign
	• Clinical research on Flying Eagle Wood Lok Medicated Oil was completed at Shanghai University of Traditional Chinese Medicine, which found significant efficacy of Flying Eagle Wood Lok Medicated Oil in relieving lower back pain. Such findings were published in two international journals, Journal of Pain Research and Journal of Medical Internet Research (JMIR) Research Protocols
2026	• Acquired King Pui and Siulun Medheart, which expanded our business to the provision of Chinese medicine clinic services, including internal medicine, orthopedic and traumatology, acupuncture and other Chinese medicine consultation and treatment services
	• Po Chai Pills brand was awarded the Merit Award in the Hong Kong Roots — The Legendary Roots, TVC or Video Format category at the Kam Fan Awards 41st edition by The Association of Accredited Advertising Agencies of Hong Kong, for its campaign "Boss Koo's Choice • Po Chai Pills Sachet"
	• Establishment of a Chinese medicine research and development joint laboratory with Shanghai University of Traditional Chinese Medicine
	• Started production of Tin Hee Tong Tin Hee Pills in a GMP-accredited facility
	• Incorporation of our Company for the **[REDACTED]**

MAJOR SUBSIDIARIES

The principal business activities, dates of establishment and commencement of business of those of our subsidiaries which made material contribution to our results of operations during the Track Record Period are shown below:

Name of entity	Principal business activities	Place of establishment	Date of establishment and commencement of business
LCST (Holdings).	Manufacturing and sale of Po Chai Pills	Hong Kong	January 8, 1988
Tin Hee Tong	Manufacturing and sale of Tin Hee Tong Tin Hee Pills	Hong Kong	December 20, 1966
Europharm Laboratoires (Hong Kong) Company Limited	Manufacturing and sale of medicated oil products	Hong Kong	September 12, 2019
PCCH	Sale of CCMG products	Hong Kong	March 26, 2003
Kenford Medical	Provision of Chinese medicine consultancy services, including Chinese medicine and acupuncture	Hong Kong	June 21, 2016
King Pui	Provision of Chinese medicine consultancy services, including orthopedic and traumatology, acupuncture and other Chinese medicine consultancy services	Hong Kong	April 22, 2016

[REDACTED] OF OUR GROUP FROM JBM

The **[REDACTED]** will constitute a **[REDACTED]** from JBM, our Controlling Shareholder upon the **[REDACTED]**. The proposal in relation to the **[REDACTED]** was submitted by JBM to the Stock Exchange for approval pursuant to Practice Note 15 of the Listing Rules, and the Stock Exchange has confirmed that JBM may proceed with the **[REDACTED]**. Our Board considers that it is in the interest of our Group to conduct the **[REDACTED]** for the following reasons:

(i) *Creation of a new and sustainable platform for a comprehensive offering of branded PCM products and Chinese medicine clinic services:* The **[REDACTED]** is expected to enable our Group to emerge as a new platform which offers comprehensive Chinese medicine products and Chinese medicine clinic services to the broader consumer market. It aims to integrate heritage, proven efficacy and consumer trust associated with its branded PCM products with the professionalism of Chinese medicine clinic services, providing consumers and patients with comprehensive Chinese medicine solutions. The **[REDACTED]** is expected to enhance the overall corporate identity, corporate governance and brand recognition among target consumers for the products and services offered by our Group.

(ii) *Unlocking the value of heritage branded PCM products through dedicated brand management*: We possess a portfolio of trusted heritage branded PCM products with long operating histories, through which these brands have established enduring connections, trust

and credibility with consumers across generations. Examples include Po Chai Pills, Tin Hee Tong Tin Hee Pills, Flying Eagle Wood Lok Medicated Oil, Shiling Oil, Tong Tai Chung Medicated Oil and Konsodona Medicated Oil. The **[REDACTED]** is expected to enable us to better showcase and realize the value of the brand heritage of these products through a clear corporate identity, allowing dedicated marketing resources and brand management efforts to be focused on these branded PCM products.

(iii) *Enhanced strategic and management focus*: Given the clear distinction between the nature of products and services offered by our Group and the JBM Group, as more particularly detailed in the section headed "Relationship with JBM" below, with our Group focusing on Chinese-medicine related products and services, the **[REDACTED]** would allow both our Group and the JBM Group to better align our management focus, resources and strategies with our respective businesses in the Chinese-medicine and non-Chinese medicine sectors.

The **[REDACTED]** will enable us to prioritize the development, marketing, geographic expansion and regulatory compliance of our branded PCM products and Chinese medicine clinic services. In addition, in view of the new Chinese medicine clinic services to be provided by our Group, the **[REDACTED]** provides a good opportunity for our Group to realize the synergies between our product offerings and our clinic services.

Among other benefits, the Chinese medicine clinics of our Group will provide a direct selling platform for our branded PCM products, enabling direct engagement with and access to end customers. These synergies are expected to strengthen customer relationships, brand recognition and the overall market position of our Group's Chinese medicine business. At the same time, the JBM Group would be able to focus its efforts on brand promotion in the non-Chinese medicine market, capturing growing demand, business potential and expansion of its own branded medicines portfolio, thereby strengthening consumer loyalty towards its branded medicines and health and wellness products.

Accordingly, the **[REDACTED]** would allow our Group and the JBM Group to pursue our respective distinct operating priorities and strategies more effectively, and would enable the management of both groups to concentrate on the unique growth opportunities in our respective markets so as to achieve long-term growth and profitability.

(iv) *Distinct* **[REDACTED]** *identity:* The **[REDACTED]** is expected to provide an opportunity to enhance the overall value of our Group and the JBM Group as a whole. It is expected to unlock the value of our Group's business and allow the **[REDACTED]** to access and value the businesses of our Group and the JBM Group, separately according to our respective characteristics. This clearer **[REDACTED]** distinction reflects the fundamentally different nature of our respective product and service offerings. In addition to differences in product differentiation and regulatory cycles, the business of our Group also differs from that of the JBM Group in other important aspects, including marketing and promotion.

(v) *Direct access to capital markets:* The **[REDACTED]** will provide us with our own **[REDACTED]** platform and independent equity structure, affording us direct and independent access to the capital market for debt and equity financing. This will enable us to raise capital on a standalone basis, identify strategic partners and pursue mergers and acquisitions with greater financial flexibility and using our own resources, thereby supporting the execution of our long-term growth strategy.

ACQUISITIONS

During the Track Record Period, we conducted acquisitions to enhance our product portfolio of branded PCM products and capture the Chinese medicine clinic service market in Hong Kong, details of which are set out below. None of the acquisitions detailed in this section below fall within the scope of Rule 4.05A of the Listing Rules as none of the applicable size tests meet the percentage threshold for major transactions, being 25%.

Save as disclosed in this section, we did not conduct any other major acquisition, disposal or merger which we consider to be material to the operations and performance of our Group during the Track Record Period. As confirmed by our Directors, each of the transactions disclosed below has been properly and legally completed and settled, and the applicable regulatory approvals for the transfers (if any) have been obtained.

Acquisition of Tin Hee Tong

On February 21, 2025, we entered into a sale and purchase agreement with Mr. Hou Jiasheng, who at the time and as of the Latest Practicable Date was an Independent Third Party, to acquire 90% of the issued share capital of Tin Hee Tong for a consideration of HK$171 million. The consideration was fully settled and the said acquisition was completed on April 3, 2025. The consideration was determined after arm's length negotiations between the parties with reference to, among other things, (i) the historical financial performance of Tin Hee Tong, (ii) the financial position of Tin Hee Tong and (iii) the benefits of the acquisition for our Group.

Subsequently on September 2, 2025, we entered into a further sale and purchase agreement with Mr. Yang Qicheng David, who at the time was a substantial shareholder of our subsidiary (by virtue of his shareholding in Tin Hee Tong), to acquire the remaining 10% of the issued share capital of Tin Hee Tong for a consideration of HK$19 million. The consideration was fully settled and the said acquisition was completed on October 2, 2025.

The acquisition of Tin Hee Tong, which is a company principally engaged in the manufacturing, marketing and sales of Tin Hee Tong Tin Hee Pills (a branded PCM product with a long operating history), enabled us to expand our portfolio of branded PCM products to integrate the Tin Hee Tong Tin Hee Pills, which, according to the Frost & Sullivan Report, enjoys strong brand recognition in Hong Kong and the Chinese mainland.

Acquisition of the Kenford Medical Group

On June 16, 2025, we entered into a sale and purchase agreement with Ever Development Holdings Limited, an Independent Third Party, to acquire the entire issued share capital of Kenford Medical for a consideration of HK$38 million. The consideration was fully settled and the said acquisition was completed on June 30, 2025. The consideration was determined after arm's length negotiations between the parties with reference to, among other things (i) the historical financial performance of the Kenford Medical Group, (ii) the financial position of the Kenford Medical Group and (iii) the benefits of the acquisition for our Group.

The acquisition of the Kenford Medical Group, which is a Chinese medicine consultancy services provider, operating a network of over 20 clinics in Hong Kong, represented a strategic opportunity for us to capitalize on the increasing demand for Chinese medicine consultancy services and enabled us to

expand the distribution base of our CCMG products through the Kenford Medical Group's extensive clinic network. The acquisition was the first step by our Group to expand into patient consultancy services of Chinese medicines.

Acquisition of King Pui and Siulun Medheart

On December 30, 2025, we entered into a sale and purchase agreement with Mr. Mok Wing Ho, an Independent Third Party, to acquire the entire issued share capital of (i) King Pui and (ii) Siulun Medheart, for a total consideration of HK$36 million. The consideration was fully settled and the said acquisition was completed on January 30, 2026. The consideration was determined after arm's length negotiations between the parties with reference to, among other things (i) the historical financial performance of King Pui and Siulun Medheart, (ii) the financial position of King Pui and Siulun Medheart, and (iii) the benefits of the acquisition for our Group.

The acquisition of King Pui and Siulun Medheart, which are both companies principally engaged in the provision of Chinese medicine consultancy services, orthopedic and traumatology specialist medical services and the sales of Chinese healthcare products, represented a further strategic opportunity for us to capitalize on the increasing demand for Chinese medicine consultancy services (including orthopedic and traumatology, acupuncture and other Chinese medicine consultation and treatment services) and enabled us to expand the distribution base of our CCMG products through the King Pui and Siulun Medheart's extensive clinic network.

CHANGES IN SHAREHOLDING OF OUR SUBSIDIARIES

During the Track Record Period and up to the Latest Practicable Date, the following changes in the shareholding of our subsidiaries took place.

LCST (Holdings) and Quinwood

In order to comply with certain lease provisions for the factory premises used by our subsidiary, LCST (Holdings), LCST (Holdings) must fall under the definition of a "permitted entity" under the said lease (and for this purpose, it has to be an associate company of Europharm Laboratoires Company Limited ("**ELCL**"), a subsidiary of Jacobson Pharma, which should hold more than 20% shares in the issued share capital of LCST (Holdings)). In this connection, on November 11, 2024, our wholly-owned subsidiary, Po Chai Herbal Technology Limited ("**PCHTL**") sold 20.1% of the issued share capital of LCST (Holdings) to ELCL for a consideration of HK$46,230,000, which was fully settled and completed on November 29, 2024.

Further, in order to consolidate majority control in our subsidiaries, LCST (Holdings) and Quinwood (the principal business of which is the holding of trademarks for our Po Chai Pills business conducted under LCST (Holdings)), we have, between July 7, 2025 and August 22, 2025, acquired an aggregate interest of 28% in the issued share capital of LCST (Holdings) and an aggregate interest of 21% in the issued share capital of Quinwood for an aggregate consideration of HK$84 million and US$2,100, respectively, from the minority shareholders in such subsidiaries, namely, Lee Cheung Nang Alfred, Lee Wei Seng Alexander, Lee Kam Sang Franklin and Li Tai Sang Albert, all being Independent Third Parties.

The consideration for these share transfers were determined after arm's length negotiations between the parties with reference to, among other things (i) the historical financial performance and the financial position of LCST (Holdings) and (ii) the business potential of LCST (Holdings). Immediately upon completion of the above transfer of shares, LCST (Holdings) was owned as to 71.9% by the Group and Quinwood was owned as to 92% by the Group.

On June 29, 2026, PCHTL further acquired all shares held by ELCL in LCST (Holdings), being 24.9% shares for a consideration of HK$74.7 million, which was fully settled and completed on July 3, 2026. The consideration of such transfer of shares was determined after arm's length negotiations between the parties with reference to, among other things, (i) the historical financial performance and the increasing trend of revenue of LCST (Holdings) for the financial years ended March 31, 2024, 2025 and 2026, (ii) the business potential of LCST (Holdings), and (iii) that the consolidation of control could promote long-term growth of LCST (Holdings). After completion of this share transfer and as of the Latest Practicable Date, LCST (Holdings) was held as to 96.8% by PCHTL.

Orizen

On May 22, 2026, we acquired the remaining 2.0% shares in the issued share capital of Orizen held by Mr. Law Shun Hoi, an Independent Third Party, for a consideration of HK$8.38 million, which was fully settled and completed on May 29, 2026. The consideration was determined after arm's length negotiations between the parties with reference to, among other things, the historical financial performance and the financial position of Orizen.

REORGANIZATION

In preparation for the **[REDACTED]**, our Group underwent the following Reorganization steps as summarized below:

As part of the Reorganization, our Company was incorporated in the Cayman Islands on March 26, 2026 to become the holding company of our Group.

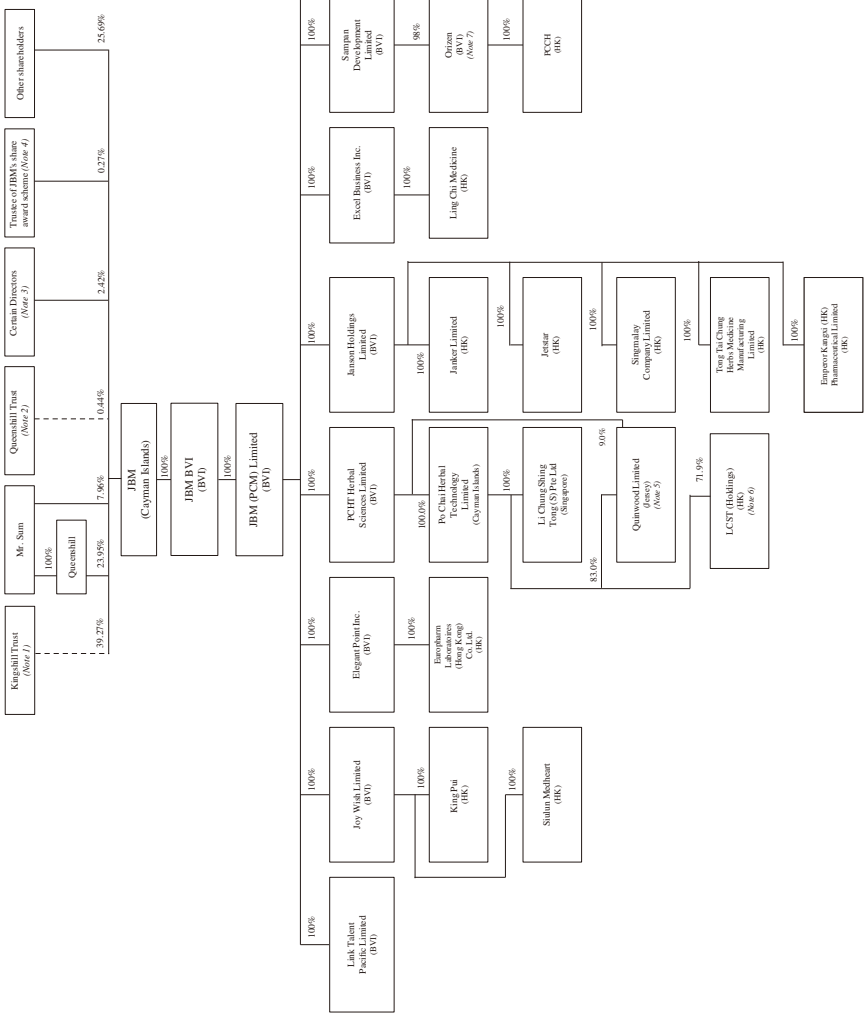
On March 27, 2026, our Company acquired all the issued shares of JBM (PCM) Limited held by JBM BVI at investment cost of approximately HK$7,799, which was satisfied by the issue and allotment of 779,999 new Shares at par value, credited as fully paid to JBM BVI and the crediting as fully paid of the one nil paid share held by JBM BVI. Upon completion, our Company became the holding company of our Group and JBM BVI is the immediate sole shareholder of our Company.

On July 13, 2026, the authorized share capital of our Company was increased from HK$390,000 divided into 39,000,000 Shares, to HK$10,000,000 divided into 1,000,000,000 Shares.

On July 15, 2026, our Company alloted and issued 434,220,000 Shares to JBM BVI to capitalize certain amounts due to JBM BVI. Upon completion, JBM BVI held a total of 435,000,000 Shares.

CORPORATE STRUCTURE

The following chart illustrates the corporate and shareholding structure of our Group immediately before commencement of the Reorganization:



Notes:

(1) Such shares are held by Lincoln's Hill, which is wholly-owned by Trust Co under The Kingshill Trust, a discretionary trust established by Mr. Sum (as the settlor) with Mr. Sum and his family members as the discretionary beneficiaries. Trust Co is in turn wholly-owned by UBS Trustees (B.V.I.) Limited (the trustee of The Kingshill Trust) through its nominee, UBS Nominees Limited.

(2) Such shares are held by Queenshill Trustco under The Queenshill Trust. Queenshill Trustco is wholly-owned by UBS Trustees (Jersey) Limited (the trustee of The Queenshill Trust).

(3) This includes four Directors, being Mr. Yu Chun Kau, Mr. Yim Chun Leung, Ms. Leng Wei and Mr. Ngai Wah Sing Francis.

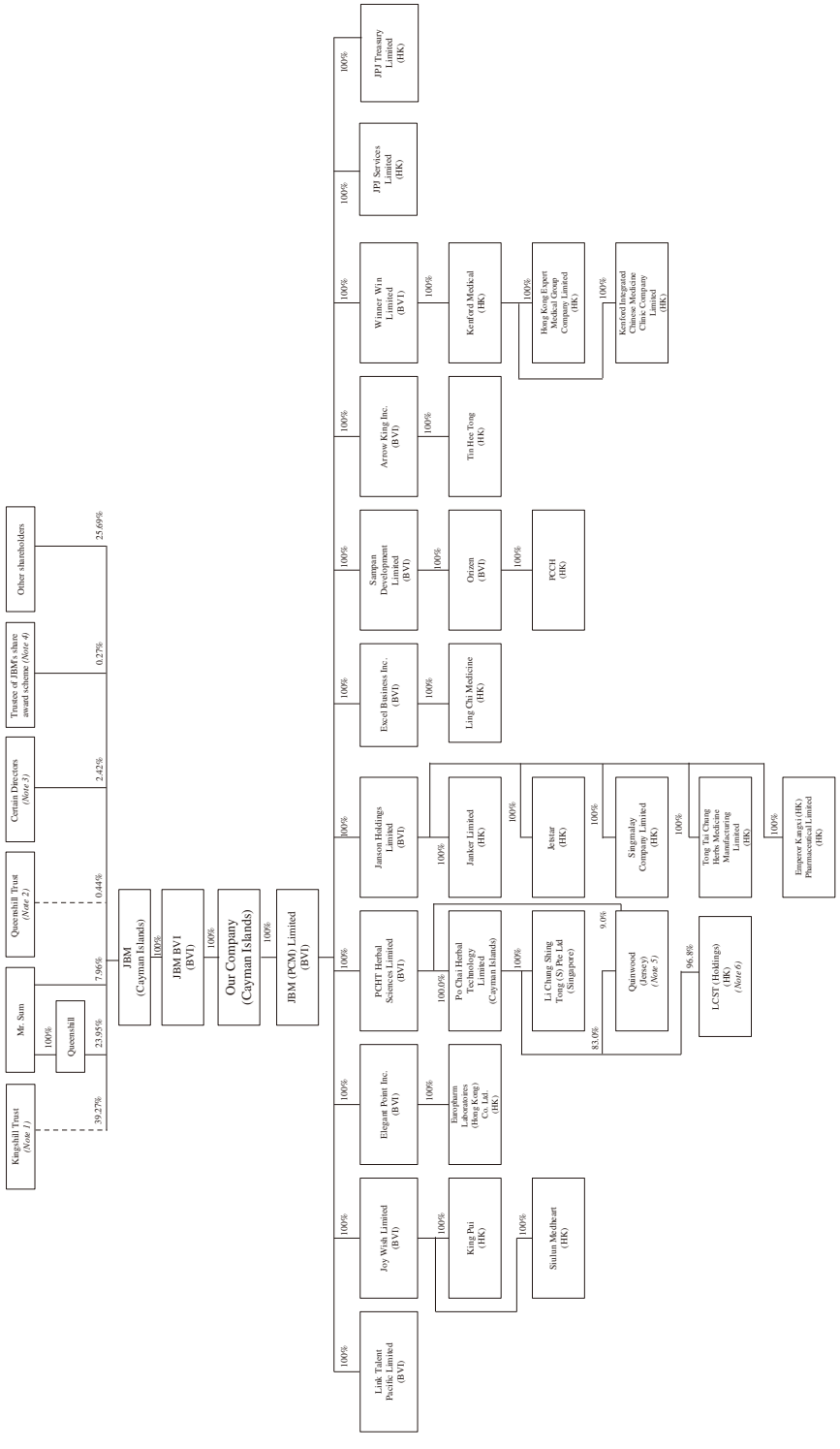
(4) Such shares are held by the trustee of the share award scheme of JBM adopted on January 18, 2021 and amended on September 21, 2023.

(5) Quinwood is owned as to 8% by Karen Lee, a director of Po Chai Herbal Technology Limited.

(6) LCST (Holdings) is owned as to 24.9% by Europharm Laboratoires Company Limited, a wholly-owned subsidiary of Jacobson Pharma, and 3.2% by Mr. Leung Chi Kin, an Independent Third Party.

(7) Orizen is owned as to 2% by Mr. Law Shun Hoi, an Independent Third Party.

The following chart illustrates the corporate and shareholding structure of our Group immediately after completion of the Reorganization and immediately prior to the **[REDACTED]**:



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(3) This includes four Directors, being Mr. Yu Chun Kau, Mr. Yim Chun Leung, Ms. Leng Wei and Mr. Ngai Wah Sing Francis.

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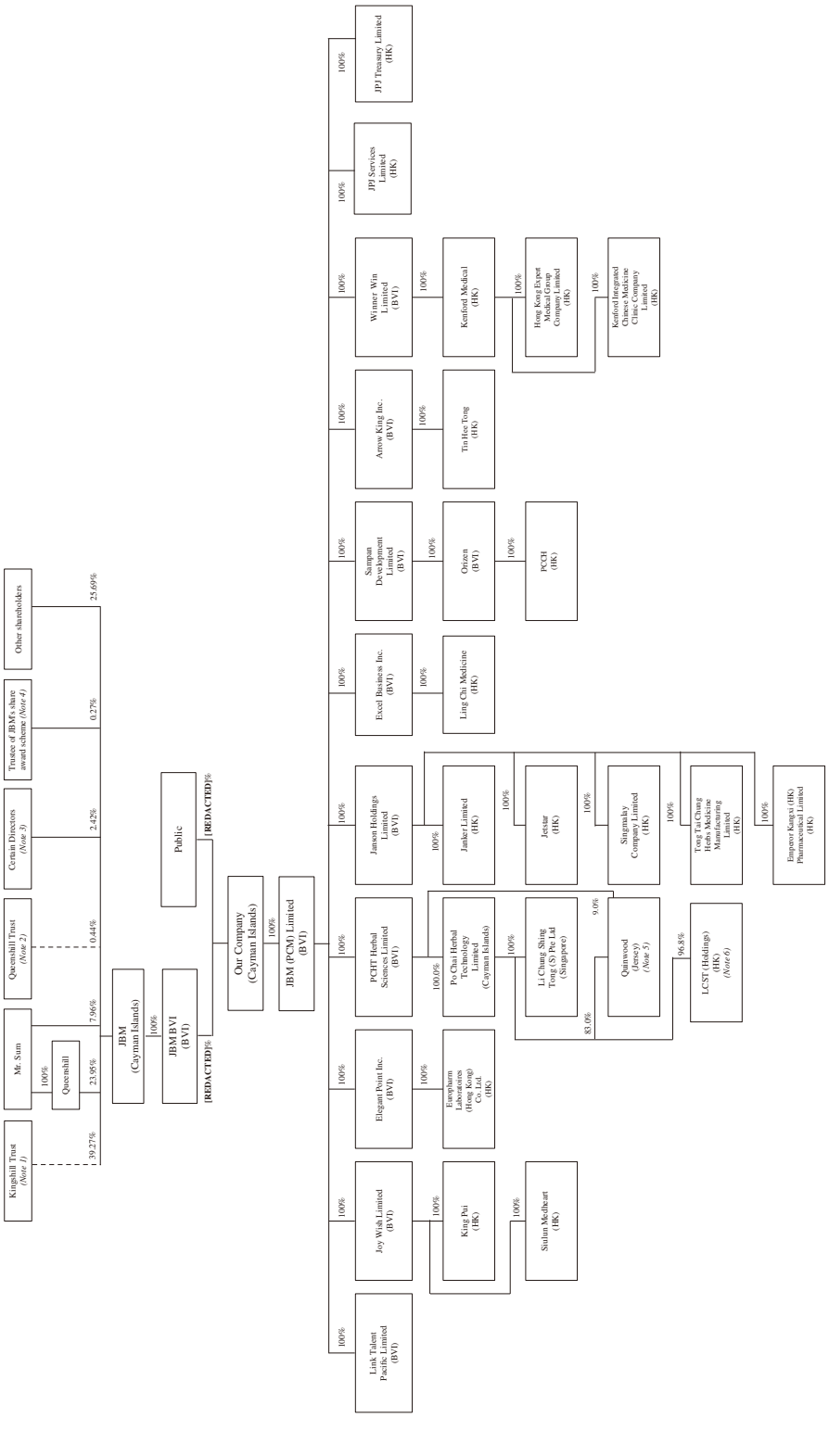
(5) Quinwood is owned as to 8% by Karen Lee, a director of Po Chai Herbal Technology Limited.

(6) LCST (Holdings) is owned as to 3.2% by Mr. Leung Chi Kin, an Independent Third Party.

The following chart illustrates the corporate and shareholding structure of our Group immediately after completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised):



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(1) Such shares are held by Lincoln's Hill, which is wholly-owned by Trust Co under The Kingshill Trust, a discretionary trust established by Mr. Sum (as the settlor) with Mr. Sum and his family members as the discretionary beneficiaries. Trust Co is in turn wholly-owned by UBS Trustees (B.V.I.) Limited (the trustee of The Kingshill Trust) through its nominee, UBS Nominees Limited.

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(3) This includes four Directors, being Mr. Yu Chun Kau, Mr. Yim Chun Leung, Ms. Leng Wei and Mr. Ngai Wah Sing Francis.

(4) Such shares are held by the trustee of the share award scheme of JBM adopted on January 18, 2021 and amended on September 21, 2023.

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(6) LCST (Holdings) is owned as to 3.2% by Mr. Leung Chi Kin, an Independent Third Party.

PUBLIC FLOAT AND FREE FLOAT

Public Float

Rule 8.08(1) of the Listing Rules requires that there must be an open market in the securities for which listing is sought. This will normally mean that for a class of securities new to listing, at least a minimum prescribed percentage of that class of securities must be held by the public at the time of listing. **[REDACTED]**.

Based on (i) an **[REDACTED]** of HK$**[REDACTED]**, HK$**[REDACTED]** and HK$**[REDACTED]** per **[REDACTED]** (being the low end, mid-point and high end of our indicative **[REDACTED]** range, respectively), and (ii) **[REDACTED]** Shares in issue immediately upon completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), it is expected that the **[REDACTED]** of our Shares at the time of **[REDACTED]** will be HK$**[REDACTED]**, HK$**[REDACTED]** and HK$**[REDACTED]**, respectively. Accordingly, at least **[REDACTED]**% of the total number of issued Shares must be held by the public at the time of **[REDACTED]**.

Immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), the total number of Shares expected to be held by the public represents **[REDACTED]**% of the total issued share capital of our Company, thereby satisfying the requirement under Rule 8.08(1) of the Listing Rules. The shares held by our Controlling Shareholders (via JBM BVI) will not be counted towards the public float.

Free Float

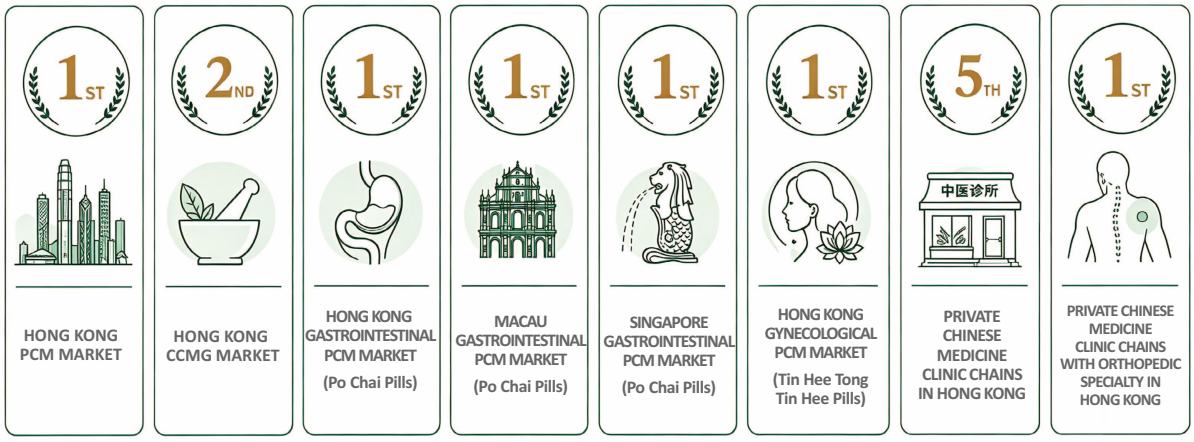
Rule 8.08A of the Listing Rules provides that there must be sufficient shares for which listing is sought by a new applicant that are held by the public and available for trading upon listing. This will normally mean that the portion of the class of shares for which listing is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of listing, must: (i) represent at least 10% of the total number of issued shares in the class of shares for which listing is sought (excluding treasury shares), with an expected market value at the time of listing of not less than HK$50,000,000; or (ii) have an expected market value at the time of listing of not less than HK$600,000,000.

On the basis that (i) no **[REDACTED]** will be **[REDACTED]** under the **[REDACTED]** (including the **[REDACTED]**) to any core connected person of our Company or person which is not regarded as a member of the public under Rule 8.24 of the Listing Rules and (ii) all Shares to be issued to the **[REDACTED]** (if any) are excluded for the purpose of satisfying the free float requirement (assuming the **[REDACTED]** is not exercised) and based on the low end of our indicative **[REDACTED]** range of HK$**[REDACTED]**, upon completion of the **[REDACTED]**, it is expected that **[REDACTED]** Shares, with an expected **[REDACTED]** at the time of **[REDACTED]** of approximately HK$**[REDACTED]** million, will be held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise) at the time of the **[REDACTED]**. Accordingly, the Company will satisfy the free float requirement under Rule 8.08A of the Listing Rules.

OVERVIEW

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

RANKING IN KEY MARKETS



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

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

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

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

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

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

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

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

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

OUR COMPETITIVE STRENGTHS

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

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

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

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

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

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

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

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

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

GMP-accredited manufacturing capabilities and robust quality management

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

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

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

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

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

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

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

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

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

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

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

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

OUR BUSINESS STRATEGIES

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

Further expand our portfolio through organic growth and mergers and acquisitions

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

- *Product line extension*: Leveraging the demonstrated success of our product extension initiatives, including the launch of the new sachet pack for Po Chai Pills, a brand with 130 years of heritage, in 2025 to cater to convenience-driven consumers, we intend to continue to build on the brand heritage and unique formulations of our branded PCM products to introduce new packaging formats, formulation innovations and line extensions that address more refined consumer segments and broaden appeal across different demographics.

- *Quality and manufacturing enhancements*: Aligned with our on-going initiative to upgrade the accreditation status of our manufacturing facilities to PIC/S and Halal certifications for Po Chai Pills for certain markets, we will continue to enhance quality standards and further invest in automation and smart production optimization to ramp up the scale and production efficiency of an expanded product portfolio.

- *CCMG expansion*: We intend to develop additional CCMG products, optimize product mix and specifications, and introduce line extensions to better meet the prescribing preference and clinical needs of Chinese medicine practitioners.

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

Elevate brand impact through our proven branding and marketing capabilities

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

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

Deepen market penetration and expansion of our sales and distribution network

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

- *China*: We intend to appoint capable and well-established distribution partners with strong existing networks in retail pharmacies and chain stores across China to support national roll-out. We will provide comprehensive marketing and product support to our distributors and work closely with them to actively monitor, develop and expand our distribution network, thereby optimizing resource allocation and minimizing execution risk. In addition, we intend to further capitalize on NMPA's recent policy developments under which certain traditional oral PCMs held by Hong Kong manufacturers, registered and used in Hong Kong for more than 15 years and manufactured in compliance with GMP requirements may benefit from a streamlined PRC registration pathway. Several of our branded PCM products, namely Shiling Oil, Konsodona Medicated Oil and Magatilin Herbs Balm, have already obtained registration through this expedited channel, and we intend to further extend registration of our broader product portfolio under this framework in China.

- *Overseas markets*: We intend to carry on with our on-going application with the Therapeutic Goods Administration, or TGA, of Australia for PIC/S certification in late 2025, which, if obtained, is expected to significantly enhance our regulatory compliance capabilities and market access in PIC/S member countries.

- *Muslim-majority markets*: Internationally, we intend to deepen our penetration in Muslim-majority markets in Southeast Asia, building on our established market positions in Singapore and other select markets. In particular, we intend to pursue Halal certification for select products to facilitate market access in Muslim-majority markets.

Unlock the strategic value of the Chinese medicine practitioner network

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

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

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

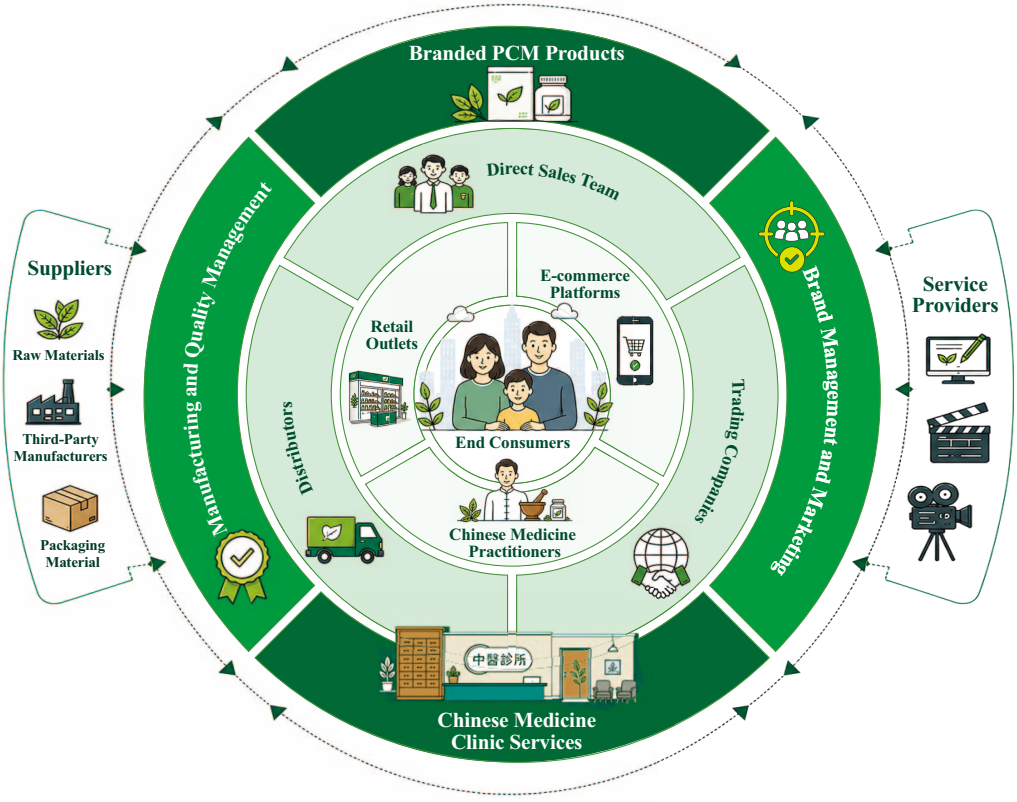
We believe that our vertically integrated Chinese medicine platform and ongoing engagement with practitioners across both our clinic and external practitioner networks enable us to better understand practitioner needs, treatment practices and patient preferences, supporting product development, brand-building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

Advance clinical research and academic partnerships to reinforce product credibility

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

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

OUR BUSINESS MODEL



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

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

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

OUR PRODUCTS AND SERVICES

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

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

BRANDED PCM PRODUCTS

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

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

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

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

Product	Description
Po Chai Pills (保濟丸) (known as "普济丸" or "Puji Pills" in China). . .	• A branded PCM product made with Chinese herbs for the relief of indigestion, vomiting, diarrhea and abdominal pain, which is also indicated for relieving hangovers from alcohol • Ranked first in the gastrointestinal PCM market in Hong Kong, Macau and Singapore by end-market sales in 2025, according to the Frost & Sullivan Report • Reclassified into the OTC category in China by the NMPA in 2016
Tin Hee Tong Tin Hee Pills (天喜堂天喜丸) . . .	• A branded PCM product formulated from Chinese herbal ingredients, indicated for the relief of women's menstrual disorders, dysmenorrhea and constipation, caused by cold-dampness obstructing the middle and cold induced blood stasis • Ranked first in the Hong Kong gynecological PCM market by end-market sales in 2025, according to the Frost & Sullivan Report
Shiling Oil (十靈油) (known as "薄荷祛风油" or "Bohe Qufeng You" in China).	• A proprietary Chinese medicated and external antipruritic oil composed of methyl salicylate, menthol, camphor and essential oils indicated for the relief of itchiness caused by insect bites, blocked nose and refreshment • 100-year brand with high brand awareness overseas, including the Caribbean Islands • Classified into the OTC category in China by the NMPA
Flying Eagle Wood Lok Medicated Oil (飛鷹活絡油).	• A proprietary Chinese medicated oil with over 30 years of history, composed of natural Chinese herbs and essential oils indicated for the relief of muscle aches, pains and swellings including those associated with physical exercise

Product	Description
Konsodona Medicated Oil (鎮痛霸活絡油) (known as "祛风活络油" or "Qufeng Huoluo You" in China).	• An anti-rheumatic proprietary Chinese medicated oil with approximately 30 years of history, primarily composed of methyl salicylate and menthol with efficacy on muscle aches, pains, bruises and swellings associated with physical exercise • Classified into the OTC category in China by the NMPA

CCMG Products

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

(i) Our own Hoi Tin brand CCMG products are outsourced to a GMP-compliant manufacturer for production on a third-party manufacturing basis. For further details, see the section headed "— In-House Manufacturing — Third-party manufacturing" below; and

(ii) Third-party brand CCMG products, which we have the exclusive authority to distribute in Hong Kong and Macau. For further details, see the section headed "— Representation of Third-Party Brand CCMG Products" below.

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

Product Development

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

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

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

- *Formulation refinements*: We are developing a series of new products leveraging the heritage and market recognition of our established brands, including the exploration of new fragrances of one of our branded PCM products to appeal to a wider consumer base.

- *Market-specific adaptations*: Different jurisdictions may have varying licensing and regulatory requirements, which may require refinement to the formulation or packaging of an existing product before it can be registered and sold in a relevant jurisdiction. For example, we have made specific packaging adaptations for Po Chai Pills exported to China, Macau, and certain markets in Southeast Asia and North America.

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

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

In-House Manufacturing

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

Procurement of raw materials and packaging materials

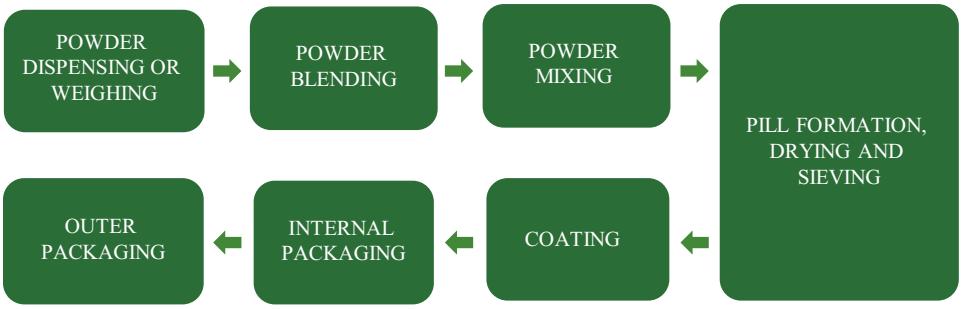
The primary raw materials for our self-manufactured products are menthol, north atractylodes rhizome, eucalyptus oil, and processed poria, while the main packaging materials we use include paper, bottles and aluminum foil, most of which are general commodities commonly available in the market. We carefully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

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

Manufacturing process

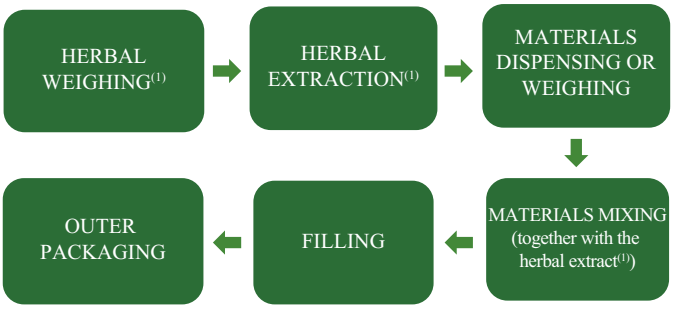
Our manufacturing process varies between products and depends largely on the product's dosage form and active ingredients used. We manufacture branded PCM products in several dosage forms, including pills (such as Po Chai Pills and Tin Hee Tong Tin Hee Pills), and medicated oils (such as Flying Eagle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

Powder and pills



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

Medicated oils



Note:

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

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

Manufacturing facilities

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

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

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

Note:

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

Production capacity and utilization rate

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

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

Notes:

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

(2) Utilization rate is calculated by dividing actual output by maximum designed production capacity.

Adjustments and upgrades of manufacturing facility

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

- *Medicated oil production line*: We upgraded two oil-filling production lines for medicated oils in April 2025. Due to the relatively short installation period, production of medicated oils was put on-hold for approximately two weeks during the installation period, and there was no material impact on our shipment capacity or our ability to fulfill customer orders during such period.

- *Automated sachet packaging production line*: Back in January 2026, we had undertaken the installation of a new automated sachet packaging production line. During the months leading up to the fitting in of the new packaging machineries, we had increased the production and finished goods inventory of Po Chai Pills to cover the anticipated demand for this product during the interim period. Accordingly we had not encountered any material issues concerning the fulfillment of sales orders, or experienced any material impact on our results of operations. We have since completed the installation works, and have resumed full operations of the facility from May 2026.

Third-party manufacturing

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

- *Own brand CCMG products*: We have engaged a long-established provincial state-owned manufacturer whose manufacturing facilities are GMP-compliant in accordance with both PRC and TGA standards, to manufacture all our own brand CCMG products.

- *Other branded PCM products*: We outsourced the production of miscellaneous branded PCM products, including pei pa koa (枇杷膏), that are produced in limited quantities to a Hong Kong manufacturer.

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

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

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

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

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

Representation of Third-Party Brand CCMG Products

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

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

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

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

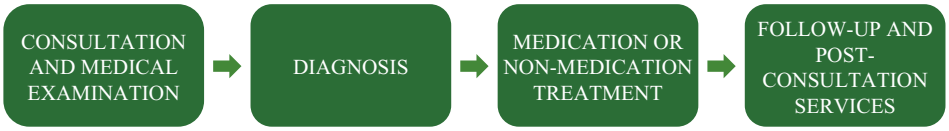
CHINESE MEDICINE CLINIC SERVICES

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

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

Comprehensive Chinese Medicine Clinic Services

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



- *Consultation and medical examination*: During consultations, registered Chinese medicine practitioners conduct clinical assessments using Chinese medicine diagnostic methods, including inquiry, observation, listening and palpation. For orthopedic and traumatology services, practitioners assess musculoskeletal conditions, posture, mobility and functional limitations, while acupuncture practitioners evaluate meridian conditions, pain points and treatment suitability. Practitioners explain diagnostic findings, treatment principles and precautions, and obtain customers' consent before conducting any diagnostic or treatment procedures. Where appropriate, customers may undergo auxiliary examinations or functional assessments to assist practitioners in accurately understanding their conditions.

- *Diagnosis*: We conduct diagnoses primarily based on Chinese medicine theories and syndrome differentiation, and, for orthopedic and traumatology services, based on musculoskeletal and functional assessments, supplemented where appropriate by modern diagnostic tools.

- *Medication and/or non-medication treatment*: Our treatment procedures typically involve medication and non-medication therapies. Medication treatments include Chinese medicine prescriptions, such as herbal remedies, while non-medication treatments include acupuncture, moxibustion, cupping, orthopedic and traumatology manual therapies and other Chinese medicine techniques.

- *Follow-up and post-consultation services*: Customers may arrange follow-up visits online or offline. Registered Chinese medicine practitioners or clinic staff may conduct follow-up communications to monitor treatment progress and provide medication, rehabilitation or lifestyle guidance as appropriate. Our customer service staff respond to customers' follow-up enquiries in a timely manner. We collect customer feedback on treatment efficacy and service experience through online and offline channels and periodically refine our treatment protocols and service standards.

Our Chinese Medicine Clinics

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

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

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

Note:

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

Sales of Ancillary CM Products

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

BRAND MANAGEMENT AND MARKETING

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

Offline Advertising and Promotion

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

- *Television title sponsorships and advertisements*: We engage in television advertising and selected program sponsorships (such as the second to fourth seasons of the popular singing talent show "Midlife, Sing & Shine!") to increase brand visibility and consumer recognition. Our advertising campaigns typically feature celebrity endorsers (such as Louis Koo, Tony Wu and Bonnie Wong for Po Chai Pills, Raymond Lam, Tony Wu and Bonnie Wong for Flying Eagle Wood Lok Medicated Oil, and Nina Paw Hee Ching for Tong Tai Chung Medicated Oil) and product-focused messaging, and are scheduled around peak sales periods and programs targeting our key consumer segments.

- *Event title sponsorships and activations*: We enhance brand visibility and consumer engagement through selective event sponsorships and on-site activations aligned with our target demographics. Our activities include participation in large-scale lifestyle, cultural and industry events, product sampling initiatives and collaborations with performing arts groups, which support brand awareness and reinforce our heritage positioning. We also engage in youth-oriented and community-based programs, as well as participate in health-related exhibitions and industry events, to strengthen our connection with consumers across different age groups. For certain brands, we complement these initiatives with sports sponsorships, artist collaborations and product placement arrangements, which contribute to media exposure and online engagement. Examples include the Hong Kong Wine & Dine Festival, the Flying Eagle Cup (football) and the STC Eagle Basketball Team.

- *Outdoor advertising*: We deploy outdoor advertisements at high-traffic commercial locations and transportation hubs to maximize brand visibility among local consumers and tourists. These advertisements form part of our integrated marketing campaigns and are often implemented alongside other media channels to broaden consumer reach.

- *Interactive marketing initiatives*: We conduct interactive marketing initiatives to enhance consumer engagement, including the use of experiential activations and technology-enabled installations, such as pop-up vending machines in multiple locations in Hong Kong with advertising videos, sales pages and banners to expand the reach of consumer interaction. These initiatives are designed to facilitate consumer interaction with our products and increase brand exposure in targeted locations.

- *Academic marketing*: To further promote and facilitate the usage of our CCMG products and strengthen our relationship with Chinese medicine practitioners, our medical director participates as an expert speaker in academic seminars, informational training sessions and presentations for Chinese medicine practitioners to enhance their industry knowledge.

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

Outdoor billboard for Po Chai Pills sachet pack at Tsim Sha Tsui Star Ferry Pier

Flying Eagle Wood Lok Medicated Oil sponsorship at Run Our City

Tram body advertisement for Tong Tai Chung Medicated Oil

Outdoor LED TV advertisement for Po Chai Pills sachet pack

Online Marketing

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

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

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

Channel Marketing

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

Overseas Marketing

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

SALES AND DISTRIBUTION

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

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

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

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

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

Note:

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

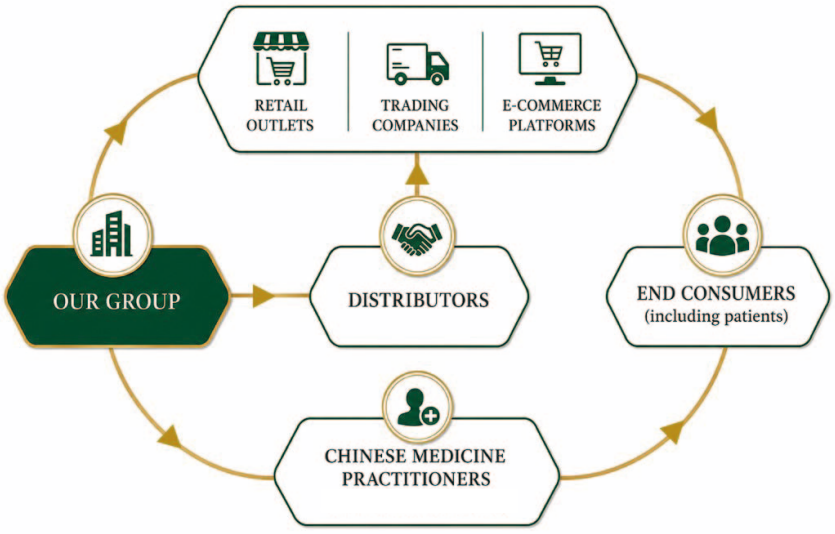
The table below sets forth our revenue by distribution channel for the years indicated:

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

Hong Kong

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

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



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

- *Branded PCM products (other than CCMG products)*: For our other branded PCM products, we utilized direct sales as well as distributorship mainly as a means of optimizing our coverage in different market segments and to leverage the established distribution network of our distributors.

- *CCMG products*: We used direct sales for our CCMG products primarily because of their relatively unique and defined customer base of entirely Chinese medicine practitioners.

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

Direct sales

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

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

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

Distributor

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

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

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

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

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

China

Distributors

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

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

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

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

Cross-border e-commerce

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

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

- *Third-party online stores:* We have collaborated with our Hong Kong distributor and others to distribute select products via cross-border e-commerce channels at their online flagship stores on different third-party e-commerce platforms, including JD.hk (京東國際) and Tmall (天貓); and

- *JBM Group's online store*: We also sell select products via cross-border e-commerce channels operated by the JBM Group, such as Tmall, as further described in the section headed "Continuing Connected Transactions — Fully Exempt Continuing Connected Transactions — 1. E-commerce Distribution Services."

CCMG products

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

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

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

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

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

Select Overseas Markets

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

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

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

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

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

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

Selection of Distributors

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

Distributor Management

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

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

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

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

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

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

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

Pricing Policy

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

Distribution and Logistics

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

Hong Kong

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

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

- *Independent third-party logistics service providers*: During the Track Record Period, we utilized the logistics services of independent third-party logistics service providers primarily for the transport and delivery of our CCMG products to Chinese medicine practitioners.

Overseas

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

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

Seasonality

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

Product Returns, Recalls and Warranties

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

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

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

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

MAJOR SUPPLIERS AND CUSTOMERS

Major Suppliers

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

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

Rank	The five largest suppliers	Major product categories bought from supplier	Purchase for the year	Percentage of our total purchase for the year	Principal business of the supplier	Length of relationship with us as of March 31, 2026	Credit period
			HK$'000	*%*		*year*	
3	Supplier C	Packaging materials for PCM	8,236	5.7	Trading of packaging materials	8	30 days
4	Supplier D	Packaging materials for PCM	7,728	5.3	Trading of packaging materials	12	7 days
5	Supplier E.	Raw materials for PCM	7,267	5.0	Sales of raw materials and ingredients of Chinese medicines	6	30 days
Year ended March 31, 2025							
1	Supplier A	Branded PCM products	83,359	62.2	Manufacturing of PCM products and health products, and cultivation of Chinese medicinal herbs	7	30 days
2	Supplier B	Branded PCM products	13,731	10.2	Manufacturing of PCM products	11	90 days
3	Supplier C	Packaging materials for PCM	7,577	5.7	Trading of packaging materials	8	30 days
4	Supplier E.	Raw materials for PCM	5,668	4.2	Sales of raw materials and ingredients of Chinese medicines	6	30 days
5	Supplier D	Packaging materials for PCM	4,815	3.6	Trading of packaging materials	12	7 days
Year ended March 31, 2026							
1	Supplier A	Branded PCM products	97,699	63.0	Manufacturing of PCM products and health products, and cultivation of Chinese medicinal herbs	7	30 days
2	Supplier B	Branded PCM products	11,879	7.7	Manufacturing of PCM products	11	90 days
3	Supplier C	Packaging materials for PCM	8,833	5.7	Trading of packaging materials	8	30 days
4	Supplier E.	Raw materials for PCM	7,604	4.9	Sales of raw materials and ingredients of Chinese medicines	6	30 days

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

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

Major Customers

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

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

Rank	The five largest customers	Major product categories sold to the customer	Revenue for the year	Percentage of our total revenue for the year	Principal business of the customer	Length of relationship with us as of March 31, 2026	Credit period
			HK$'000	*%*		*year*	
3	Customer B	Branded PCM products	7,325	2.2	Distributing, marketing, and selling consumer goods, healthcare, performance materials and technology products	13	30 days
4	Customer C	Branded PCM products	4,755	1.4	Trading Chinese medicines and pharmaceutical drugs	9	Cash-on-delivery
5	Customer D	Branded PCM products	4,675	1.4	Manufacturing and selling medicines and pharmaceutical products	12	Cash-on-delivery
Year ended March 31, 2025							
1	Customer A	Branded PCM products	56,449	15.7	Distributing and selling branded medicines, healthcare products and Chinese medicines	9	30 to 210 days[(1)]
2	Customer E	Branded PCM products	6,998	1.9	Trading Chinese medicines and pharmaceutical drugs	6	Cash-on-delivery
3	JBM Group	Branded PCM products	6,531	1.8	Manufacturing and trading of branded medicines and proprietary Chinese medicines, and distributing health and wellness products	16	30 days
4	Customer F	Branded PCM products	6,500	1.8	Distributing Chinese medicines, healthcare products and pharmaceutical drugs	9	60 days
5	Customer G	Branded PCM products	5,629	1.6	Trading Chinese medicines	5	180 days
Year ended March 31, 2026							
1	Customer A	Branded PCM products	124,257	26.8	Distributing and selling branded medicines, healthcare products and Chinese medicines	9	30 to 285 days[(1)]
2	JBM Group	Branded PCM products	10,469	2.3	Manufacturing and trading of branded medicines and proprietary Chinese medicines, and distributing health and wellness products	16	30 days

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

Note:

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

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

QUALITY MANAGEMENT

Self-Manufactured Branded PCM Products

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

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

Quality assurance

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

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

Quality control

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

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

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

Quality standards and certifications

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

- we have applied to the TGA of Australia for PIC/S certification in late 2025, which, if obtained, is expected to significantly enhance our regulatory compliance capabilities and market access in PIC/S member countries; and

- we have obtained Halal certification issued by the Japan Halal Foundation (valid from February 10, 2026 to February 9, 2027) under its Selected Product Scheme, covering our Po Chai Pills manufacturing facility and designated Po Chai Pills for certain markets, supporting our expansion in Muslim-majority markets.

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

GMP accreditation

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

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

Quality management over the manufacturing process

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

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

- *Packaging materials*: Each lot of packaging materials received by the warehouse is sampled and verified against the packaging material specification by our quality control personnel. The approved packaging materials are affixed with a release label upon release by the quality control personnel.

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

- *Work in progress*: Work in progress is subjected to sampling and testing by our quality control personnel. They are released for production of the next stage by our quality assurance personnel. In-process control testing is performed by our product manufacturing and quality control personnel at regular intervals during production to ensure that the process is under control. We also conduct periodic monitoring of the production environment to ensure that manufacturing conditions remain within prescribed parameters and comply with GMP requirements.

- *Finished products*: All finished batches are sampled for quality control testing according to finished product specifications after final packaging and are quarantined. Quarantined finished products are stored in the designated quarantine area of the warehouse. The head of the quality control team verifies the analytical data in the product analysis record against specifications. The head of our production team reviews and counterchecks the production batch records, packaging records and other related documents. The authorized person is responsible for the final approval of the release for sale, ensuring compliance with all applicable quality standards and regulatory requirements prior to product release. The approved finished products are affixed with a released label.

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

Finished Products Manufactured By Others

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

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

Chinese Medicine Clinic Services

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

INVENTORY CONTROL

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

Inventory Management

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

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

Raw Materials and Packaging Materials

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

Finished Products

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

LICENSES, PERMITS AND APPROVALS

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

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

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

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

Notes:

(1) To the best understanding of our management, the license renewal process generally commences approximately one month prior to the expiry date of the license upon receipt of a demand note for the settlement of the relevant licensing fee from the Department of Health.

(2) As advised by our Legal Counsel, we do not expect any legal impediments in the renewal of such license and certificate.

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

COMPETITION

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

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

- *Product registration*: Product registration is required for certain branded PCM products before they can be sold and supplied in Hong Kong, China and other overseas markets. New entrants need expertise and stringent quality management procedures to meet these regulatory requirements.

- *Brand heritage and product efficacy*: Established players benefit from brand heritage built over long operating histories, accumulated consumer recognition and cross-generational trust, which are difficult to replicate. In addition, product efficacy recognition-driven by actual usage experience, repeat purchase behavior and word-of-mouth-creates a barrier to entry, as consumers and channel partners tend to favor products with clear functional positioning and long-term market validation.

- *Sales and distribution networks*: Extensive distribution and sales networks are required for entry into our markets. Established market players generally have well-connected sales and distribution networks and are preferred for their reputation, high consumer loyalty and proven sales performance, making it more difficult for new entrants to increase their points of sale. New entrants may also be less flexible to sell their products at more competitive prices and with discounted packages than competitors that have substantial financial and other resources.

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

AWARDS AND RECOGNITIONS

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

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

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

EMPLOYEES

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

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

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

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

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

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

ESG Governance

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

ESG Goals and Targets

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

Environmental and Climate-related Management

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

Waste Management

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

Use of Resources

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

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

Notes:

(1) The increase in our electricity consumption in the year ended March 31, 2026 was primarily attributable to the acquisition of the Chinese medicine clinic service business, coupled with the organic growth of existing business operations.

(2) The fluctuations in water consumption and water-use intensity were mainly due to phased operational adjustments and facility upgrades, supplemented by ongoing water management optimization.

Reacting to Climate Change

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

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

		Year ended March 31,		
	Unit	2024	2025	2026
Total GHG emissions	tCO_2e	1,371	1,398	1,548
— Scope 1 Direct GHG emissions[1]	tCO_2e	9	8	8
— Scope 2 Indirect GHG emissions[2]	tCO_2e	1,342	1,369	1,548
— Scope 3 Other indirect GHG emissions[3]	tCO_2e	20	21	16
Intensity of total GHG emissions	tCO_2e/million HK$ of revenue	4	4	3

Notes:

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

Employment and Labor Practices

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

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

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

Product Quality Management

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

Supply Chain Management

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

Business Ethics

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

Healthcare Accessibility and Social Contribution

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

INSURANCE

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

INTELLECTUAL PROPERTY RIGHTS

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

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

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

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

- *Domain names and other intellectual property rights*: We are the owner of three domain name which is material to our business. For further details of our intellectual property rights, see "B. Further Information About Our Business — 2. Intellectual Property Rights of Our Group" in Appendix IV to this document.

- *Contractual provisions*: Our confidential proprietary manufacturing formulation and technique, processes and know-how (including those relating to the formulation and manufacturing process of our own brand products, including Flying Eagle Wood Lok Medicated Oil and Po Chai Pills) are protected by intellectual property, confidentiality, or non-competition clauses in the employment contracts of relevant employees and distribution agreements.

- *Anti-counterfeit protection*: We have also applied certain anti-counterfeit protection to the packaging of our products to differentiate them from fake or counterfeit products, such as anti-counterfeit ultraviolet marks to our Po Chai Pills (including Puji Pills for sale in China) and Flying Eagle Wood Lok Medicated Oil that correspond with our internal record of product batch list. In addition, our sales team regularly visits retail outlets in Hong Kong that carry our products to observe their general end market responses and incidents of fake or counterfeit products.

- *Designated personnel*: We have designated personnel who work with external lawyers and consultants to handle our intellectual property matters, such as the registration and maintenance of our intellectual property rights, the coordination to obtain or grant intellectual property licenses, and the litigation of any infringement or misappropriation actions. We identify potential infringement incidents by regularly conducting intellectual property searches (such as patent infringement searches) and reviewing competitors' trademarks conducted or obtained by our designated personnel.

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

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

RISK MANAGEMENT AND INTERNAL CONTROL

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

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

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

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

- *Code of conduct*: Our code of conduct explicitly communicates to each employee our values, acceptable criteria for decision-making and our ground rules for behavior. Our code of conduct also includes whistleblowing policies to encourage all employees to speak up against any sub-standard behavior.

- *Anti-corruption policies*: We have established anti-bribery policies and controls in payment and adopted control practices in bidding and market entry processes. Our policy prohibits paying or receiving bribes and kickbacks in commercial transactions. During the Track Record Period and up to the Latest Practicable Date, to the best of our knowledge, our employees and distributors have not made any improper or illegal incentive payments.

- *Internal audit function*: We plan to set up an audit function, which will be responsible for evaluating the internal control environment based on the internal plan and report directly to the Audit Committee.

- *Compliance with the Listing Rules*: Our various policies aim to ensure compliance with the Listing Rules, including but not limited to aspects related to corporate governance, connected transactions and securities transactions by our Directors.

- *Compliance with the Competition Ordinance*: We have taken the following measures to ensure compliance with the Competition Ordinance: (i) our executive Directors and senior management team have reviewed the latest publications and guidance materials issued by the Competition Commission to understand the requirements and implications of the Competition Ordinance and will review any new publication and guidance materials as they become available; and (ii) our executive Directors are responsible for reviewing our business practices on a regular basis to identify risks relating to competition laws that our business may face and consider the seriousness of the risks, and if necessary, to seek advice from our external professional advisors, including legal advisors.

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

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

PROPERTIES

Owned Properties

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

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

All properties owned by us are used for non-property activities. As of March 31, 2026, none of the properties held by us had a carrying amount of 15% or more of our consolidated total assets. Therefore, according to Chapter 5 of the Listing Rules and section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32 L of the Laws of Hong Kong), this document is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance which requires a valuation report with respect to all our interests in land or buildings.

Leased or Licensed Properties

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

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

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

Notes:

(1) Other than these properties in Tai Po which are licensed from Europharm Laboratoires Company Limited (a member of the Jacobson Group), the remaining properties are leased from Independent Third Parties.

(2) We have entered into a license agreement with Europharm Laboratoires Company Limited on October 28, 2025 (which leased this property from an Independent Third Party) for the grant of license to use the premises for a monthly license fee of HK$218,000. The payments are recognized as right-of-use assets in accordance with HKFRS 16.

(3) We have entered into a license agreement with Europharm Laboratoires Company Limited on February 28, 2025 (which leased this property from an Independent Third Party) for the grant of license to use the premises for a monthly license fee of HK$247,000. The payments are recognized as right-of-use assets in accordance with HKFRS 16.

(4) We are in the process of renewing the lease with the landlord.

LEGAL PROCEEDINGS AND COMPLIANCE

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

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

OUR CONTROLLING SHAREHOLDERS

Immediately following the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised), JBM BVI will be interested in **[REDACTED]**% of our Shares and we will remain as a subsidiary of JBM BVI. JBM BVI is wholly-owned by JBM, a company listed on the Main Board of the Stock Exchange (stock code: 2161), which together with its subsidiaries (including our Group) are principally engaged in the manufacturing and trading of branded healthcare products, being branded medicines and branded PCM products, and distributing health and wellness products. JBM and JBM BVI are therefore our Controlling Shareholders. As of the Latest Practicable Date, Mr. Sum, the founder of the business of our Group, is interested in approximately 71.62% of JBM Shares directly and indirectly through interests in controlled companies and/or discretionary trusts of which he is a settlor and a beneficiary and accordingly, Mr. Sum is our ultimate Controlling Shareholder. Mr. Sum is directly interested in approximately 7.96% of JBM Shares and is indirectly interested in JBM Shares comprising of (i) approximately 39.27% through Lincoln's Hill, which is turn wholly-owned by Trust Co under The Kingshill Trust; (ii) approximately 23.95% through Queenshill, a company wholly-owned by him; and (iii) approximately 0.44% through Queenshill Trustco under The Queenshill Trust. Accordingly, upon the **[REDACTED]**, Mr. Sum, JBM, JBM BVI, Lincoln's Hill, Trust Co, The Kingshill Trust, Queenshill, Queenshill Trustco and The Queenshill Trust will be a group of Controlling Shareholders.

BUSINESS DELINEATION BETWEEN OUR GROUP AND THE JBM GROUP

Principal Businesses of Our Group and the JBM Group

We are the largest PCM group in Hong Kong by end-market sales in 2025 that manufactures, markets and distributes branded PCM products with deep heritage and unique formulations, and provides Chinese medicine clinic services. On the other hand, the JBM Group is principally engaged in (i) the manufacturing, marketing and trading of branded medicines and (ii) the distribution of health and wellness products. The principal businesses of each of our Group and the JBM Group are more particularly described below:

Our Group	The JBM Group
Branded PCM	**Branded medicines**
• Production and/or distribution of own brand and third-party brand branded PCM products which are classified as "proprietary Chinese medicines" under the Chinese Medicine Ordinance and registered with the Chinese Medicines Board or as "Chinese herbal medicines" which are regulated under the Chinese Medicine Ordinance.	• Production and/or distribution of own brand and third-party brand medicines (which are proprietary Western medicines defined as "medicines" or "pharmaceutical products" under the Pharmacy and Poisons Ordinance, which active ingredients are chemical compounds with a certain composition and specific dosage form and dosage, prepared for immediate medicinal use) ("**Branded Medicines**"). Branded Medicines do not contain Chinese herbal medicines as defined in the Chinese Medicine Ordinance.
Chinese medicine clinic services	**Health and wellness products**
• Provision of Chinese medicine clinic services including internal medicine, orthopedic and traumatology, acupuncture and other Chinese medicine consultation and treatment services at around 40 clinics in Hong Kong, operating under the names of "Kenford Medical Group," "King Pui TCM Clinic" and "Hong Kong Orthopaedic & Chiropractic Specialist Chinese Medical Clinic/Centre."	• Distribution of own brand and trading of third-party brand health and wellness products (including health supplements, personal care products and diagnostic kits for the health and wellness of the consumers) which fall within the classification of non-pharmaceutical products in Hong Kong ("**Health and Wellness Products**," together with Branded Medicines collectively, the "**Non-Chinese Medicine Products**")
• Sales of small amount of ancillary CM products, being Chinese medicine-related healthcare products (including Chinese herbal tea bags, and supplements), in the Chinese medicine clinics and online via the e-shops of the Chinese medicine clinics.	

Clear Business Delineation

Our principal businesses and those of the JBM Group are clearly distinct from one another, primarily due to the disparate nature of products carried and services offered as shown in the table above. For details, see the sections headed "— Nature of Products and Services — Chinese medicine vs. non-Chinese medicine," "— Our Group — branded PCM products and Chinese medicine clinic services" and "— The JBM Group — Non-Chinese Medicine Products" below. Our Group and the JBM Group have differentiated sales channels and markets, although both groups conduct sales to distributors, trading companies and to OTC channels. Key suppliers of our Group are differentiated from those of the JBM Group and raw materials used in the production processes of our Group and the JBM Group are different as branded PCM products and Non-Chinese Medicine Products comprise different ingredients. For details, see the section headed "— Suppliers and Raw Materials" below. Accordingly, our Directors consider that our principal businesses are clearly delineated from that of the JBM Group and there is no material competition between our Group and the JBM Group.

Nature of Products and Services — Chinese medicine vs. non-Chinese medicine

The products and services of our Group and the JBM Group are disparate by nature, being Chinese medicine and non-Chinese medicine:

- Chinese medicine related products, being branded PCM products and ancillary CM products, are either self-manufactured or outsourced to third-party manufacturers, and distributed by our Group, and Chinese medicine clinic services are provided by our Group; and

- Products which are non-Chinese medicine in nature, being Branded Medicines and Health and Wellness Products, are either self-manufactured or outsourced to third-party manufacturers, and distributed by the JBM Group.

Our Group — branded PCM products and Chinese medicine clinic services

We market and distribute branded PCM products, carrying well-known brands including Po Chai Pills, Tin Hee Tong Tin Hee Pills, Flying Eagle Wood Lok Medicated Oil, Shiling Oil, Tong Tai Chung Medicated Oil, Tong Tai Chung Balm, Konsodona Medicated Oil, Hoi Tin CCMG products and Sheng Foong CCMG products. These products are either classified as proprietary Chinese medicines under the Chinese Medicine Ordinance and are registered with the Chinese Medicines Board or as Chinese herbal medicines which are regulated under the Chinese Medicine Ordinance.

We also provide Chinese medicine clinic services in our Chinese medicine clinics and employ practitioners who are "registered Chinese medicine practitioners" under the Chinese Medicine Ordinance. Consistent with the products offered by us, the Chinese medicine clinic services we provide focus on Chinese-medical treatments and the prescriptions provided at these clinics are Chinese medicine in nature. As of March 31, 2026, we employed 51 registered Chinese medicine practitioners. In contrast, the JBM Group neither provides any clinic services to its customers nor employs any registered Chinese medicine practitioners.

Ancillary to our Chinese medicine clinic services, a small amount of ancillary CM products are also sold in our Chinese medicine clinics (or the online e-shops of such clinics). Examples of ancillary CM products include Chinese herbal tea bags and supplements. Though not classified and registered as proprietary Chinese medicines under the Chinese Medicine Ordinance, these products are sold as ancillary products in our Chinese medicine clinics (or their online e-shops), which are commonly used for Chinese medicine clinic purposes or contain Chinese herbal elements or Chinese herbal medicines etc. for health enhancement.

The JBM Group — Non-Chinese Medicine Products

The JBM Group on the other hand markets and distributes Non-Chinese Medicine Products including (i) Branded Medicines (which primarily include proprietary medicines which fall within the classification of Western medicines defined as "medicines" or "pharmaceutical products" under the Pharmacy and Poisons Ordinance) and (ii) Health and Wellness Products (which fall within the classification of non-pharmaceutical products in Hong Kong).

In contrast with our branded PCM products, the JBM Group's proprietary medicine products do not fall under the definition of PCM (and are not applicable to be registered or regulated under the Chinese Medicine Ordinance as the case may be), and such medicinal products comprise Western

medicines defined as "medicines" or "pharmaceutical products" under the Pharmacy and Poisons Ordinance. The JBM Group's Health and Wellness Products (primarily supplements, medical devices and other non-pharmaceutical products) are also not of Chinese-medicine nature, as they are not commonly used or sold in connection with Chinese medicine practice and are not mainly composed of Chinese herbal ingredients or other materials commonly used in connection with Chinese medicine.

Well-known Branded Medicines of the JBM Group include Ho Chai Kung brand products, AIM Atropine Eye Drops, Contractubex, Herpesan Gel, Rowatanal Cream and Roter Stomach Tablets.

Well-known Health and Wellness Products of the JBM Group include Oncotype DX Breast Recurrence Score Test, 3M Tegaderm dressing and Littmann Stethoscope products, Mederma brand products (such as Mederma Intensive Overnight Scar Cream), and Pantogar Vegan Capsules.

None of the Non-Chinese Medicine Products sold by the JBM Group overlap with the products sold by our Group.

Sales Channels

Different sales channels — product sales to Chinese medicine practitioners, patients of our Chinese medicine clinics by our Group vs. "Western" doctors, clinics, hospitals and the Hospital Authority by the JBM Group

We sell our products to Chinese medicine practitioners and patients of our Chinese medicine clinics. During the Track Record Period, the single largest sales channel of our Group was external Chinese medicine practitioners.

In contrast, whilst some of the JBM Group's products are also sold to the medical sector, they are instead sold to registered "Western" doctors, clinics, private hospitals and the Hospital Authority, and none of their products are sold to Chinese medicine clinics and practitioners or patients at Chinese medicine clinics.

Direct provision of services to patients of Chinese medicine clinics by our Group only

We began providing Chinese medicine clinic services to patients of our Chinese medicine clinics in July 2025 while the JBM Group does not currently provide any clinic services to its customers.

Product sales to distributors and trading companies by both groups

In line with market practice commonly adopted across the industry (according to the Frost & Sullivan Report), our Group and the JBM Group both sell products to distributors and trading companies, which then distribute the products in (i) Hong Kong and Macau (to key chains, registered pharmacies and drug stores) and Macau (to retail chain stores and pharmacies) and (ii) markets outside of Hong Kong and Macau (being markets including China, and select countries in Southeast Asia, North America and the Caribbean Islands). This overlapping sales channel via distributors and trading companies (which involved overlapping of distributors) contributed to 30.5%, 30.8% and 39.8% of the total sales of our Group for the years ended March 31, 2024, 2025 and 2026, respectively.

According to the Frost & Sullivan Report, the overlapping distributors and trading companies of our Group and the JBM Group are major distributors and trading companies in Hong Kong and Macau for proprietary Chinese medicines, medicines and healthcare products and such overlap reflects commercially sensible practice based on prevailing market dynamics rather than operational interdependence. For markets outside of Hong Kong and Macau, sales being made by our Group and the JBM Group are facilitated via different local distributors which do not overlap.

Despite the overlapping sales channel via distributors and trading companies, our Group and the JBM Group's sales and sales growth via distributors and trading companies are driven by different growth drivers, differentiated by geographical markets. For our Group, sales made via distributors and trading companies for markets outside of Hong Kong and Macau (being markets including China, and select countries in Southeast Asia, North America and the Caribbean Islands) contributed 22.7%, 31.4% and 29.4% of the total sales via distributors and trading companies for the years ended March 31, 2024, 2025 and 2026, respectively, increased in absolute amount (in HK$) over the Track Record Period and showed a generally increasing trend. On the other hand, for the JBM Group, sales made via distributors and trading companies for markets outside of Hong Kong and Macau contributed a much smaller proportion to the total sales via distributors and trading companies during the Track Record Period, decreased in absolute amount (in HK$) over the Track Record Period, and showed a clear decreasing trend. The proportion of sales via distributors and trading companies to markets outside of Hong Kong and Macau was insignificant for each of the years ended March 31, 2025 and 2026.

Product sales to OTC channels and e-commerce platforms by both groups

Both our Group and the JBM Group sell and distribute directly to the OTC channels, being primarily registered pharmacies and drug stores, and via e-commerce platforms, including JD.hk and Tmall.

Sales to OTC channels contributed to 11.3%, 15.3% and 9.6% of the total sales of our Group for the years ended March 31, 2024, 2025 and 2026, respectively. Sales via e-shops in e-commerce platforms contributed to only 2.3%, 1.4% and 0.4% of the total sales of our Group for the years ended March 31, 2024, 2025 and 2026, respectively.

For our Group, sales are made through the e-shops operated by third parties and the JBM Group on e-commerce platforms. We did not sell directly on these e-commerce platforms in the Track Record Period and do not plan to engage in such direct sales after the **[REDACTED]**. Given the minimal amount of sales made and expected to be made by our Group through the e-commerce sales channel, it is more cost-effective for our Group to sell and continue selling our products through e-shops operated by the JBM Group (as well as third parties) than to operate our own e-shops on such e-commerce platforms. For further details, see also the section headed "Continuing Connected Transactions — Fully Exempt Continuing Connected Transactions — 1. E-commerce Distribution Services."

Taking into consideration that (i) the sales made by our Group via e-shops operated by the JBM Group accounted for an insignificant percentage of total sales of our Group for the years ended March 31, 2024, 2025 and 2026, respectively, (ii) the amount of sales to be made by our Group via e-shops operated by the JBM Group in the future is not expected to have any material increase, and (iii) that there are readily available alternative e-shop operators in the market (such as the third parties e-shops through which sales of our Group were also made during the Track Record Period), we consider that

such sales through e-shops operated by the JBM Group will not lead to any reliance by us on the JBM Group and that the business delineation and operational independence of our Group will not be undermined.

Separately, Kenford Medical Group Company Limited and King Pui Chinese Medical Group Limited, both being wholly-owned subsidiaries of our Group which operate Chinese medicine clinic services, will continue to operate their own e-shops selling ancillary CM products and selected branded PCM products (excluding CCMG products).

Separate sales and marketing teams

The sales and marketing activities have been and will continue to be conducted by separate sales and marketing teams of our Group and the JBM Group after the **[REDACTED]** and our Group will continue to enter into separate sales and distribution agreements with the relevant distributors, including separate distribution agreements. In particular, sales to overlapping sales channels are conducted by separate sales teams of our Group and the JBM Group respectively, and the sales of our Group are negotiated separately (and not bundled) with the JBM Group. Accordingly, we do not rely on the JBM Group to conduct or negotiate sales. We also have the ability and access to sales network to sell our branded PCM products directly to key chains, registered pharmacies, supermarkets, convenience stores and drug stores and via e-commerce platforms.

Suppliers and Raw Materials

The raw materials used by our Group and the JBM Group do not overlap as the nature of our products comprises different ingredients. We have independent access to suppliers for our own brand products and source third-party brand products from third-party brand owners. There was no overlap in any of the top 10 suppliers of our Group and the JBM Group for each of the years ended March 31, 2024, 2025 and 2026. Our Group and the JBM Group have separate procurement teams, which are staffed with employees who have access to third-party suppliers and conduct respective procurement processes, including negotiations of terms such as pricing and volume, independently. Outside of top 10 suppliers, there was an insignificant degree of overlap in suppliers between our Group and the JBM Group primarily as to purchases of packaging materials.

Furthermore, we consider that the overlap in suppliers has an immaterial impact on the business delineation between our Group and the JBM Group, given that the materials supplied by the overlapping suppliers (being packaging materials such as boxes, bottles, printings and labels) could be readily sourced from alternative comparable suppliers and hence, such overlapping suppliers are not indispensable.

INDEPENDENCE FROM THE JBM GROUP

Operational Independence

Production facilities and production process

Our Group and the JBM Group each has its own production facilities, with separate production plants, production lines, machinery, equipment and fixtures for its production process.

We have our own production facilities for the production process in respect of part of our business, save for the third-party brand branded PCM products (which are produced by third-party brand owners) and some own-brand branded PCM products (production of which is outsourced to third-party contract manufacturer(s) via contract manufacturing arrangement(s)).

We entered into license agreements with the Jacobson Pharma Group on February 28, 2025 and October 28, 2025, respectively, for the grant of licenses by the Jacobson Pharma Group for the period up to January 27, 2028, to use a portion of the factory premises at Tai Po InnoPark for some of our branded PCM products manufacturing, for a monthly license fee of HK$247,000 and HK$218,000, respectively. Since 2007, the Jacobson Pharma Group has leased certain factory premises from the Hong Kong Science and Technology Parks Corporation (the "**Science Park**") for medicine manufacturing, and under such lease, the Jacobson Pharma Group is permitted to license the relevant factory premises' use to certain entities (including Li Chung Shing Tong (Holdings) Limited and Europharm Laboratoires (Hong Kong) Company Limited) with the prior written approval from the Science Park. We will continue using these premises in the factory for the manufacturing of our branded PCM products after the **[REDACTED]** and **[REDACTED]** under the current licenses granted by the Jacobson Pharma Group. Under HKFRS16, both license agreements are recognized as right-of-use assets and when renewed after the **[REDACTED]**, would constitute one-off connected transactions of our Group under the Listing Rules.

Accordingly, we will operate independently from the JBM Group in terms of our production facilities and production processes and there will be no reliance by us on the JBM Group.

Operational licenses, product registrations and distributorship rights

Our Group and the JBM Group possess separate licenses necessary for our respective manufacturing process, use of raw materials and sales activities. Accordingly, we will independently satisfy the licensing requirements for our operations without reliance on the JBM Group. Compliance with licensing requirements will also be handled by our own regulatory team which is independent from the JBM Group. For details of the key operational licenses of our Group, see the section headed "Business — Licenses, Permits and Approvals."

Our Chinese medicine practitioners (who are our employees or consultants) are also registered and hold valid practicing certificates under the Chinese Medicine Ordinance.

Our regulatory team will also handle product registrations with the relevant authorities and ensure that ancillary CM products comply with the applicable labeling requirements. All product registration certificates will be held in the name of our subsidiaries.

In addition, our Group and the JBM Group will separately hold all relevant rights for their respective sales of third-party brand products from third-party brand owners.

Logistics and distribution

During the Track Record Period, we utilized the logistics and distribution services of the JBM Group, out of which certain logistics services (such as local trucking, delivery and return handling of goods) were outsourced by the JBM Group to the Jacobson Pharma Group. After the **[REDACTED]** and **[REDACTED]**, we will directly and individually engage the Jacobson Pharma Group and/or third-party services providers for such logistics and distribution services. We will enter into a separate

logistics and distribution services framework agreement with the Jacobson Pharma Group. For further details, see the section headed "Continuing Connected Transactions — Partially Exempt Continuing Connected Transactions — Logistics and distribution services."

The logistics and distribution services to be provided by the Jacobson Pharma Group are not irreplaceable to us and we do not intend to enter into any exclusive agreement with the Jacobson Pharma Group for such services as there are other third-party providers available, which we will consider engaging should the circumstances warrant.

We have our own storage facilities and will not rely on the JBM Group for any storage or warehousing facilities upon **[REDACTED]**.

Intellectual property rights

We have our own portfolio of registered trademarks and/or other intellectual property rights necessary for our operational activities and will not require intellectual property rights to be assigned or licensed by the JBM Group. After the **[REDACTED]** and **[REDACTED]**, we will continue to hold our intellectual property rights independently of the JBM Group.

For third-party brand products distributed by us, we will use the intellectual property rights granted or licensed by the third-party brand owners in accordance with the terms of the relevant agreements entered into between us and such third party.

Sales and marketing

Given the differences in product (and service) nature between our Group and the JBM Group, the sales and marketing function of our Group is independent of that of the JBM Group. We have designated teams with their personnel skilled and experienced in sales and marketing, merchandising, advertising and brand management and do not rely on the JBM Group for our sales and marketing activities. In respect of the overlapping sales to distributors and through the OTC channels, such sales and marketing functions have been conducted by our own team and will continue to be so going forward without reliance on the JBM Group.

Supply and procurement

We have access to independent suppliers for the supply of PCM ingredients, packaging materials and equipment necessary for our production process and do not rely on the JBM Group for procurement of the same. During the Track Record Period, there was no overlap in the top 10 suppliers between our Group and the JBM Group. We have our own procurement team with direct access to our suppliers and do not rely on the JBM Group to secure the supplies, negotiate the prices and terms of the supply contracts.

Continuing connected transactions

We conducted certain transactions with the JBM Group on a recurring basis during and subsequent to the Track Record Period which will continue after the **[REDACTED]** and constitute continuing connected transactions of our Company under the Listing Rules. Such transactions are entered into in the ordinary and usual course of business of our Group and the terms including the pricing of such transactions are determined through arm's length negotiations which are no less favorable to our Group

than terms offered by Independent Third Parties. Given that the continuing connected transactions with the JBM Group are of supporting nature and do not involve the production process of our top revenue-generating products, our Directors believe that such continuing connected transactions will not cause any undue reliance by us on the JBM Group. For details of such continuing connected transactions, see the section headed "Continuing Connected Transactions."

Management Independence

Our Board comprises nine Directors, representing both genders, with two executive Directors, four non-executive Directors and three independent non-executive Directors. Our senior management team comprises seven members, who are responsible for the day-to-day operations of our Group, including production, new product development, quality assurance, medical clinic services, brand building and management, sales and marketing, accounting and finance and other business and administrative functions. For further details of our Board and senior management, see the section headed "Directors and Senior Management."

One of our executive Directors, Mr. Yu Chun Kau will retain his position as the company secretary of JBM after the **[REDACTED]** but he will be supported by our senior management team who operate independently of the JBM Group. Our non-executive Directors, Mr. Sum and Mr. Yim Chun Leung will remain as executive directors of JBM, but they will not have any executive role or function in our Group and will oversee and advise on strategies and business development of our Group and supervise our Group's operations in a high-level manner. None of our other Directors or senior management will hold any position in any member of the JBM Group after the **[REDACTED]**.

On the basis that the majority in number of the members of the Board and all personnel of the senior management team will be entirely independent of and not have any role in the JBM Group upon the **[REDACTED]**, we consider that our Group and the JBM Group will be managed and operated independently of each other on a day-to-day basis and in the interests of their respective shareholders as a whole.

Each of our Directors is aware of his/her fiduciary duties which require, among other things, that he/she must act for the benefit and in the best interest of our Company and avoid any conflict between his/her duties as our Director and his/her personal interest. In the event of actual or potential conflict of interest or duty, the overlapping Directors of our Group and the JBM Group will abstain from voting on the relevant board resolutions.

Administrative Independence

All essential administrative functions of our Group, including accounting and finance, company secretarial, regulatory compliance, human resources, management of intellectual properties, sales administration, information technology and administration, will be carried out independently by our Group and will not be shared with the JBM Group. Upon the **[REDACTED]** and **[REDACTED]**, all personnel in such administrative functions of our Group will not have overlapping roles or duties in the JBM Group. Accordingly, we will operate independently from the JBM Group and will not share office premises with the JBM Group.

Financial Independence

As of the Latest Practicable Date, as part of the intra-group treasury function, the JBM Group has sought for external banking facilities from independent financial institutions and has utilized its available liquidity resources to provide financial support to our Group as needed. All such amounts due to the JBM Group (and interest accrued, if any) are expected to be capitalized and/or repaid prior to the **[REDACTED]**.

On the other hand, certain existing banking facilities of the JBM Group were jointly and severally guaranteed by members of our Group and the JBM Group as of the Latest Practicable Date. Prior to or upon the **[REDACTED]**, either (i) such guarantee(s) would be released by the banks, or (ii) the relevant banking facilities will be refinanced for our self-use such that we will become the borrower of such banking facilities.

Subject to the final terms to be agreed with the third-party bank(s), it is expected that banking facilities of each of our Group and the JBM Group will be secured by corporate guarantee(s) to be provided by and/or assets owned by members of our Group and the JBM Group, respectively.

In addition to the above,

- we have the ability to secure our own financing;
- we have established our own finance and accounting department with an independent team of staff separate from the JBM Group, and are responsible for our own financial management, accounting, reporting, treasury and internal control functions;
- we make financial decisions independently according to our own funding needs; and
- we have established our own independent audit system, a standardized accounting system and a comprehensive financial management system.

On the basis set out above, we believe that we will be financially independent from the JBM Group upon the **[REDACTED]**.

CORPORATE GOVERNANCE MEASURES

Our Directors believe that there are adequate corporate governance measures in place to manage existing and potential conflict of interest. In order to further avoid potential conflict of interest, we have implemented the following measures:

- as part of our preparation for the **[REDACTED]**, we have adopted our Articles to comply with the Listing Rules. In particular, unless otherwise provided, a Director shall not vote on any resolution approving any contract or arrangement or any other proposal in which such Director or any of his close associates has a material interest nor shall such Director be counted in the quorum present at the meeting;

- a Director with material interests shall make full disclosure in respect of matters that conflict or potentially conflict with our interest and absent himself from the Board meetings on matters in which such Director or his associates has a material interest, unless the attendance or participation of such Director at such meeting of the Board is specifically requested by a majority of the independent non-executive Directors;

- we will engage a third-party professional advisor to advise our Board when necessary in order to allow non-conflicting members of the Board to function properly with necessary professional advice;

- we are committed that our Board should include a balanced composition of executive Directors and independent non-executive Directors. Our independent non-executive Directors represent one-third of the composition of our Board which is in compliance with the Corporate Governance Code of the Listing Rules and they are professionals with requisite knowledge and experience in different industries. We believe that our independent non-executive Directors will provide a balance of view and independent judgment in the decision-making process of our Board and they will be able to provide an impartial, external opinion to protect the interests of our public Shareholders. For further details of our independent non-executive Directors, see the section headed "Directors and Senior Management — Board of Directors — Independent non-executive Directors";

- we have appointed Quam Capital Limited as our compliance advisor subject to the **[REDACTED]**, which will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules including various requirements relating to directors' duties and corporate governance; and

- we will disclose decisions on matters reviewed by our independent non-executive Directors relating to the compliance with and the enforcement of the continuing connected transactions. For further details of corporate governance measures in relation to the continuing connected transactions, see the section headed "Continuing Connected Transactions — Corporate Governance Measures."

CONFIRMATION

Save as disclosed in this document, our Controlling Shareholders and Directors confirm that they do not have any interest in a business which competes with or is likely to compete with our business, whether directly or indirectly, or will otherwise require disclosure under Rule 8.10 of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

OVERVIEW

Upon the **[REDACTED]**, transactions between us and the following connected persons in our ordinary and usual course of business disclosed in this section will constitute continuing connected transactions of our Company under Chapter 14A of the Listing Rules.

CONNECTED PERSONS

We have entered into transactions in the ordinary and usual course of business with the following entities, which will constitute continuing connected transactions (as defined under Chapter 14A of the Listing Rules) upon the **[REDACTED]**:

Name of our connected person	Connected relationship
JBM Group	JBM is, and upon completion of the **[REDACTED]** and **[REDACTED]**, will continue to be, our substantial Shareholder and our Controlling Shareholder
Jacobson Pharma Group	As of the Latest Practicable Date, Mr. Sum, a non-executive Director, our Chairman, our substantial Shareholder and our Controlling Shareholder, is interested in approximately 70.25% of the issued shares of Jacobson Pharma. Accordingly, Jacobson Pharma is an associate of Mr. Sum under the Listing Rules

SUMMARY OF OUR CONTINUING CONNECTED TRANSACTIONS

Nature of transaction	Applicable Listing Rules	Waiver sought	Historical amounts for the year ended March 31,			Annual caps for the year ending March 31,		
			2024	2025	2026	2027	2028	2029
				HK$'000			*HK$'000*	
A. Fully Exempt Continuing Connected Transactions								
1. E-commerce distribution services	14A.76(1)(c)	N/A	713	314	183	350	500	650
2. Overseas sales administrative services	14A.76(1)(a)	N/A	17	26	23	50	75	100
3. Short-term office lease	14A.76(1)(a)	N/A	N/A	N/A	N/A	309.6	N/A	N/A
B. Partially Exempt Continuing Connected Transactions								
1. Logistics and distribution services	14A.35, 14A.76(2)(a), 14A.105	Waiver from strict compliance with announcement requirement	2,724	3,892	3,172	5,000	6,500	8,000

FULLY EXEMPT CONTINUING CONNECTED TRANSACTIONS

1. E-commerce Distribution Services

Background

During the Track Record Period, we utilized certain e-commerce distribution services of the JBM Group for the sale of some of our products in the e-shops of the JBM Group on certain e-commerce platforms (such as Tmall).

Principal terms

On [•], we entered into an e-commerce distribution services agreement (the "**E-commerce Distribution Services Agreement**") with JBM (for itself and on behalf of the JBM Group) for a term from [the **[REDACTED]**] to March 31, 2029, to govern the provision of e-commerce distribution services by the JBM Group to us. Pursuant to the E-commerce Distribution Services Agreement, the JBM Group will provide certain e-commerce distribution services to us, including product listing, cataloging, inventory management, logistics, order fulfillment and payment settlement (the "**E-commerce Distribution Services**").

Historical transaction amounts

The following table sets out the total historical fees paid by us to the JBM Group for the E-commerce Distribution Services for the periods indicated:

	For the year ended March 31,		
	2024	**2025**	**2026**
	HK$'000	*HK$'000*	*HK$'000*
Historical transaction amounts	713	314	183

The historical transaction amounts represent the actual costs of services charged by the JBM Group to our Group that are attributable to our Group's sales through the e-shops of the JBM Group.

Annual caps and basis

The maximum amounts payable by us to the JBM Group in respect of the E-commerce Distribution Services for the three years ending March 31, 2029 shall not exceed the annual caps set out below:

	For the year ending March 31,		
	2027	**2028**	**2029**
	HK$'000	*HK$'000*	*HK$'000*
Annual caps	350	500	650

In determining the above annual caps, our Directors have considered the historical transaction amounts and the expected service fees payable for the E-commerce Distribution Services based on the projected sales of our products (including new products which may be introduced) via the e-shops of the JBM Group after the **[REDACTED]**.

Pricing policy

Pursuant to the E-commerce Distribution Services Agreement, the service fees payable will be negotiated on arm's length basis between us and the JBM Group and will be based on the JBM Group's costs and expenses of providing the E-commerce Distribution Services (including product listing fees, e-commerce platform commission and service fees, and logistics fees).

Reasons for the transactions

We have historically sold certain of our products through the e-shops of the JBM Group on e-commerce platforms. Given the minimal amount of sales expected to be made by us through e-commerce sales channel, our Directors consider it to be more cost-effective for us to continue selling our products through e-shops operated by the JBM Group (as well as other Independent Third Parties) than to operate our own e-shops on such e-commerce platforms.

Listing Rules implications

As JBM will become a connected person of our Company, the transactions contemplated under the E-commerce Distribution Services Agreement will constitute continuing connected transactions of our Company under Chapter 14A of the Listing Rules upon the **[REDACTED]**. Since all of the applicable percentage ratios under the Listing Rules in respect of the annual caps under the E-commerce Distribution Services Agreement are expected to be less than 5% and all the annual caps are less than HK$3 million, the transactions contemplated under the E-commerce Distribution Services Agreement will be exempt from the reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

2. Overseas Sales Administrative Services

Background

During the Track Record Period, we utilized certain overseas sales administrative services of the Jacobson Pharma Group for the sale of some of our products in Macau.

Principal terms

On [•], we entered into an overseas sales administrative services agreement (the "**Overseas Sales Administrative Services Agreement**") with Jacobson Pharma (for itself and on behalf of the Jacobson Pharma Group) for a term from [the **[REDACTED]**] to March 31, 2029, to govern the provision of overseas sales administrative services by the Jacobson Pharma Group to us. Pursuant to the Overseas Sales Administrative Services Agreement, the Jacobson Pharma Group will provide certain overseas sales administrative services to us, including order management, and sales and customer support (the "**Overseas Sales Administrative Services**") in respect of our sales in Macau.

Historical transaction amounts

The following table sets out the total historical fees paid to the JBM Group for the Overseas Sales Administrative Services for the periods indicated:

	For the year ended March 31,		
	2024	**2025**	**2026**
	HK$'000	*HK$'000*	*HK$'000*
Historical transaction amounts	17	26	23

The historical transaction amounts represent the actual costs of services charged by the Jacobson Pharma Group, which the JBM Group in turn recharged our Group based on the actual fees charged by the Jacobson Pharma Group that are attributable to our Group's sales.

Annual caps and basis

The maximum amounts payable by us to the Jacobson Pharma Group in respect of the Overseas Sales Administrative Services for the three years ending March 31, 2029 shall not exceed the annual caps set out below:

	For the year ended March 31,		
	2027	**2028**	**2029**
	HK$'000	*HK$'000*	*HK$'000*
Annual caps	50	75	100

In determining the above annual caps, our Directors have considered the historical transaction amounts, the expected service fees payable for the Overseas Sales Administrative Services based on the projected sales of our products in Macau after the **[REDACTED]**, and the sales and marketing plans of our business in Macau.

Pricing policy

Pursuant to the Overseas Sales Administrative Services Agreement, the service fees payable will be negotiated on arm's length basis between us and the Jacobson Pharma Group and will be based on the costs and expenses of providing the Overseas Sales Administrative Services (including salaries of staff employed and related expense, and general office and administrative expenses).

Reasons for the transactions

We have historically utilized the Overseas Sales Administrative Services provided by the Jacobson Pharma Group for our Group's sales in Macau. Given the comparatively small volume of sales expected to be made by us in Macau, our Directors consider it to be more cost-effective for us to continue utilizing the services of the Jacobson Pharma Group rather than establishing our own dedicated local subsidiaries to perform such functions. Moreover, the Jacobson Pharma Group has local offices and employees who are familiar with our business needs, the requirements of our customers and their local practices.

Listing Rules implications

As Jacobson Pharma will become a connected person of our Company, the transactions contemplated under the Overseas Sales Administrative Services Agreement will constitute continuing connected transactions of our Company under Chapter 14A of the Listing Rules upon the **[REDACTED]**. Since all of the applicable percentage ratios under the Listing Rules in respect of the annual caps under the Overseas Sales Administrative Services Agreement are expected to be less than 0.1%, the transactions contemplated under the Overseas Sales Administrative Services Agreement will be exempt from the reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

3. Short-term Office Lease

Background and principal terms

On April 1, 2026, we (as lessee) entered into a lease agreement with Big Honour Limited (a member of the Jacobson Pharma Group, as lessor) for the lease of the office premises situated at Unit 807, 8/F, C-Bons International Centre, 108 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong, at an annual rent of HK$309,600, for a term of one year, from April 1, 2026 to March 31, 2027 (the "**Short-term Office Lease**"). We currently have no intention to renew the Short-term Office Lease and are searching for alternative suitable office premises.

Historical transaction amounts

As this is a new lease between us and the Jacobson Pharma Group, there is no historical transaction amount.

Listing Rules implications

Under HKFRS 16, since the Short-term Office Lease is a short-term lease, the rent is recognized as our Group's expenses. As Jacobson Pharma will become a connected person of our Company, the Short-term Office Lease will constitute a continuing connected transaction of our Company under Chapter 14A of the Listing Rules upon the **[REDACTED]**. Since all of the applicable percentage ratios under the Listing Rules in respect of the annual rent under the Short-term Office Lease are expected to be less than 0.1%, the transactions contemplated under the Short-term Office Lease will be exempt from the reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

PARTIALLY EXEMPT CONTINUING CONNECTED TRANSACTIONS

Logistics and Distribution Services

Background

During the Track Record Period, we utilized certain logistics and distribution services of the JBM Group (which was charged based on a percentage at 6.5% of invoice value), out of which most of these logistics and distribution services were outsourced by the JBM Group to the Jacobson Pharma Group (which the JBM Group was charged by the Jacobson Pharma Group on a cost-plus basis, determined

with reference to the costs of Jacobson Pharma Group plus a profit margin of 10%). After the **[REDACTED]**, we will no longer utilize the logistics and distribution services of the JBM Group, and instead, will utilize the logistics and distribution services of the Jacobson Pharma Group directly.

Principal terms

On [•], we entered into a logistics and distribution services agreement (the "**Logistics and Distribution Services Agreement**") with Jacobson Pharma (for itself and on behalf of the Jacobson Pharma Group) for a term from [the **[REDACTED]**] to March 31, 2029, to govern the provision of logistics and distribution services by the Jacobson Pharma Group to us. Pursuant to the Logistics and Distribution Services Agreement, the Jacobson Pharma Group will provide certain logistics and distribution services to us, including loading and unloading, local trucking, delivery and return handling of goods, storage and distribution of products, and invoicing and account receivables management and collection (the "**Logistics and Distribution Services**").

Historical transaction amounts

Since the Logistics and Distribution Services were previously provided by the JBM Group to us (though most of these logistics and distribution services were outsourced to the Jacobson Pharma Group), the historical transaction amounts set out below represent the amounts of service fees paid by us to the JBM Group for the Logistics and Distribution Services for the periods indicated:

	For the year ended March 31,		
	2024	**2025**	**2026**
	HK$'000	*HK$'000*	*HK$'000*
Historical transaction amounts	2,724	3,892	3,172

Annual caps and basis

The maximum amounts payable by us to the Jacobson Pharma Group in respect of the Logistics and Distribution Services for the three years ending March 31, 2029 shall not exceed the annual caps set out below:

	For the year ended March 31,		
	2027	**2028**	**2029**
	HK$'000	*HK$'000*	*HK$'000*
Annual caps	5,000	6,500	8,000

In determining the above annual caps, our Directors have considered the historical transaction amounts, our expected demand for Logistics and Distribution Services based on the projected sales of relevant products which utilize such Logistics and Distribution Services after the **[REDACTED]**, and the scope of logistics services to be provided by the Jacobson Pharma Group.

Pricing policy

Pursuant to the Logistics and Distribution Services Agreement, the service fees payable will be negotiated on arm's length basis between us and the Jacobson Pharma Group, based on the costs of the Jacobson Pharma Group in providing the Logistics and Distribution Services (taking into account, among others, labor costs, trucking operations and maintenance costs and other related costs) plus a

profit margin of 10.0%, which is comparable to that historically charged by the Jacobson Pharma Group to the JBM Group. We will make reference to quotations provided by Independent Third Party service providers to ensure that the service fees charged by the Jacobson Pharma Group will be at rates comparable to those charged by Independent Third Parties for the provision of comparable services.

Reasons for the transactions

Considering our long-term business relationship with the Jacobson Pharma Group (historically through the JBM Group), their familiarity with our operation flow, product delivery and specific logistics requirements, and that their fees will be no less favorable than those offered by Independent Third Parties, our Directors consider that utilizing the Jacobson Pharma Group's Logistics and Distribution Services will allow our ongoing operation to continue undisrupted.

Listing Rules implications

As Jacobson Pharma will become a connected person of our Company, the transactions contemplated under the Logistics and Distribution Services Agreement will constitute continuing connected transactions of our Company under Chapter 14A of the Listing Rules upon the **[REDACTED]**. Since the applicable percentage ratios under the Listing Rules in respect of the annual caps under the Logistics and Distribution Services Agreement are expected to be more than 0.1% but less than 5%, the transactions contemplated under the Logistics and Distribution Services Agreement will be subject to the annual review, reporting and announcement requirements but exempt from the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

CORPORATE GOVERNANCE MEASURES

We have adopted the following internal control and corporate governance measures to ensure that our continuing connected transactions will be conducted on normal commercial terms and in accordance with the relevant agreements:

(a) the Audit Committee of our Board will be reviewing and evaluating the terms of the agreements for the continuing connected transactions, in particular the pricing principles and annual caps, to ensure that such terms are fair and reasonable to us and compliant with the Listing Rules;

(b) our Directors, including the independent non-executive Directors, will be able to seek independent professional advice in respect of the continuing connected transactions from external professional parties in appropriate circumstances;

(c) our various internal departments (including but not limited to our finance and accounting department, sales and marketing department and production department) will regularly monitor the implementation of the continuing connected transactions and keep track of the aggregate transaction amounts under the relevant agreements to ensure that the pricing principles and annual caps contained therein are complied with;

(d) we have adopted relevant reporting and record-keeping procedures to allow our independent non-executive Directors and our auditors to perform annual review of the continuing connected transactions under the agreements and provide annual confirmations in accordance with the Listing Rules; and

(e) we will duly disclose in our annual report the continuing connected transactions to be conducted during each financial year, together with the conclusions drawn by our independent non-executive Directors on whether the transactions are conducted in our ordinary and usual course of business, on normal commercial terms or better, and according to the relevant agreements on terms that are fair and reasonable and in the interests of our Group and our Shareholders as a whole.

CONFIRMATION FROM OUR DIRECTORS

Our Directors (including our independent non-executive Directors) have confirmed that the partially exempt continuing connected transaction as set out above has been and will be carried out in our ordinary and usual course of business and on normal commercial terms or better, and is fair and reasonable and in the interests of our Group and our Shareholders as a whole, and the proposed annual caps for such transaction are fair and reasonable and in the interests of our Group and our Shareholders as a whole.

CONFIRMATION FROM THE SOLE SPONSOR

Having reviewed the relevant documents and information provided by us, the Sole Sponsor is of the view that the partially exempt continuing connected transaction as set out above has been and will be carried out in the ordinary and usual course of business of our Group and on normal commercial terms, and is fair and reasonable and in the interests of our Group and our Shareholders as a whole, and the proposed annual caps for such transaction are fair and reasonable and in the interests of our Group and our Shareholders as a whole.

WAIVER FROM STRICT COMPLIANCE WITH THE LISTING RULES

As stated above, the partially exempt continuing connected transaction will be exempt from the circular and independent Shareholders' approval requirements but subject to the annual review, reporting, and announcement requirements under Chapter 14A of the Listing Rules.

As the material terms of the partially exempt continuing connected transactions are disclosed in this document, our Directors consider that strict compliance with the announcement requirement under Chapter 14A of the Listing Rules would be impractical and unduly burdensome and, in particular, would induce unnecessary administrative costs to our Group.

As a result, our Company has applied to the Stock Exchange for[, and has been granted], a waiver under Rule 14A.105 of the Listing Rules to exempt the partially exempt continuing connected transactions from strict compliance with the announcement requirement under Rule 14A.35 of the Listing Rules for the term ending March 31, 2029.

If any material terms of the transactions contemplated under the abovementioned agreements are altered or if we enter into any new agreements with any connected persons in the future, we will fully comply with the relevant requirements unless we apply for and obtain a separate waiver from the Stock Exchange.

BOARD OF DIRECTORS

Our Board consists of nine Directors, comprising two executive Directors, four non-executive Directors (one of whom is the Chairman) and three independent non-executive Directors. Members of our Board are experienced individuals in their respective specialized areas.

The following table sets forth certain information in respect of our Directors:

Name	Age	Position(s) in our Company	Date of joining our Group/the JBM Group	Date of appointment as Director	Principal responsibilities in our Group	Relationship with other Directors and/or senior management
Yu Chun Kau (余振球)	53	Executive Director and chief executive officer	November 23, 2023	March 26, 2026	Overseeing and managing day-to-day operations, focusing on strategic business development, brand promotion, treasury and financial management	None
Ng Kwan Ho (吳君豪)	50	Executive Director and vice president of the sales and marketing department	August 26, 2024	March 26, 2026	Overseeing and managing day-to-day operations, focusing on strategic business development, sales and marketing management	None
Sum Kwong Yip Derek (岑廣業)	63	Non-executive Director and Chairman	September 22, 2020	July 17, 2026	Advising on strategic direction, planning and business development	None
Yim Chun Leung (嚴振亮)	64	Non-executive Director	September 22, 2020	July 17, 2026	Advising on corporate strategies and development	None
Xu Hongxi (徐宏喜)	65	Non-executive Director	October 2, 2025	July 17, 2026	Advising on product research and development in Chinese medicines	None
Leng Wei (冷巍)	47	Non-executive Director	July 17, 2026	July 17, 2026	Advising on new product development in Chinese medicines	None
Young Chun Man Kenneth (楊俊文)	62	Independent non-executive Director	[•]	[•]	Providing independent advice and judgment to our Board	None
Lin Zhixiu (林志秀)	60	Independent non-executive Director	[•]	[•]	Providing independent advice and judgment to our Board	None
Ngai Wah Sing Francis (魏華星)	53	Independent non-executive Director	[•]	[•]	Providing independent advice and judgment to our Board	None

Executive Directors

Yu Chun Kau (余振球), aged 53, is an executive Director and the chief executive officer of our Company. He is responsible for overseeing and managing day-to-day operations, focusing on operation management, strategic planning, business development, brand promotion, treasury and financial management of our Group. He is also a director of certain subsidiaries of our Company. He has over 30 years of experience in corporate management, accounting, corporate finance, compliance and auditing.

Mr. Yu joined the Jacobson Pharma Group as the chief financial officer in January 2019 and was appointed as the company secretary of Jacobson Pharma in April 2021. In November 2023, he was appointed as the company secretary of JBM.

Prior to joining the Jacobson Pharma Group, Mr. Yu worked for various Hong Kong listed companies and multinational corporations as executive director, chief financial officer and company secretary. From June 2017 to January 2019, he was the group chief financial officer of Sinolot (Hong Kong) Limited. From September 2013 to December 2016, he was the vice president, chief financial officer and company secretary of Cosmo Lady (China) Holdings Company Limited, a company listed on the Main Board of the Stock Exchange (stock code: 2298). He was also the chief financial officer (from June 2010 to December 2012), an executive director (from May 2011 to November 2012) and the company secretary (from November 2011 to December 2012) of Sitoy Group Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1023). From February 2008 to June 2010, he was an executive director, chief financial officer and company secretary at China Risun Group Limited (formerly known as China Risun Coal Chemicals Group Limited, a company currently listed on the Main Board of the Stock Exchange (stock code: 1907)). From June 2006 to February 2008, he served as the chief financial officer at the Brigantine Group. From December 2003 to June 2006, he worked as an assistant director at Kerry Beverages Limited. From July 2002 to November 2003, he worked as a financial controller at First Dragoncom Agro-Strategy Holdings Limited. From August 1994 to July 2002, he worked at KPMG with his last position as a manager.

He has been appointed as an independent non-executive director of Butong Group, a company listed on the Main Board of the Stock Exchange (stock code: 6090), since September 2025 and an independent non-executive director of Forward Fashion (International) Holdings Company Limited, a company listed on the Main Board of the Stock Exchange (stock code: 2528), since December 2019. He was an independent non-executive director of Ruifeng Power Group Company Limited, a company listed on the Main Board of the Stock Exchange (stock code: 2025), from December 2017 to June 2025.

Mr. Yu graduated from The Chinese University of Hong Kong with a degree in bachelor of business administration with first class honors in December 1994. In June 2005, he also obtained a degree in master of corporate governance from the Hong Kong Metropolitan University (formerly known as The Open University of Hong Kong). He was admitted as a fellow member of The Association of Chartered Certified Accountants in November 2002. He was admitted as a fellow member and was registered as a certified public accountant (practicing) of the Hong Kong Institute of Certified Public Accountants (formerly known as Hong Kong Society of Accountants) in July 2005 and in October 2002, respectively. In March 2007, he was admitted as a senior international finance manager in the International Financial Management Association. In April 2015, he was also admitted as a fellow member of The Institute of Chartered Accountants in England and Wales. In September 2016, he was admitted as both a fellow member of The Hong Kong Chartered Governance Institute and as a fellow member of The Chartered Governance Institute (formerly known as the Institute of Chartered Secretaries and Administrators).

Ng Kwan Ho (吳君豪), aged 50, is an executive Director and vice president of our Company. He is responsible for overseeing and managing day-to-day operations, focusing on strategic business development, sales and marketing management and brand management of our Group. He is also a director of certain subsidiaries of our Company. He has over 24 years of experience in sales, marketing, brand management and strategic planning.

Mr. Ng joined the JBM Group first serving as the vice president of brand management and strategies planning, and subsequently as the vice president of brand management and sales excellence, from August 2024 to March 2026.

Prior to joining the JBM Group, he worked at Amway Hong Kong Limited, a multinational direct selling company, as a marketing director from May 2018 to October 2022, with his last position as an experience and operation director from November 2022 to July 2024. From June 2005 to April 2018, he worked at Vita Green Health Products Co. Ltd., a company that produces Chinese and Western health supplements with markets in Hong Kong, Macau, the PRC, Southeast Asia and Europe, with his last position as a marketing director. From November 2003 to August 2004, he served as an account executive in Sonopress Pan Asia Limited, primarily responsible for interfacing with top-level executive clients, negotiating high-dollar contracts and orchestrating post-sale professional services and resources. From July 2002 to November 2003, he served as a product executive in eNet Digital Pacific Limited, primarily responsible for managing its online shop's operation, preparing product promotion plan and marketing research and development. From October 2001 to May 2002, he served as a marketing executive in Casey International Limited.

Mr. Ng has been appointed as a non-executive director of Tycoon Group Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 3390), since July 2025.

Mr. Ng graduated from City University of Hong Kong with a bachelor of arts with honors in language information science in November 1999 and obtained a master of philosophy from City University of Hong Kong in November 2002.

Non-executive Directors

Sum Kwong Yip Derek (岑廣業), aged 63, is the Chairman and a non-executive Director. He is responsible for advising on strategic direction, planning, business development as well as high-level monitoring and supervision of our Group. He has extensive experience in the pharmaceutical industry and over 38 years of strategic and corporate management experience in the pharmaceutical industry.

Mr. Sum is the chairman of the board, the chief executive officer and an executive director of JBM, a company listed on the Main Board of the Stock Exchange (stock code: 2161), and the chairman of the board, the chief executive officer and an executive director of Jacobson Pharma, a company listed on the Main Board of the Stock Exchange (stock code: 2633).

Mr. Sum founded Jacobson Pharma Group in September 1998 and was mainly responsible for business management and strategic development.

Prior to founding Jacobson Pharma Group, Mr. Sum held various management positions with several multi-national corporations. He started his career in the pharmaceutical industry with Sandoz Division of Edward Keller Limited in April 1988 and moved on to take up a management position with Watsons Pharmaceutical Limited under Hutchison Whampoa Limited in December 1988. In 1990,

Watsons Pharmaceutical Limited was renamed as JDH Pharmaceutical Limited. Since then, Mr. Sum had worked in the Inchcape Group and he was the chief executive of the pharmaceutical division under Inchcape JDH Limited in 1998 before he embarked upon his entrepreneurial pursuit with Jacobson Pharma Group. Since June 2007, Mr. Sum has also been a member of the advisory board at the School of Pharmacy of the Chinese University of Hong Kong. He has also been appointed as a member of the Chinese Medicines Industry Subcommittee under the Chinese Medicine Development Committee for a term of two years with effect from February 1, 2025.

Mr. Sum graduated from Cardiff University (formerly known as the University of Wales) in the United Kingdom with an honorary bachelor's degree in pharmacy in July 1986 and was accredited as a practicing member of The Royal Pharmaceutical Society of Great Britain (formerly known as the Pharmaceutical Society of Great Britain) in August 1987. He was admitted into the registrar as a registered pharmacist under the Pharmacy and Poisons Board of Hong Kong in October 1987.

Yim Chun Leung (嚴振亮), aged 64, is a non-executive Director. He is responsible for advising on corporate strategies and development of our Group. He has over 41 years of experience in the auditing, accounting and corporate finance fields.

Mr. Yim is an executive director of JBM, a company listed on the Main Board of the Stock Exchange (stock code: 2161), and an executive director of Jacobson Pharma, a company listed on the Main Board of the Stock Exchange (stock code: 2633).

Mr. Yim has served in numerous companies listed on the Main Board of the Stock Exchange. He served as an executive director of LVGEM (China) Real Estate Investment Company Limited (formerly known as New Heritage Holdings Ltd., a company listed on the Main Board of the Stock Exchange (stock code: 95)) from December 2004 and its chief executive officer from July 2014, respectively until he resigned in March 2016. From May 2002 to June 2004, Mr. Yim served as the financial controller of Soundwill Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 878). From December 2000 to February 2002, Mr. Yim served as the chief financial officer of Sinolink Worldwide Holdings Limited (now known as Z Fin Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1168)). From January 1998 to April 1999, he served as an executive director of N P H International Holdings Limited (now known as Concord New Energy Group Limited, a company listed on the Main Board of the Stock Exchange (stock code: 182)). From January 1994 to December 1997, Mr. Yim served as the finance director of Tysan Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 687). From June 1987 to December 1993, Mr. Yim worked at GPI International Limited (a subsidiary of Gold Peak Technology Group Limited, a company listed on the Main Board of the Stock Exchange (stock code: 40)) and his last position was assistant financial controller.

Mr. Yim obtained a master of business administration degree from the University of Manchester, United Kingdom in June 2008. He has been a non-practicing member of the Hong Kong Institute of Certified Public Accountants (formerly known as Hong Kong Society of Accountants) since January 1991 and a fellow of the Association of Chartered Certified Accountants (formerly the Chartered Association of Certified Accountants) since October 1995.

Xu Hongxi (徐宏喜), aged 65, is a non-executive Director. He is responsible for advising on product research and development in Chinese medicines of our Group.

Professor Xu served as a non-executive director of JBM, a company listed on the Main Board of the Stock Exchange (stock code: 2161) from October 2025 to August 2026. He has also been an independent non-executive director of Beijing Tong Ren Tang Chinese Medicine Company Limited, a company listed on the Main Board of the Stock Exchange (stock code: 3613), since March 2023, and an independent non-executive director of Vigonvita Life Sciences Co., Ltd., a company listed on the Main Board of the Stock Exchange (stock code: 2630), since January 2025.

Professor Xu has been a member of Chinese Pharmacopoeia Commission since September 2022 and a distinguished professor of Shanghai University of Traditional Chinese Medicine since January 2024. He also currently serves as the chairman of the Belt and Road Alliance for Traditional Chinese Medicine, the honorary chairman of the Chinese Medicine Experimental Pharmacology Branch of China Association of Chinese Medicine, and the co-chairman of the International Conference on the Modernization of Chinese Medicine. He was also honored as the first batch "Shanghai Distinguished Expert in October 2011 and a "State Specially Recruited Expert" in January 2013. He also previously served as the scientific officer of the Chinese Medicine Research Centre at The Chinese University of Hong Kong, the deputy general manager and senior medical advisor of Hutchison Whampoa (China) Limited, a director and the R&D director of Shanghai Hutchison Pharmaceuticals Limited, and the deputy director of the Hong Kong Jockey Club Institute of Chinese Medicine.

Professor Xu graduated from the Shanghai University of Traditional Chinese Medicine in 1983 and 1989 with a bachelor's degree and master's degree, respectively, and obtained his Ph.D. degree in pharmaceutical sciences in 1994 from the Toyama Medical and Pharmaceutical University in Japan, and conducted postdoctoral research at the National University of Singapore and Dalhousie University in Canada between 1994 and 1997.

Leng Wei (冷巍), aged 47, is a non-executive Director. She is responsible for advising on new product development in Chinese medicines. She has over 21 years of experience in the pharmaceutical sector.

Ms. Leng joined the Jacobson Pharma Group in August 2012 as a research and development manager. She was promoted as a senior manager in March 2017, and has been the vice-president of the research and development and strategic projects department of the Jacobson Pharma Group since August 2019.

Prior to joining the Jacobson Pharma Group, Ms. Leng served as a senior technical executive at SGS Hong Kong Limited from October 2011 to August 2012. From June 2006 to September 2011, she worked at Bright Future Pharmaceutical Laboratories Limited and served in various positions including as the project controller, with her last position as a supervisor of the drug registration affairs department.

Ms. Leng graduated from Shen Yang Pharmaceutical University in the PRC with a bachelor degree in pharmacy in July 2002. In July 2005, she also obtained a master degree in pharmaceuticals from Shen Yang Pharmaceutical University in the PRC. She became a licensed pharmacist in the PRC in October 2009.

Independent Non-executive Directors

Young Chun Man Kenneth (楊俊文), aged 62, is an independent non-executive Director. He is responsible for providing independent advice and judgment to our Board. He has over 35 years of qualified professional experience in the audit and accounting fields.

Mr. Young is the founder and was a director of AITIA (HK) CPA Limited, a member of TGS Global, from January 2015 to April 2022, during which he was mainly responsible for developing strategies for the growth of the practice, and to implement proper governance and risk management. He was a partner at HLB Hodgson Impey Cheng (formerly known as Hodgson Impey Cheng) from September 1994 to March 2011.

He served as an independent non-executive director of Quam Plus International Financial Limited (formerly known as China Tonghai International Financial Limited, a company listed on the Main Board of the Stock Exchange (stock code: 952)) from September 2012 to February 2017, and an independent non-executive director of Jacobson Pharma, a company listed on the Main Board of the Stock Exchange (stock code: 2633), from August 2016 to August 2026. He has been an independent non-executive director of Soundwill Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 878), since June 2023.

Mr. Young obtained a degree of master of corporate finance from The Hong Kong Polytechnic University in November 2004 and a degree of bachelor of arts in economics from the University of Essex in the United Kingdom in July 1985. He was qualified as a chartered accountant in England and Wales in August 1991. He was admitted as a fellow of The Hong Kong Institute of Certified Public Accountants in December 2004. He has been a fellow of The Institute of Chartered Accountants in England and Wales since January 2002, and an ordinary member of the Society of Chinese Accountants & Auditors since 2012. He held various committee member positions with The Hong Kong Institute of Certified Public Accountants from 1998 to 2014. He has also been serving as a member of the audit committee and a council member of SAHK (香港耀能協會), a charitable organization, since 2013 and 2015, respectively.

Lin Zhixiu (林志秀), aged 60, is an independent non-executive Director. He is responsible for providing independent advice and judgment to our Board. He has over 39 years of professional experience in the Chinese medicine field.

Professor Lin began as a clinician at the affiliated hospital of Guangdong Institute of Traditional Chinese Medicine in July 1987. Since May 2003, he has been working at the School of Chinese Medicine of The Chinese University of Hong Kong. He started as an assistant professor in May 2003, became an associate professor in May 2010 and has been a professor since August 2020. He has been a director of the Hong Kong Institute of Integrative Medicine of The Chinese University of Hong Kong since August 2017 and a director of the School of Chinese Medicine of The Chinese University of Hong Kong since August 2022.

Professor Lin obtained a bachelor's degree in traditional Chinese medicine from Guangzhou University of Chinese Medicine (formerly known as Guangzhou College of Traditional Chinese Medicine) in July 1987 and obtained a PhD in pharmacognosy from King's College London in the United Kingdom in December 1999. His research areas include pharmacological research and product development of Chinese medicine for the treatment of psoriasis, eczema, pancreatic cancer, prostate cancer, and neuroprotective Chinese medicines, and clinical trials of Chinese medicine for the treatment

of common diseases such as eczema, psoriasis, macular edema, allergic rhinitis, urticaria, and chronic COVID-19. He has led multiple research projects funded by the National Natural Science Foundation of China, the Hong Kong Grant for Research (GRF), the Hong Kong Health and Medical Services Department, and the Hong Kong Innovation and Technology Commission. He has published over 270 Science Citation Index research papers on traditional Chinese medicine in internal journals and has a Google Scholar H-index of 64. He was also selected for Stanford University's list of "World's Top 2%" scientists in 2024 and 2025.

Ngai Wah Sing Francis (魏華星), aged 53, is an independent non-executive Director. He is responsible for providing independent advice and judgment to our Board.

Mr. Ngai is the founder and chief executive officer of SVHK Foundation Limited and SVHK Capital Limited. Since 2007, he has dedicated himself to venture philanthropy and social innovation, and has been involved in a range of social ventures and initiatives in Hong Kong, including Hong Kong's first venture philanthropy fund, Green Monday, RunOurCity, Light Be, Playtao Education and HATCH. He is currently a director of Light Be (Yau Tong Social Housing) Company Limited, a director of RunOurCity Foundation Limited, and a board member of Project Melo Limited. He also contributes to public policy in related fields as a member of the Social Welfare Advisory Committee of the Hong Kong Government, and provides further oversight and guidance in other advisory capacities, including as a member of the Knowledge Transfer Venture Impact Fund Steering Committee of The Chinese University of Hong Kong.

Prior to devoting himself to social innovation and social entrepreneurship, Mr. Ngai worked in various business sectors. He served as an assistant vice president in strategic development of PCCW until 2007, when he resigned from the corporate sector to pursue social entrepreneurship and community innovation on a full-time basis.

Mr. Ngai graduated from the City University of Hong Kong in December 1994 with a bachelor's degree in quantitative analysis for business. He has been awarded an honorary fellowship by the City University of Hong Kong and an honorary fellowship by The Education University of Hong Kong. He was named one of Hong Kong's Ten Outstanding Young Persons in 2011 and was selected as a Young Global Leader of the World Economic Forum in 2012, recognizing his many contributions to society.

Save as disclosed above, none of our Directors holds or has held any other directorships in any other company whose shares are listed in Hong Kong or overseas during the three years immediately preceding the date of this document. For further information on our Directors, including particulars of their service contracts and remuneration, and details of the interests of our Directors in the Shares (within the meaning of Part XV of the SFO), see "Statutory and General Information" in Appendix IV to this document. Save as disclosed herein, there are no other matters in respect of each of our directors that are required to be disclosed pursuant to Rule 13.51(2)(a) to (v) of the Listing Rules and there are no other material matters relating to our Directors that need to be brought to the attention of our Shareholders and **[REDACTED]**.

SENIOR MANAGEMENT

Our senior management team comprises seven members who are responsible for the day-to-day management and operation of our business in support of our executive Directors.

The following table sets forth certain information in respect of our senior management team:

Name	Age	Position(s) in our Company	Date of joining our Group/the JBM Group	Date of appointment to current position	Principal responsibilities in our Group	Relationship with other Directors and/or senior management
Chan King Kin Kevin (陳景健) . . .	51	Chief operating officer	December 1, 2020	July 1, 2026	Overseeing corporate affairs, project management, information technology, human resources and other administrative functions	None
Tsui Kai Tsun (徐繼浚) . . .	36	Vice president of finance and company secretary	May 1, 2026	July 1, 2026	Management of the finance and accounting and company secretarial functions	None
Wang Lin (汪檁)	61	General manager of the production department	September 22, 2020	September 1, 2023	Overseeing production and new product development	None
Mak Wai Him (麥偉謙) . . .	57	General manager of the Chinese medicine clinic services department	June 30, 2025	June 30, 2025	Overseeing the operations of the Chinese medical services business	None
Lo Chui Yee (羅翠儀) . . .	58	Marketing director	November 4, 2013	September 1, 2023	Overseeing brand building and marketing activities	None
Leung Hoi Ki (梁凱棋) . . .	44	Senior quality assurance and operation manager	December 15, 2014	October 1, 2025	Overseeing operations and quality assurance of products	None
Lin Chiu Chun (林潮珍) . . .	44	Senior human resources manager	December 1, 2020	April 1, 2026	Human resources, staff training and development	None

Chan King Kin Kevin (陳景健), aged 51, is the chief operating officer of our Company. He is responsible for overseeing corporate affairs, project management, risk management, information technology, human resources and other administrative functions of our Group. He has over 18 years of experience in the Chinese medicine industry.

Mr. Chan joined the Jacobson Pharma Group in December 2016 as a business development director primarily responsible for strategic planning and execution, market expansion and monitoring the operations of our Chinese medicine business. In December 2020, he joined our group as a deputy general manager primarily responsible for strategic planning, supply chain optimization, customer relationship management and monitoring the operations of CCMG business.

Prior to joining the Jacobson Pharma Group, Mr. Chan held various positions in Nong's Company Limited (a subsidiary of PuraPharm Corporation Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1498)), including business development manager, production manager, supply chain director, general manager of sales for the PRC region, strategic planning and development manager, business development director and assistant general manager of clinic support from August 2007 to November 2015.

Mr. Chan graduated from The Chinese University of Hong Kong in December 1998 with a bachelor of engineering with honors.

Tsui Kai Tsun (徐繼浚), aged 36, is the vice president of finance and company secretary of our Company. He is responsible for managing the accounting, corporate finance, treasury and company secretarial functions of our Group. He has over 12 years of experience in the auditing, accounting and finance fields.

Mr. Tsui joined the Jacobson Pharma Group in August 2022 as a finance manager and was promoted to an assistant financial controller. Since May 2026, he has been serving as the vice president of finance of our Group.

Prior to joining Jacobson Pharma, Mr. Tsui served as a finance manager of Pacific Coffee Company Limited (a subsidiary of China Resources Enterprise) from November 2021 to August 2022. He joined China Overseas (Hong Kong) Limited (a subsidiary of China State Construction International Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 3311)) from June 2017 to November 2021 as an accountant and was promoted to a deputy finance manager. From October 2016 to April 2017, he served as a senior accountant at Beijing Tong Ren Tang Chinese Medicine Co., Ltd., a company listed on the Main Board of the Stock Exchange (stock code: 3613), primarily responsible for the financial reporting of the listed group. From October 2013 to October 2016, he served as a senior accountant in the assurance department of Ernst & Young.

Mr. Tsui graduated from Lingnan University in November 2013 with a bachelor of business administration. He has been a certified public accountant of the Hong Kong Institute of Certified Public Accountants since July 2017.

Wang Lin (汪檁), aged 61, is the general manager of the production department of our Company. She is responsible for overseeing production and new product development of our products. She has over 35 years of experience in Chinese medicines industry, with extensive experiences in GMP quality management and operational practices for different Chinese medicines manufacturing facilities, as well as substantial experience in medical product registration.

Ms. Wang joined the Jacobson Pharma Group as a Chinese medicines quality assurance manager & operation manager at Europharm Laboratories Company Limited from March 2008 to March 2017, and was promoted to an assistant general manager of Chinese medicine in April 2017, where she was responsible for the quality management of the manufacturing process, product regulatory affairs and daily operations of Chinese medicines. In September 2020, she was appointed as the assistant general manager our Group.

Prior to joining the Jacobson Pharma Group, Ms. Wang worked in Shenzhen Huakang Medicine Co, Ltd from August 2003 to February 2008 as the quality assurance manager and assistant general manager, in charge of quality management, GSP implementation and authentication, product registration as well as daily operations. From May 1999 to June 2001, she was employed as a manager of the software department at Anhui Fengyang Keyuan Pharmaceutical Co., Ltd.. Prior to that, she worked as a manufacturing engineer at Huainan Shuangyin Pharmaceutical Co., Ltd. (formerly known as Huainan First Pharmaceutical Manufacturing Factory), Anhui province, the PRC, from July 1985 to April 1999, where she was responsible for production engineering, product research & development and product registration.

Ms. Wang graduated from the Anhui University of Traditional Chinese Medicine (formerly known as Anhui College of Traditional Chinese Medicine) in the PRC with a diploma majoring in Chinese medicine in July 1991. She was awarded with the Anhui Province certificate of scientific and technological research achievement from the Anhui Province science and technology committee in August 1999. She became a licensed pharmacist in the PRC in October 2002.

Mak Wai Him (麥偉謙), aged 57, is the general manager of the Chinese medicine clinic services department of our Group. He is responsible for the operations of the Chinese medicine clinic services business of our Group.

Mr. Mak joined Kenford Medical in August 2016 as a operation manager and was promoted to the chief operations officer in April 2022, primarily responsible for overseeing daily operations and clinic management, operational efficiency, procurement, human resources and administration of the Chinese medicine clinics under Kenford Medical.

Prior to joining Kenford Medical, he worked at Champion Bloodstock Ltd. as an administrator from July 2013 to August 2016. From April 1994 to September 2007, he worked at Euro Fashion Trading Co., Ltd., with his last position as an electronic data processing manager. From April 1991 to October 1993, he worked at Crocodile Garment Limited, with his last position as an information analyst.

Mr. Mak graduated from Hong Kong Polytechnic University in November 1994 with a higher certificate in marketing and sales management. In December 1996, he obtained a diploma in marketing from The Chartered Institute of Marketing.

Lo Chui Yee (羅翠儀), aged 58, is the marketing director of our Company. She is responsible for overseeing brand building and marketing activities of our Group. She has over 25 years of industry experience in the sales and marketing of fast-moving consumer goods, health supplements and Chinese medicines in Hong Kong.

Ms. Lo joined our Group in November 2013 as a marketing manager and was subsequently promoted as a senior marketing manager in February 2019, mainly in charge of brand building and marketing of products. In September 2023, she was promoted as a marketing director.

Prior to joining our Group, Ms. Lo was employed as a marketing consultant at KADOSH Health & Beauty Co. Ltd. from October 2012 to February 2013. From October 2010 to October 2012, she worked as a senior product manager at Green Science International Limited. Prior to that, she served various positions at The Kowloon Dairy Ltd and was assistant marketing manager, senior product manager, product manager and marketing assistant between July 1991 and March 2010. She left The Kowloon Dairy Ltd in August 1998 to pursue a master's degree at Middlesex University. Before she re-joined The Kowloon Dairy Ltd in August 2001, she was employed as a brand manager at Sims Trading Company Limited from March 2000 to August 2001. She began her marketing career as a marketing assistant at Giant Sky Limited (Premier Travel) from November 1990 to March 1991.

Ms. Lo received a diploma in business administration from Hong Kong Shue Yan University (formerly known as Hong Kong Shue Yan College) in July 1990. She then obtained a master's degree in marketing management from Middlesex University, United Kingdom in February 2000. She has become a member and a chartered marketer of The Chartered Institute of Marketing, United Kingdom since February 2012 and July 2013, respectively.

Leung Hoi Ki (梁凱棋), aged 44, is the senior quality assurance and operation manager of our Company. She is responsible for overseeing our operations and quality assurance of our products. She has over 20 years of experience in the Chinese medicine industry in Hong Kong and has worked in a number of pharmaceutical companies in Hong Kong.

Ms. Leung joined our Group in December 2014 as an operation manager, where she was responsible for overseeing the production, operation, product development and quality assurance affairs of proprietary Chinese medicine products. She was promoted as a quality assurance and operation manager of our Group in July 2021 and has been promoted to senior quality assurance and operation manager since October 2025.

Prior to joining our Group, Ms. Leung served as a quality assurance manager in Hong Kong Zihua Pharmaceutical Limited from April 2011 to December 2014. From January 2010 to April 2011, she served as a factory manager in Po Wo Tong Medicines (HK) Ltd. From June 2006 to January 2010, she served as a quality assurance officer in Wai Yuen Tong Medicine Co. Ltd.

Ms. Leung graduated from Hong Kong Baptist University in November 2006 with a bachelor of pharmacy with honors in Chinese medicine and obtained her master of science degree in nutrition, food science and technology from The Chinese University of Hong Kong in December 2010.

Lin Chiu Chun (林潮珍), aged 44, is the senior human resources manager of our Company. She is responsible for human resources, staff training and development of our Group. She has over 23 years of experience in human resources management.

Ms. Lin joined the Jacobson Pharma Group in March 2013 as an assistant human resources manager and was promoted to serve as a human resources manager from January 2015 to November 2020. From December 2020 to September 2024, she served as a human resources manager in the JBM Group and was promoted to serve as a senior human resources manager from October 2024 to March 2026. In April 2026, she joined our Group as a senior human resources manager.

Prior to joining the Jacobson Pharma Group, Ms. Lin served as a human resources assistant in Joyce Boutique Holdings Limited from June 2003 to March 2005, primarily responsible for assisting in payroll/commission calculation and administrative activities related to staff benefits. From March 2005 to June 2005, she served as a human resources assistant in Midland Realty (Strategic) Limited, providing all-round human resources support. From July 2005 to February 2013, she held various positions in the Chevalier Group, with her last position being an assistant manager.

Ms. Lin graduated from Hong Kong Baptist University in December 2003 with a bachelor of social sciences. In August 2005, she was awarded a diploma in human resources management from The University of Hong Kong School of Professional and Continuing Education, and in November 2014, she also obtained a master's degree in human resources management from Hong Kong Baptist University.

Save as disclosed in this document, none of our senior management members holds or has held any directorships in any other company listed in Hong Kong or overseas in the last three years prior to the Latest Practicable Date.

COMPANY SECRETARY

Tsui Kai Tsun (徐繼浚) was appointed as the company secretary of our Company on July 1, 2026. For details of his background, see the section headed "— Senior Management" above.

BOARD COMMITTEES

We have established the audit committee, the remuneration committee and the nomination committee and delegated various responsibilities to these committees, which assist our Board in discharging its duties and overseeing particular aspects of our Group's activities.

Audit Committee

The audit committee consists of three Directors, namely, Young Chun Man Kenneth, Lin Zhixiu and Ngai Wah Sing Francis, all being independent non-executive Directors, with Young Chun Man Kenneth serving as the chairman. Mr. Young has the appropriate professional qualification and experiences as required under Rules 3.10(2) and 3.21 of the Listing Rules. The audit committee is mainly responsible for reviewing and overseeing the financial reporting procedure, risk management and internal control system of our Company and has the terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

Remuneration Committee

The remuneration committee consists of three Directors, namely Yim Chun Leung, Young Chun Man Kenneth, and Ngai Wah Sing Francis, with Young Chun Man Kenneth serving as the chairman. The remuneration committee is mainly responsible for evaluating the remuneration policies for Directors and senior management of our Company and making recommendations thereon to our Board and has the terms of reference in compliance with paragraph E.1 of part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

Nomination Committee

The nomination committee consists of three Directors, namely Leng Wei, Young Chun Man Kenneth and Ngai Wah Sing Francis representing both genders, with Ngai Wah Sing Francis serving as the chairman. The nomination committee is mainly responsible for identifying, screening and recommending to our Board qualified candidates to serve as the Directors and senior management and monitoring the procedures for evaluating the performance of our Board and has the terms of reference in compliance with paragraph B.3 of part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

CORPORATE GOVERNANCE

We recognize the importance of maintaining a high standard of corporate governance so as to ensure effective accountability and safeguard the interest of our Shareholders. Our corporate governance measures are based on principles and code provisions as set out in the Corporate Governance Code and we are in compliance with all code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

BOARD DIVERSITY POLICY

Our Board has adopted a board diversity policy (the "**Board Diversity Policy**") in order to enhance the effectiveness of our Board and to maintain a high standard of corporate governance. The Board Diversity Policy sets out the criteria in selecting candidates to our Board, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to our Board.

Our Directors have a balanced mix of knowledge and skills, including but not limited to overall business management, finance and accounting and law. Our Directors are of the view that our Board satisfies the Board Diversity Policy. In addition, our Board has a wide range of ages, ranging from 47 to 65 years old. One of our Directors is female. Pursuant to the Board Diversity Policy, we will maintain at least one female representation in the Board and the current Board composition satisfies this target gender ratio. We will continue to take steps to promote diversity at all levels and continue to work to ensure that appropriate balance of gender diversity is achieved with reference to **[REDACTED]** expectations, and international and local recommended best practices.

Our nomination committee is responsible for reviewing the diversity of the Board. After the **[REDACTED]**, our nomination committee will monitor and evaluate the implementation of the Board Diversity Policy from time to time to ensure its continued effectiveness. Our nomination committee will also include in successive annual reports a summary of the Board Diversity Policy, including any measurable objectives set for implementing the Board Diversity Policy and the progress on achieving these objectives.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

Our Directors and members of our senior management receive compensation from our Company in the form of fees, salaries, contributions to pension schemes, discretionary bonuses, allowances and other benefits in kind.

The aggregate remuneration (including Directors' fees, salaries, retirement scheme contributions, discretionary bonuses, allowances and benefits in kind) incurred for our Directors in connection with their services rendered to our Group for the years ended March 31, 2024, 2025 and 2026 was HK$1,663,000, HK$2,456,000 and HK$1,710,000, respectively.

For each the years ended March 31, 2024, 2025 and 2026, one out of the five highest paid individuals of our Company was our Director. The aggregate amount of Directors' fees, salaries, retirement scheme contributions, discretionary bonuses, allowances and benefits in kind paid to the other individuals who were among the five highest paid individuals of our Company for the years ended March 31, 2024, 2025 and 2026 was HK$4,891,000, HK$4,015,000 and HK$4,886,000, respectively.

No remuneration was paid by us to our Directors or the five highest paid individuals as an inducement to join or upon joining us or as a compensation for loss of office for the years ended March 31, 2024, 2025 and 2026. Further, none of our Directors had waived any remuneration during the same period.

Save as disclosed above and in Appendix I to this document, no other payments have been made or are payable in respect of each of the years ended March 31, 2024, 2025 and 2026 by our Group to our Directors respectively.

Under the arrangements currently in force, the aggregate amount of remuneration, excluding discretionary bonuses, payable to our Directors for the year ending March 31, 2027 is estimated to be approximately HK$3.7 million.

Our Board will review and determine the remuneration and compensation packages of our Directors and senior management which, following the **[REDACTED]**, will receive recommendations from the remuneration committee which will take into account salaries paid by comparable companies, time commitment and responsibilities of our Directors and senior management, and performance of our Group.

COMPLIANCE ADVISOR

We have appointed Quam Capital Limited as our compliance advisor pursuant to Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, our compliance advisor will advise us in the following circumstances:

- before the publication of any regulatory announcement, circular or financial report;
- where a transaction, which might be a notifiable or connected transaction, is contemplated including share issues and share repurchases;
- where we propose to use the **[REDACTED]** of the **[REDACTED]** in a manner different from that detailed in this document or where our business activities, developments or results deviate from any forecast, estimate, or other information in this document; and
- where the Stock Exchange makes an inquiry to our Company regarding unusual movements in the price or trading volume of the Shares of our Company or any other matters in accordance with Rule 13.10 of the Listing Rules.

The term of the appointment will commence on the **[REDACTED]** and end on the date on which we distribute our annual report in respect of our financial results for the first full financial year commencing after the **[REDACTED]**.

CONFIRMATIONS FROM OUR DIRECTORS

Rule 8.10 of the Listing Rules

Each of our Directors confirms that as of the Latest Practicable Date, he or she did not have any interest in a business which competes or is likely to compete, either directly or indirectly, with our Company's business which would require disclosure under Rule 8.10 of the Listing Rules.

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on July 13, 2026 and (ii) understands the requirements under the Listing Rules that are applicable to him or her as a director of a listed issuer under the Listing Rules and the possible consequences of making a false declaration or giving false information to the Stock Exchange.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors has confirmed (i) his/her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he/she has no past or present financial or other interest in the business of our Company or its subsidiaries or any connection with any core connected person of our Company under the Listing Rules as of the Latest Practicable Date and (iii) that there are no other factors that may affect his/her independence at the time of his/her appointment.

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, the following persons will, immediately following completion of the **[REDACTED]** (without taking into account of: (i) any Shares which may be issued upon the exercise of the **[REDACTED]**; and (ii) any change in the shareholding of JBM after the Latest Practicable Date), have interests or short positions in our Shares or underlying Shares which would be required to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of our Group:

Long Position in our Shares

Name of Shareholder	Capacity/ Nature of interest	Shares held immediately prior to the completion of the [REDACTED]		Shares held immediately following the completion of the [REDACTED]	
		Number of Share(s)	*Approximate percentage of shareholding*	*Number of Share(s)*	*Approximate percentage of shareholding*
JBM BVI[(1)]	Beneficial owner	435,000,000	100.00%	**[REDACTED]**	**[REDACTED]**%
JBM[(1)]	Interest in controlled corporation	435,000,000	100.00%	**[REDACTED]**	**[REDACTED]**%
Lincoln's Hill[(2)]	Interest in controlled corporation	435,000,000	100.00%	**[REDACTED]**	**[REDACTED]**%
Trust Co[(2)]	Interest in controlled corporation; Trust Holding Company	435,000,000	100.00%	**[REDACTED]**	**[REDACTED]**%
UBS Trustees (B.V.I.) Limited[(2)]	Interest in controlled corporation; Trustee	435,000,000	100.00%	**[REDACTED]**	**[REDACTED]**%
Mr. Sum[(2)]	Interest in controlled corporation; Settlor of trust; Beneficial owner	435,000,000	100.00%	**[REDACTED]**	**[REDACTED]**%

Notes:

(1) JBM BVI is wholly owned by JBM. By virtue of the SFO, JBM is deemed to be interested in the Shares held by JBM BVI.

(2) JBM is owned as to approximately 39.27%, 23.95%, 7.96% and 0.44% by Lincoln's Hill, Queenshill, Mr. Sum (in his personal capacity) and Queenshill Trustco, respectively. Lincoln's Hill is wholly-owned by Trust Co under The Kingshill Trust. Trust Co is in turn wholly-owned by UBS Trustees (B.V.I.) Limited (the trustee of The Kingshill Trust) through its nominee, UBS Nominees Limited. Queenshill Trustco is wholly-owned by UBS Trustees (Jersey) Ltd. (the trustee of The Queenshill Trust). Each of The Kingshill Trust and The Queenshill Trust is a discretionary trust established by Mr. Sum (as the settlor) with Mr. Sum and his family members as discretionary beneficiaries. Queenshill is wholly-owned by Mr. Sum. By virtue of the SFO, each of Lincoln's Hill, Trust Co, The Kingshill Trust and Mr. Sum is entitled to control more than one-third of the voting power at general meetings of JBM and is deemed to be interested in the Shares in which JBM is interested.

Except as disclosed above, our Directors are not aware of any other person who will, immediately following the completion of the **[REDACTED]**, has any interest and/or a short position in our Shares which would be required to be disclosed to us pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group. Our Directors are not aware of any arrangement which may at a subsequent date result in a change of control of our Company.

OUR SHARE CAPITAL

Our Share Capital as of the Date of this Document

The following is a description of the authorized and issued share capital of our Company as of the date of this document:

	Nominal value
	HK$
Authorized share capital	
1,000,000,000 Shares of HK$0.01 each	10,000,000
Issued share capital	
435,000,000 Shares	4,350,000

Our Share Capital Immediately Following the Completion of the [REDACTED]

The following is a description of the authorized and issued share capital of our Company immediately following the completion of the **[REDACTED]**, assuming the **[REDACTED]** is not exercised:

	Nominal value
	HK$
Authorized share capital	
1,000,000,000 Shares of HK$0.01 each	10,000,000
Issued share capital	
435,000,000 Shares in issue as of the date of this document	4,350,000
[REDACTED] Shares to be issued pursuant to the **[REDACTED]**	**[REDACTED]**
	[REDACTED]

The following is a description of the authorized and issued share capital of our Company immediately following the completion of the **[REDACTED]**, assuming the **[REDACTED]** is fully exercised:

	Nominal value
	HK$
Authorized share capital	
1,000,000,000 Shares of HK$0.01 each	10,000,000
Issued share capital	
435,000,000 Shares in issue as of the date of this document	4,350,000
[REDACTED] Shares to be issued pursuant to the **[REDACTED]**	**[REDACTED]**
	[REDACTED]

ASSUMPTIONS

The above table assumes that the **[REDACTED]** becomes unconditional but does not take into account any Shares which may be allotted and issued or repurchased by us pursuant to the general mandates granted to our Directors to issue or repurchase Shares as described below.

RANKING

Our Shares will be ordinary shares in the share capital of our Company and will rank *pari passu* in all respects with all Shares in issue or to be issued as mentioned in this document and, in particular, will qualify for all dividends or other distributions declared, made or paid on the Shares in respect of a record date which falls after the date of this document.

GENERAL MANDATE TO ALLOT AND ISSUE NEW SHARES

Subject to the **[REDACTED]** becoming unconditional, our Directors have been granted a general mandate to allot, issue and deal with the Shares and to make or grant offers or agreements which might require such Shares to be allotted and issued or dealt with, subject to the requirement that the aggregate number of Shares so allotted and issued or agreed conditionally or unconditionally to be allotted and issued (otherwise than pursuant to a rights issue, scrip dividend scheme or similar arrangements, options to be granted under any option scheme or similar arrangement for the time being adopted, or a specific authority granted by our Shareholders) shall not be more than the sum of:

(a) 20% of the total number of Shares in issue immediately following the completion of the **[REDACTED]** (without taking into account any Shares to be issued pursuant to the exercise of the **[REDACTED]**); and

(b) the total number of Shares repurchased by our Company (if any) pursuant to the general mandate to repurchase Shares granted to our Directors referred to below.

Our Directors may, in addition to the Shares which they are authorized to issue under this general mandate, allot, issue or deal with our Shares pursuant to a rights issue, scrip dividend scheme or similar arrangements, or options to be granted under any option scheme or similar arrangement for the time being adopted, subject to applicable requirements including the Listing Rules. This mandate does not cover Shares to be allotted, issued, or dealt with under a rights issue or pursuant to the exercise of any option which may be granted under any option scheme or similar arrangement. This general mandate to issue Shares will expire at the earliest of:

(a) the conclusion of our Company's next annual general meeting;

(b) the date by which our Company's next annual general meeting is required by our Memorandum and Articles of Association or any applicable laws in the Cayman Islands to be held; or

(c) such mandate being revoked or varied or renewed by an ordinary resolution of our Shareholders at a general meeting.

For more information, see "A. Further Information About Our Group — 3. Resolutions in Writing of Our Sole Shareholder Passed on [•]" in Appendix IV to this document.

GENERAL MANDATE TO REPURCHASE SHARES

Subject to the **[REDACTED]** becoming unconditional, our Directors have been granted a general mandate to exercise all the powers of our Company to repurchase Shares of not more than 10% of the total number of Shares in issue immediately following the completion of the **[REDACTED]** (but excluding any Shares which may be issued pursuant to the exercise of the **[REDACTED]**).

This mandate only relates to repurchases made on the Stock Exchange or any other stock exchange on which our Shares may be listed (and which is recognized by the SFC and the Stock Exchange for this purpose), and made in accordance with the Listing Rules. For more information, see "A. Further Information About Our Group — 6. Repurchases of Our Own Securities" in Appendix IV to this document.

This general mandate to repurchase Shares will expire at the earliest of:

(a) the conclusion of our Company's next annual general meeting;

(b) the date by which our Company's next annual general meeting is required by our Memorandum and Articles of Association or any applicable laws in the Cayman Islands to be held; or

(c) such mandate being revoked or varied by an ordinary resolution of our Shareholders at a general meeting.

For more information, see the section headed "A. Further Information About Our Group — 3. Resolutions in Writing of Our Sole Shareholder Passed on [•]" in Appendix IV to this document.

CIRCUMSTANCES UNDER WHICH GENERAL MEETING AND CLASS MEETING ARE REQUIRED

Pursuant to the Cayman Companies Act and the terms of our Memorandum and Articles of Association, our Company may from time to time by ordinary resolution of Shareholders (i) increase our authorized share capital; (ii) consolidate and divide our capital into Shares of larger amount; (iii) divide our Shares into classes; (iv) subdivide our Shares into Shares of smaller amount; and (v) cancel any Shares which have not been taken. In addition, our Company may, subject to the provisions of the Cayman Companies Act, reduce our share capital or capital redemption reserve by special resolution of Shareholders. For more information, see the section headed "2. Articles of Association — (a) Shares — (iii) Alteration of capital" in Appendix III to this document.

Further, all or any of the special rights attached to our Shares or any class of shares may be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of our shares of that class. For more information, see the section headed "2. Articles of Association — (a) Shares — (ii) Variation of rights of existing shares or classes of shares" in Appendix III to this document.

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 transitionary 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.

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

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

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.

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.

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**

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**

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.

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.

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.

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.

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.

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**

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.

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.

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

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

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

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.

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.

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.

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.

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.

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.

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

	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.

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**

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.

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.

- 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."

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.

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.

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.

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.

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.

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.

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.

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]**.

FUTURE PLANS

See "Business — Our Business Strategies" for a detailed description of our future plans.

USE OF [REDACTED]

We estimate that we will receive net **[REDACTED]** from the **[REDACTED]** of approximately HK$**[REDACTED]** million, after deducting **[REDACTED]**, fees and estimated expenses payable by us in connection with the **[REDACTED]**, assuming no **[REDACTED]** is exercised and an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**, being the midpoint of the indicative **[REDACTED]** range stated in this document.

In line with our strategies, we intend to use the net **[REDACTED]** for the following purposes, subject to changes in light of our evolving business needs and changing market conditions:

- approximately **[REDACTED]**% of the net **[REDACTED]**, or approximately HK$**[REDACTED]** million, to fund strategic mergers and acquisitions to acquire synergistic businesses, brands or products that complement and strengthen our vertically integrated Chinese medicine platform by the end of 2031. Our future investment strategy is focused on supporting long-term growth by targeting businesses that demonstrate strong synergies with our operations. See the section headed "Business — Our Business Strategies — Further expand our portfolio through organic growth and mergers and acquisitions" for more details.

  When evaluating potential business opportunities, we will consider various factors, including the strategic fit and long-term value of the target, such as its brand recognition, product portfolio outlook and geographic market coverage, operating performance and scalability, the experience and reputation of its key personnel, the robustness of product quality, manufacturing capabilities and know-how, supporting technical data, and the adequacy of its regulatory approvals and compliance credentials.

  However, the actual implementation of such plans will depend on numerous factors, such as then market condition, our then business strategies, negotiation results and scale and consideration of the actual transaction. See the section headed "Risk Factors — Risks Relating to Our Business and Industry — We may not be able to successfully identify, consummate and integrate future acquisitions." As of the Latest Practicable Date, we had not identified any specific target of investments or acquisition, or entered into any investment agreement, to which we will apply these **[REDACTED]**;

- approximately **[REDACTED]**% of the net **[REDACTED]**, or approximately HK$**[REDACTED]** million, to fund advertising and brand promotion initiatives designed to enhance brand awareness, brand loyalty and market standing, and to broaden our consumer base while retaining the trust and loyalty of existing customers of our portfolio of heritage household PCM brands by the end of 2031. Through these marketing and branding initiatives, we expect to strengthen our market penetration in Hong Kong and expand brand presence in China, Macau and select overseas markets. See the section headed "Business —

Our Business Strategies — Elevate brand impact through our proven branding and marketing capabilities" and "Business — Brand Management and Marketing" for more details. In particular,

  - — approximately **[REDACTED]**% of the net **[REDACTED]**, or approximately HK$**[REDACTED]** million, for media buying, advertising placement and promotional campaign execution, which will primarily include (i) the placement of television and radio advertisements and title sponsorships on major television channels; (ii) outdoor advertising at high-traffic commercial and tourist locations (such as billboards, MTR stations, buses, trams and transit hubs); (iii) event sponsorships and experiential activations; (iv) product placement in television programs; and (v) the placement of online advertisements on social media platforms and online-to-offline promotional campaigns; and

  - — approximately **[REDACTED]**% of the net **[REDACTED]**, or approximately HK$**[REDACTED]** million, for creative content production and celebrity endorsement, which will primarily include the endorsement fees for brand ambassadors for our branded PCM products, and the production and design costs relating to the development of television commercials, digital video content, short-form social media content and other multimedia advertising materials;

- approximately **[REDACTED]**% of the net **[REDACTED]**, or approximately HK$**[REDACTED]** million, to fund capital expenditure relating to the optimization, upgrade and expansion of our manufacturing facilities and production capabilities by the end of 2031. In particular,

  - — approximately **[REDACTED]**% of the net **[REDACTED]**, or approximately HK$**[REDACTED]** million, for the expansion and upgrading of warehouse and storage facilities to accommodate the anticipated increase in raw material, work-in-progress and finished product inventory levels resulting from the planned enhancement of our manufacturing capacity;

  - — approximately **[REDACTED]**% of the net **[REDACTED]**, or approximately HK$**[REDACTED]** million, for the upgrade and automation of production equipment, and the optimization of purified water treatment systems, to improve production efficiency, product consistency and output capacity; and

  - — approximately **[REDACTED]**% of the net **[REDACTED]**, or approximately HK$**[REDACTED]** million, for the procurement and installation of new quality control and testing equipment to upgrade our testing laboratory. The upgraded testing laboratory will enhance our in-house analytical testing capacity and support the quality assurance requirements arising from new product registrations and the phased implementation of enhanced GMP requirements contemplated under the Chinese Medicine Development Blueprint;

- approximately **[REDACTED]**% of the net **[REDACTED]**, or approximately HK$**[REDACTED]** million, to fund the registration of branded PCM products, trademark registration and the protection and expansion of our intellectual property portfolio by the end of 2031. In particular, we plan to register additional CCMG products in Hong Kong. See the section headed "Business — Sales and Distribution" for further details of our product registration process. In particular,

  — approximately **[REDACTED]**% of the net **[REDACTED]**, or approximately HK$**[REDACTED]** million, for trademark registration and maintenance in existing or new markets, intellectual property portfolio protection, and related professional and legal advisory fees in connection with product registration and trademark applications; and

  — approximately **[REDACTED]**% of the net **[REDACTED]**, or approximately HK$**[REDACTED]** million, for product testing, methodology validation, stability studies and clinical studies and/or trials in connection with product registration applications;

- approximately **[REDACTED]**% of the net **[REDACTED]**, or approximately HK$**[REDACTED]** million, to fund the expansion and enhancement of our Chinese medicine clinic network by the end of 2031, including (i) the establishment of new Chinese medicine clinics, including specialized treatment centers offering focused services in areas such as pain management, gynecology and dermatology, in strategically identified locations in Hong Kong; (ii) the renovation and upgrading of existing clinics to improve facilities and enhance patient experience; and (iii) the procurement of medical equipment for our clinics. See the section headed "Business — Our Business Strategies — Unlock the strategic value of the Chinese medicine practitioner network" and "Business — Chinese Medicine Clinic Services" for more details; and

- approximately **[REDACTED]**% of the net **[REDACTED]**, or approximately HK$**[REDACTED]** million, to supplement our working capital and for general corporate purposes.

If the **[REDACTED]** is set at the high point or the low point of the **[REDACTED]** range (assuming the **[REDACTED]** is not exercised), the net **[REDACTED]** will increase or decrease by approximately HK$**[REDACTED]** million or HK$**[REDACTED]** million, respectively (after deducting the **[REDACTED]** fees and expenses in relation to the **[REDACTED]**). We intend to apply the additional or reduced net **[REDACTED]** to the above purposes on a pro-rata basis.

If the **[REDACTED]** is fully exercised, our Company will receive net **[REDACTED]** of approximately HK$**[REDACTED]** million for **[REDACTED]** to be allotted and issued upon the full exercise of the **[REDACTED]** based on the **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**, being the mid-point of the **[REDACTED]** range, and after deducting the **[REDACTED]** fees and **[REDACTED]** payable by our Company. The additional amount raised will be applied to the above areas of use of **[REDACTED]** on pro-rata basis.

To the extent that the net **[REDACTED]** from the **[REDACTED]** are not immediately used for the above purposes and to the extent permitted by the relevant laws and regulations, we intend to deposit such net **[REDACTED]** into interest-bearing bank accounts with licensed banks or financial institutions.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

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[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED] AND [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED] AND [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED] AND [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED] AND [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED] AND [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED] AND [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED] AND [REDACTED]

[REDACTED]

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HOW TO APPLY FOR [REDACTED] AND [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED] AND [REDACTED]

[REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED] AND [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED] AND [REDACTED]

[REDACTED]

The following is the text of a report set out on pages I-1 to I-[•], received from the Company's reporting accountants, KPMG, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF JPJ (TCM) LIMITED AND QUAM CAPITAL LIMITED

Introduction

We report on the historical financial information of JPJ (TCM) Limited (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages I-[3] to I-[•], which comprises the consolidated statements of financial position of the Group as of March 31, 2024, 2025 and 2026 and the statement of financial position of the Company as of March 31, 2026 and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated cash flow statements for each of the years ended March 31, 2024, 2025 and 2026 (the "**Track Record Period**"), and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-[3] to I-[•] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [*date*] (the "**document**") in connection with the **[REDACTED]** of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgment, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants

consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purpose of the accountants' report, a true and fair view of the Company's financial position as of March 31, 2026 and the Group's financial position as of March 31, 2024, 2025 and 2026, and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-[3] have been made.

Dividends

We refer to note 9 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Track Record Period.

No statutory financial statements for the Company

No statutory financial statements have been prepared for the Company since its incorporation.

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
[*Date*]

HISTORICAL FINANCIAL INFORMATION

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by KPMG under separate terms of engagement with the Company in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "**Underlying Financial Statements**")

Consolidated Statements of Profit or Loss and Other Comprehensive Income

(Expressed in Hong Kong Dollars)

		Year ended March 31,		
		2024	2025	2026
	Note	*HK$'000*	*HK$'000*	*HK$'000*
Revenue	*2*	339,256	360,570	463,814
Cost of sales and services		(170,980)	(191,608)	(240,096)
Gross profit		168,276	168,962	223,718
Other net income/(loss)	*3*	7,074	11,879	(309)
Selling and distribution expenses		(61,814)	(80,280)	(76,106)
Administrative and other operating expenses		(34,365)	(39,147)	(46,378)
Profit from operations		79,171	61,414	100,925
Finance costs	*4(A)*	(1,105)	(1,202)	(4,228)
Share of losses of joint ventures		(148)	(189)	—
Profit before taxation	*4*	77,918	60,023	96,697
Income tax	*5(A)*	(12,384)	(9,907)	(15,804)
Profit for the year		65,534	50,116	80,893
Other comprehensive income for the year				
Item that may be reclassified subsequently to profit or loss, net of nil tax:				
Exchange differences on translation of financial statements of operations outside Hong Kong		(209)	(27)	173
Other comprehensive income for the year		(209)	(27)	173
Total comprehensive income for the year		65,325	50,089	81,066
Profit attributable to:				
Equity shareholders of the Company		58,853	43,429	71,228
Non-controlling interests		6,681	6,687	9,665
Total profit for the year		65,534	50,116	80,893
Total comprehensive income attributable to:				
Equity shareholders of the Company		58,644	43,402	71,401
Non-controlling interests		6,681	6,687	9,665
Total comprehensive income for the year		65,325	50,089	81,066
		HK cents	*HK cents*	*HK cents*
Earnings per share:	*8*			
Basic and diluted		N/A	N/A	N/A

The accompanying notes form part of the Historical Financial Information.

Consolidated Statements of Financial Position

(Expressed in Hong Kong dollars)

		As of March 31,		
		2024	2025	2026
	Note	*HK$'000*	*HK$'000*	*HK$'000*
Non-current assets				
Property, plant and equipment	*10*	62,020	60,107	95,493
Intangible assets	*11*	322,397	313,111	545,949
Interests in joint ventures	*13*	840	—	—
Other non-current assets	*14*	5,937	118,545	37,274
Deferred tax assets	*22*	1,523	1,928	4,543
		392,717	493,691	683,259
Current assets				
Inventories	*15*	49,942	52,575	50,116
Trade and other receivables	*16*	154,526	156,917	243,854
Current tax recoverable		—	294	—
Cash and cash equivalents	*17*	49,358	64,963	70,544
		253,826	274,749	364,514
Current liabilities				
Trade and other payables and contract liabilities	*18*	521,113	600,931	840,129
Bank loans	*19*	—	—	437
Lease liabilities	*20*	7,420	9,093	15,858
Current tax payable		6,276	1,338	14,886
		534,809	611,362	871,310
Net current liabilities		(280,983)	(336,613)	(506,796)
Total assets less current liabilities		111,734	157,078	176,463
Non-current liabilities				
Lease liabilities	*20*	5,746	6,612	8,545
Deferred tax liabilities	*21*	35,466	33,985	59,046
		41,212	40,597	67,591
NET ASSETS		70,522	116,481	108,872
CAPITAL AND RESERVES				
Share capital	*22*	8	8	8
Reserves	*23*	18,678	32,706	57,263
Total equity attributable to equity shareholders of the Company		18,686	32,714	57,271
Non-controlling interests		51,836	83,767	51,601
TOTAL EQUITY		70,522	116,481	108,872

The accompanying notes form part of the Historical Financial Information.

Consolidated Statements of Changes in Equity

(Expressed in Hong Kong dollars)

	Attributable to equity shareholders of the Company						
	Share capital	Capital reserve	Exchange reserve	Retained earnings	Total	Non-controlling interests	Total equity
	HK$'000 (note 22)	*HK$'000 (note 23(A))*	*HK$'000 (note 23(B))*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At April 1, 2023	8	(71,238)	(281)	60,553	(10,958)	46,115	35,157
Profit for the year	—	—	—	58,853	58,853	6,681	65,534
Other comprehensive income	—	—	(209)	—	(209)	—	(209)
Total comprehensive income for the year	—	—	(209)	58,853	58,644	6,681	65,325
Dividends declared *(note 9)*	—	—	—	(29,000)	(29,000)	—	(29,000)
Dividends declared by subsidiaries attributable to non-controlling interests *(note 9)*	—	—	—	—	—	(960)	(960)
	—	—	—	(29,000)	(29,000)	(960)	(29,960)
At March 31, 2024 and April 1, 2024	8	(71,238)	(490)	90,406	18,686	51,836	70,522
Profit for the year	—	—	—	43,429	43,429	6,687	50,116
Other comprehensive income	—	—	(27)	—	(27)	—	(27)
Total comprehensive income for the year	—	—	(27)	43,429	43,402	6,687	50,089
Disposal of partial ownership interest in a subsidiary without a loss of control	—	19,626	—	—	19,626	26,604	46,230
Dividends declared *(note 9)*	—	—	—	(49,000)	(49,000)	—	(49,000)
Dividends declared by subsidiaries attributable to non-controlling interests *(note 9)*	—	—	—	—	—	(1,360)	(1,360)
	—	19,626	—	(49,000)	(29,374)	25,244	(4,130)
At March 31, 2025 and April 1, 2025	8	(51,612)	(517)	84,835	32,714	83,767	116,481
Profit for the year	—	—	—	71,228	71,228	9,665	80,893
Other comprehensive income	—	—	173	—	173	—	173
Total comprehensive income for the year	—	—	173	71,228	71,401	9,665	81,066
Acquisition of subsidiaries *(note 24)*	—	—	—	—	—	14,341	14,341
Acquisition of non-controlling interests *(note 25)*	—	(46,844)	—	—	(46,844)	(56,172)	(103,016)
Issuance of new shares	8	—	—	—	8	—	8
Reorganization *(Note)*	(8)	—	—	—	(8)	—	(8)
	—	(46,844)	—	—	(46,844)	(41,831)	(88,675)
At March 31, 2026	8	(98,456)	(344)	156,063	57,271	51,601	108,872

The accompanying notes form part of the Historical Financial Information.

Note: The amounts represent the transfer of relevant business to the Company under the Reorganization (see note 1) and issuance and allotment of shares to JBM (BVI) Limited settled by setting-off the Company's amounts due to the immediate holding company.

Statement of Financial Position of the Company

(Expressed in Hong Kong dollars)

	Note	**As of March 31, 2026**
		HK$'000
Non-current assets		
Investment in a subsidiary	*12*	8
NET ASSETS		8
CAPITAL AND RESERVES		
Share capital	*22*	8
TOTAL EQUITY		8

The accompanying notes form part of the Historical Financial Information.

Consolidated Cash Flow Statements
(Expressed in Hong Kong dollars)

		Year ended March 31,		
		2024	2025	2026
	Note	*HK$'000*	*HK$'000*	*HK$'000*
Operating activities				
Cash generated from operations	*17(B)*	31,151	90,373	56,395
Hong Kong Profits Tax paid		(15,849)	(17,025)	(6,497)
Net cash generated from operating activities		15,302	73,348	49,898
Investing activities				
Payment for purchase of property, plant and equipment and intangible assets		(5,960)	(13,298)	(23,335)
Prepayment of acquisition of a subsidiary		—	(102,600)	—
Net cash outflow from acquisition of subsidiaries	*24*	—	—	(126,821)
Payment for investments in a joint venture		—	(20)	—
Proceeds from disposal of equity interests in a joint venture		—	1,667	—
Interest received		85	545	609
Net cash used in investing activities		(5,875)	(113,706)	(149,547)
Financing activities				
Capital element of lease rentals paid	*17(C)*	(9,392)	(9,840)	(16,084)
Interest element of lease rentals paid	*17(C)*	(477)	(606)	(866)
Repayment of bank loans	*17(C)*	—	—	(21)
Other borrowing costs paid	*17(C)*	—	—	(2)
Dividends paid		(29,000)	(49,000)	—
Dividends paid to non-controlling interests		(960)	(1,360)	—
Repayment of amounts due to the intermediate holding company	*17(C)*	(500)	(46,230)	—
Advance from fellow subsidiaries	*17(C)*	4,852	116,776	225,046
Payment for acquisitions of non-controlling interests		—	—	(103,016)
Proceeds from disposal of partial ownership interest in a subsidiary without a loss of control		—	46,230	—
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	*17(A)*	49,358	64,963	70,544

The accompanying notes form part of the Historical Financial Information.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

(Expressed in Hong Kong dollars unless otherwise indicated)

1 BASIS OF PREPARATION AND PRESENTATION OF THE HISTORICAL FINANCIAL INFORMATION

JPJ (TCM) Limited (the "**Company**") was incorporated in the Cayman Islands on March 26, 2026 as an exempted company with limited liability under the Companies Act (As Revised) of the Cayman Islands.

The intermediate holding company is JBM (Healthcare) Limited ("**JBM**") which is a company incorporated in the Cayman Islands with its shares listed on the Main Board of The Stock Exchange of Hong Kong Limited.

The Company is an investment holding company. The Company and its subsidiaries (together, the "**Group**") are principally engaged in manufacturing and trading of branded Proprietary Chinese medicine ("**PCM**") products and provision of Chinese medicine clinic services.

To rationalize the corporate structure in preparation of the **[REDACTED]** of the Company's shares on The Stock Exchange of Hong Kong Limited, the Group underwent a group reorganization ("**Reorganization**"), as more fully explained in the section headed "History, Reorganization and Corporate Structure" in the document. Upon completion of the Reorganization, the Company became the holding company of the Group.

As the Reorganization only involved inserting a newly formed entity with no substantive operations as the new holding company of JBM (PCM) Limited, the former holding company of the Group, and there were no changes in the economic substance of the ownership and the business of the Group. Accordingly, the Reorganization has been accounted for using a principle similar to that for a reverse acquisition, with JBM (PCM) Limited treated as the acquirer for accounting purposes. The Historical Financial Information has been prepared and presented as a continuation of the financial statements of JBM (PCM) Limited with the assets and liabilities recognized and measured at their historical carrying amounts prior to the Reorganization. Intra-group balances, transactions and unrealized gains/losses on intra-group transactions are eliminated in full in preparing the Historical Financial Information.

As of the date of this report, no audited financial statements have been prepared for the Company, as it has not carried on any business since the date of incorporation and is not subject to statutory audit requirements under the relevant rules and regulations in the jurisdiction of incorporation.

Upon completion of the Reorganization and as of the date of this report, the Company has direct or indirect interests in the following principal subsidiaries, all of which are private companies:

Name of company	Place and date of incorporation/establishment	Particulars of issued and paid-up capital/shares	Principal business activities	Proportion of ownership interest held by the Company	Proportion of ownership interest held by a subsidiary	Notes
Li Chung Shing Tong (Holdings) Limited	Hong Kong January 8, 1988	500,000 ordinary shares	Manufacturing and sale of Po Chai Pills	—	96.8%	*(a), (c)*
Tin Hee Tong Medicine Factory Limited	Hong Kong December 20, 1966	2,440 ordinary shares	Manufacturing and sale of Tin Hee Tong Tin Hee Pills	—	100.0%	*(b), (c)*
Europharm Laboratoires (Hong Kong) Company Limited	Hong Kong September 12, 2019	10,000 ordinary shares	Manufacturing and sale of medicated oil products	—	100.0%	*(a), (c)*
Hong Kong Premier Concentrated Chinese Herbs Limited	Hong Kong March 26, 2003	100 ordinary shares	Sale of CCMG products	—	100.0%	*(a), (c)*
Kenford Medical Group Company Limited	Hong Kong June 21, 2016	12,400,000 ordinary shares	Provision of Chinese Medicine consultancy services, including Chinese Medicine and Acupuncture	—	100.0%	*(b), (c)*
King Pui Chinese Medical Group Limited	Hong Kong April 22, 2016	10,000 ordinary shares	Provision of Chinese medicine consultancy services, including orthopaedic and traumatology, acupuncture and other Chinese medicine consultancy services	—	100.0%	*(b), (c)*

Notes:

(a) The statutory financial statements of these entities for the years ended March 31, 2024 and 2025 were prepared in accordance with HKFRS Accounting Standards and audited by KPMG.

(b) The acquisitions of these entities were completed during the year ended March 31, 2026. Their financial results prior to the completion of the acquisitions are not consolidated in the Historical Financial Information of the Group.

(c) The audited financial statements of these entities for the year ended March 31, 2026 are not yet available as of the date of this report.

All companies comprising the Group have adopted March 31 as their financial year end date.

The Historical Financial Information has been prepared assuming the Group will continue as a going concern notwithstanding that the Group had net current liabilities of HK$506,796,000 as of March 31, 2026. In this regard, the directors of the Company further assessed the Group's cash flow forecast for the next 12 months from date of this report and satisfied that the Group has sufficient

working capital to meet its financial obligations as and when they fall due, taking into account (i) the capitalization of the amounts due to group companies of HK$350,000,000 in July 2026; and (ii) the financial resources available to the Group for the next 12 months from date of this report.

The Historical Financial Information has been prepared in accordance with all applicable HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards ("**HKFRSs**"), Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). Further details of the material accounting policy information are set out in Note 2.

The HKICPA has issued a number of new and revised HKFRS Accounting Standards. For the purpose of preparing the Historical Financial Information, the Group has adopted all applicable new and revised HKFRS Accounting Standards to the Track Record Period, except for any new standards or interpretations that are not yet effective for the Track Record Period. The revised and new accounting standards and interpretations issued but not yet effective for the Track Record Period are set out in Note 31.

The Historical Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The accounting policies set out below have been applied consistently to all periods presented in the Historical Financial Information.

The Historical Financial Information is presented in Hong Kong dollars ("**HKD**") and all values are rounded to the nearest thousand (HKD'000) except when otherwise indicated.

2 MATERIAL ACCOUNTING POLICY INFORMATION

(A) Basis of measurement

The measurement basis used in the preparation of the Historical Financial Information is the historical cost.

(B) Use of estimates and judgments

The preparation of Historical Financial Information in conformity with HKFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of HKFRS Accounting Standards that have significant effect on the Historical Financial Information and major sources of estimation uncertainty are discussed in Note 30.

(C) Subsidiaries and Non-Controlling Interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has the rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parities) are considered. The financial statements of subsidiaries are included in the Historical Financial Information from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions and cash flows and any unrealized profits arising from intra-group transactions are eliminated in full in preparing the Historical Financial Information. Unrealized losses resulting from intra-group transactions are eliminated in the same way as unrealized gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the shareholders of the Company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with notes 2(M) or 2(N) depending on the nature of the liability.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognized.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognized in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognized at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in a joint venture (see note 2(D)).

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(J)(ii)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(D) Joint Ventures

A joint venture is an arrangement whereby the Group or Company and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

An investment in a joint venture is accounted for under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see note 2(J)(ii)). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognized in profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognized in other comprehensive income.

When the Group's share of losses exceeds its interest in the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the joint venture, after applying the expected credit loss ("**ECL**") model to such other long-term interests where applicable (see note 2(J)(i)).

Unrealized profits and losses resulting from transactions between the Group and its joint venture are eliminated to the extent of the Group's interest in the investee, except where unrealized losses provide evidence of an impairment of the asset transferred, in which case they are recognized immediately in profit or loss.

If an investment in a joint venture becomes an investment in an associate, retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

In all other cases, when the Group ceases to have joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognized in profit or loss. Any interest retained in that former investee at the date when significant influence is lost is recognized at fair value and this amount is regarded as the fair value on initial recognition of a financial asset.

(E) Business Combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group (see note 2(C)). The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment (see note 2(J)(ii)). Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. Contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

(F) Goodwill

Goodwill represents the excess of

(i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over

(ii) the net fair value of the acquiree's identifiable assets and liabilities measured as of the acquisition date.

When (ii) is greater than (i), then this excess is recognized immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to cash generating units, or groups of cash generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see note 2(J)(ii)).

On disposal of a cash generating unit, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

(G) Property, Plant and Equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 2(J)(ii)).

Items may be produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management. The proceeds from selling any such items and the related costs are recognized in profit or loss.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognized in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

—	Leasehold land is depreciated over the unexpired term of lease.	
—	Buildings situated on leasehold land are depreciated over the shorter of the unexpired term of lease and their estimated useful lives, being no more than 50 years after the date of completion.	
—	Machinery and equipment	5–20 years
—	Furniture, fixtures and office equipment	4–20 years
—	Motor vehicles	5 years
—	Leasehold improvements	Shorter of the lease term or 10–20 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

(H) Intangible Assets (Other than Goodwill)

Intangible assets that are acquired by the Group are stated at cost less accumulated amortization (where the estimated useful life is finite) and impairment losses (see note 2(J)(ii)). Amortization of intangible assets with finite lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. The following intangible assets with finite useful lives are amortized from the date they are available for use and their estimated useful lives are as follows:

—	Trademarks	20–35 years
—	Unpatented drugs	30 years
—	Customer relationship	15–20 years

Both the period and method of amortization are reviewed annually.

Trademarks which useful lives are assessed to be indefinite, are not amortized and are stated at cost less impairment losses (see note 2(J)(ii)). Any conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and in accordance with the policy for amortization of intangible assets with finite lives as set out above.

Expenditure on research activities is recognized as an expense in the period in which it is incurred. Expenditure on development activities is capitalized if it can be demonstrated that the product or process is technically and commercially feasible and the Group has sufficient resources and the intention to complete development. Other development expenditure is recognized as an expense in the period in which it is incurred.

(I) Leased Assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

As a Lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognizes a right-to-use asset and a lease liability, except for leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalize the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalized are recognized as an expense on a systematic basis over the lease term.

Where the lease is capitalized, the lease liability is initially recognized at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortized cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognized when a lease is capitalized is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 2(G) and 2(J)(ii)).

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("**lease modification**") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statements of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

(J) Credit Losses and Impairment of Assets

(i) Credit losses from financial instruments

The Group recognizes a loss allowance for ECLs on the financial assets measured at amortized cost (including cash and cash equivalents and trade and other receivables).

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The expected cash shortfalls for trade and other receivables are discounted using the effective interest rate determined at initial recognition or an approximation thereof where the effect of discounting is material.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

— 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and

— lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments, the Group recognizes a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making the assessment, the Group considers that a default event occurs when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held). The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

— failure to make payments of principal or interest on their contractually due dates;

— an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);

— an actual or expected significant deterioration in the operating results of the debtor; and

— existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognized as an impairment gain or loss in profit or loss. The Group recognizes an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Basis of calculation of interest income

Interest income recognized in accordance with note 2(S)(iv) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortized cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

— significant financial difficulties of the debtor;

— a breach of contract, such as a default or delinquency in interest or principal payments;

— it becoming probable that the borrower will enter into bankruptcy or other financial reorganization;

— significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or

— the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognized as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Impairment of other non-current assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognized no longer exists or may have decreased:

— property, plant and equipment, including right-of-use assets;

— intangible assets;

— goodwill; and

— investment in a subsidiary in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

— Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and

the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

— Recognition of impairment losses

An impairment loss is recognized in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

— Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favorable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognized in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognized.

(K) Inventories

Inventories are carried at the lower of cost and net realizable value.

Cost is calculated using the first in first out basis and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When the inventories are sold, the carrying amount of those inventories is recognized as an expense in the period in which the related revenue is recognized. The amount of any write-down of inventories to net realizable value and all losses of inventories are recognized as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

(L) Trade and Other Receivables

A receivable is recognized when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognized before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortized cost, using the effective interest method and including allowance for credit losses (see note 2(J)(i)).

(M) Interest-Bearing Borrowings

Interest-bearing borrowings are recognized initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortized cost using the effective interest method. Interest expense is recognized in accordance with the Group's accounting policy for borrowing costs (see note 2(U)).

(N) Trade and Other Payables and Contract Liabilities

(i) Trade and other payables

Trade and other payables are initially recognized at fair value. Subsequent to initial recognition, trade and other payables are stated at amortized cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(ii) Contract liabilities

A contract liability is recognized when the customer pays non-refundable consideration before the Group recognizes the related revenue (see note 2(S)). A contract liability would also be recognized if the Group has an unconditional right to receive non-refundable consideration before the Group recognizes the related revenue. In such cases, a corresponding receivable would also be recognized (see note 2(L)).

(O) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECL in accordance with the policy set out in note 2(J)(i).

(P) Employee Benefits

Salaries, annual bonuses, staff welfare costs and contributions to defined contribution retirement schemes are accrued in the year in which the associated services are rendered by employees of the Group. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values. The employee benefits are recognized as an expense in profit or loss as incurred, except to the extent that they are included in the cost of inventories not yet recognized as an expense.

(Q) Income Tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognized in profit or loss except to the extent that they relate to items recognized in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognized in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities and all deferred tax assets, to the extent that it is probable that future taxable profits will be available against which the asset can be utilize, are recognized. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilize.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination) and does not give rise to equal taxable and deductible temporary differences, and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognized is measured based on the expected manner of realization or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the related tax benefit to be utilize. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

— in the case of current tax assets and liabilities, the Group intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously; or

— in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:

— the same taxable entity; or

— different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realize the current tax assets and settle the current tax liabilities on a net basis or realize and settle simultaneously.

(R) Provisions and Contingent Liabilities

Provisions are recognized for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognized for any expected reimbursement that would be virtually certain. The amount recognized for the reimbursement is limited to the carrying amount of the provision.

(S) Revenue and Other Income

Income is classified by the Group as revenue when it arises from the sale of goods or the provision of services in the ordinary course of the Group's business.

Revenue is recognized when control over a product or service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Sales of goods

Revenue is recognized when the customer takes possession of and accepts the products. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts and sales returns. Accumulated experience is used to estimate and provide for sales returns at time of sales.

(ii) Revenue from rendering of services

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

(iii) Commission income

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

(iv) Interest income

Interest income is recognized as it accrues under the effective interest method. For financial assets measured at amortized cost, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortized cost (i.e. gross carrying amount net of loss allowance) of the asset (see note 2(J)(i)).

(v) Dividends

Dividend income from unlisted investments is recognized when the shareholder's right to receive payment is established.

(vi) Government grants

Government grants are recognized in the consolidated statements of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognized as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

(T) Translation of Foreign Currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognized in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the Group initially recognizes such non-monetary assets or liabilities. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

The results of operations outside Hong Kong are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into Hong Kong dollars at the closing foreign exchange rates ruling at the end of the reporting period. The resulting exchange differences are recognized in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of an operation outside Hong Kong, the cumulative amount of the exchange differences relating to that operation outside Hong Kong is reclassified from equity to profit or loss when the profit or loss on disposal is recognized.

(U) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalization of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalization of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(V) Related Parties

(1) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

(2) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or a joint venture of the other entity (or an associate or a joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (1).

(vii) A person identified in (1)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(W) Segment Reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial statements provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

2 REVENUE AND SEGMENT REPORTING

(A) Revenue

The principal activities of the Group are manufacturing and trading of proprietary medicines and rendering of Chinese medicine clinic services. All the revenue for the years ended March 31, 2024, 2025 and 2026 was recognized in accordance with HKFRS 15, *Revenue from contracts with customers* ("**HKFRS 15**"). The Group has applied practical expedient in paragraph 121 of HKFRS 15 to its sales contracts and does not disclose information about remaining performance obligations that have original expected duration of one year or less.

Revenue represents the sales value of goods supplied to customers and the value of services rendered less returns and sales rebates and is after deduction of any trade discounts.

(B) Segment Reporting

The Group manages its businesses by divisions, which are organized by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments. No operating segments have been aggregated to form the following reportable segments.

— Branded PCM products: This segment develops, manufactures and distributes proprietary Chinese medicines as defined in section 2 of in the Chinese Medicine Ordinance, or any Chinese herbal medicines as defined and regulated under the Chinese Medicine Ordinance. Currently the activities in this regard are primarily carried out in Hong Kong.

— Chinese medicine clinic services: This segment operates Chinese medicine clinic services. Currently the activities in this regard are primarily carried out in Hong Kong.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortization of assets attributable to those segments.

The measure used for reporting segment profit is gross profit.

Segment assets and liabilities of the Group are not reported to the Group's chief operating decision makers regularly. As a result, reportable assets and liabilities have not been presented in the Historical Financial Information.

No inter-segment sales have occurred during the years ended March 31, 2024, 2025 and 2026.

(i) Segment revenue and results

Information regarding the Group's reportable segments as provided to the Group's chief operating decision makers for the purposes of resource allocation and assessment of segment performance is set out below.

	Branded PCM products			Chinese medicine clinic services			Total		
	Year ended March 31,			Year ended March 31,			Year ended March 31,		
	2024	2025	2026	2024	2025	2026	2024	2025	2026
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue from external customers and reportable segment revenue recognized at a point in time									
— Sales of goods	339,256	360,570	423,859	—	—	—	339,256	360,570	423,859
— Rendering of services	—	—	—	—	—	39,955	—	—	39,955
	339,256	360,570	423,859	—	—	39,955	339,256	360,570	463,814
Reportable segment gross profit	168,276	168,962	216,936	—	—	6,782	168,276	168,962	223,718

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

	Year ended March 31,		
	2024	2025	2026
	HK$'000	*HK$'000*	*HK$'000*
Revenue			
Reportable segment revenue and consolidated revenue	339,256	360,570	463,814
Profit			
Reportable segment gross profit	168,276	168,962	223,718
Other net income/(loss)	7,074	11,879	(309)
Selling and distribution expenses	(61,814)	(80,280)	(76,106)
Administrative and other operating expenses	(34,365)	(39,147)	(46,378)
Finance costs	(1,105)	(1,202)	(4,228)
Share of losses of joint ventures	(148)	(189)	—
Consolidated profit before taxation	77,918	60,023	96,697
Interest income from bank deposits	(85)	(545)	(609)
Finance costs	1,105	1,202	4,228
Depreciation and amortization	27,353	27,501	31,611
(Gain)/loss on disposal of equity interest in a joint venture	—	(1,016)	16
Share of losses of joint ventures	148	189	—
Adjusted EBITDA*	106,439	87,354	131,943

* Represents "adjusted earnings before interest, taxes, depreciation and amortization," where "interest" is regarded as including interest income from bank deposits and finance costs. To arrive at adjusted EBITDA, the Group's earnings are further adjusted for gain/loss on disposal of equity interest in joint ventures and share of losses of joint ventures.

(iii) Geographic information

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the goods are distributed to the distributors or the ultimate customers by the Group or the consignees.

	Year ended March 31,		
	2024	2025	2026
	HK$'000	*HK$'000*	*HK$'000*
Revenue from external customers			
Hong Kong (place of domicile)	294,593	294,380	398,828
Chinese Mainland	10,245	10,825	13,698
Macau	14,477	29,091	11,668
Singapore	10,870	13,385	23,695
Others	9,071	12,889	15,925
	339,256	360,570	463,814

The following table sets out information about the geographical location of the Group's property, plant and equipment, intangible assets, other non-current assets, interests in joint ventures ("**specified non-current assets**"). The geographical location of the specified non-current assets is based on the physical location of the assets, in the case of property, plant and equipment and non-current prepayments for property, plant and equipment and the location of the operations to which they are allocated, in the case of intangible assets, non-current prepayments for acquisition of a subsidiary and the location of operations, in the case of interests in joint ventures.

	As of March 31,		
	2024	2025	2026
	HK$'000	*HK$'000*	*HK$'000*
Specified non-current assets			
Hong Kong (place of domicile)	389,405	489,341	672,555

(iv) Information about major customers

For the years ended March 31, 2024, 2025 and 2026, the Group's customer base includes one, one and one customer of branded PCM products with whom transactions have exceeded 10% of the Group's revenue. Revenue from sales of branded PCM products to this customer, including sales to entities which are known to the Group to be under common control, amounted to approximately HK$53,595,000, HK$56,449,000 and HK$124,257,000 for the years ended March 31, 2024, 2025 and 2026 respectively.

3 OTHER NET INCOME/(LOSS)

	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 *(Note)*	—	750	419
Net loss on disposals of property, plant and equipment	(5)	—	—
Others	450	487	725
	7,074	11,879	(309)

Note: The amount included the support for product development in Hong Kong from local government.

4 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

(A) Finance Costs

	Year ended March 31,		
	2024	2025	2026
	HK$'000	*HK$'000*	*HK$'000*
Interest on bank loans *(note 17(C))*	—	—	2
Interest expense on amounts due to a fellow subsidiary *(note 17(C))*	628	596	3,360
Interest on lease liabilities to *(note 17(C))*			
— third parties	152	363	477
— related parties	325	243	389
	477	606	866
	1,105	1,202	4,228

(B) Staff Costs

	Year ended March 31,		
	2024	2025	2026
	HK$'000	*HK$'000*	*HK$'000*
Salaries, wages and other benefits	43,439	48,681	72,718
Contributions to defined contribution retirement schemes	1,643	1,759	2,716
	45,082	50,440	75,434

The Group operates a Mandatory Provident Fund Scheme (the "**MPF Scheme**") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK$30,000. Contributions to the plan vest immediately. No forfeited contribution under the MPF Scheme is available to reduce the contribution payable in future years.

The Group has no other material obligation for the payment of pension benefits associated with those schemes beyond the annual contributions described above.

(C) Other Items

	Year ended March 31,		
	2024	2025	2026
	HK$'000	*HK$'000*	*HK$'000*
Depreciation *(note 10)*			
— owned property, plant and equipment	8,582	8,511	6,932
— right-of-use assets	9,484	9,704	16,099
	18,066	18,215	23,031
Amortization of intangible assets *(note 11)*	9,287	9,286	8,580
Auditors' remuneration			
— audit services	622	710	764
— other services	86	105	136
Cost of inventories[#]	170,980	191,608	206,923

Cost of inventories includes HK$35,934,000, HK$38,926,000 and HK$64,185,000 for the years ended March 31, 2024, 2025 and 2026, relating to staff costs and depreciation and amortization expenses, which amount is also included in the respective total amounts disclosed separately above or in note 4(B) for each of these types of expenses.

5 INCOME TAX

(A) Income Tax in the Consolidated Statements of Profit or Loss and Other Comprehensive Income Represents:

	Year ended March 31,		
	2024	2025	2026
	HK$'000	*HK$'000*	*HK$'000*
Current tax			
Provision for the year	14,649	11,946	20,205
Over-provision in respect of prior years	(789)	(153)	(24)
	13,860	11,793	20,181
Deferred tax			
Origination and reversal of temporary differences *(note 21(A))*	(1,476)	(1,886)	(4,377)
	12,384	9,907	15,804

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

	Year ended March 31,		
	2024	2025	2026
	HK$'000	*HK$'000*	*HK$'000*
Profit before taxation	77,918	60,023	96,697
Notional tax on profit before taxation calculated at the rate applicable to profits in the tax jurisdiction concerned	12,873	9,921	16,003
Effect of non-deductible expenses	35	40	298
Effect of non-taxable income	(15)	(296)	(43)
Effect of temporary differences not recognized	256	364	(430)
Profits and losses attributable to joint ventures	24	31	—
Over-provision in respect of prior years	(789)	(153)	(24)
Actual tax expense	12,384	9,907	15,804

Notes:

(i) The provision for Hong Kong Profits Tax for the year is calculated at 16.5% of the estimated assessable profits for the year.

(ii) Income tax for entities incorporated in other jurisdictions is charged at the appropriate rates of taxation ruling in the relevant jurisdictions.

6 DIRECTORS' EMOLUMENTS

Directors' emoluments for the Track Record Period are as follows:

	Year ended March 31, 2024				
	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Executive directors					
Mr. Yu Chun Kau	—	—	—	—	—
Mr. Ng Kwan Ho	—	—	—	—	—
Non-executive directors					
Mr. Sum Kwong Yip Derek	—	745	900	18	1,663
Mr. Yim Chun Leung	—	—	—	—	—
Professor Xu Hongxi	—	—	—	—	—
Ms. Leng Wei	—	—	—	—	—
	—	745	900	18	1,663

	Year ended March 31, 2025				
	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Executive directors					
Mr. Yu Chun Kau	—	—	—	—	—
Mr. Ng Kwan Ho	—	288	51	4	343
Non-executive directors					
Mr. Sum Kwong Yip Derek	—	1,095	1,000	18	2,113
Mr. Yim Chun Leung	—	—	—	—	—
Professor Xu Hongxi	—	—	—	—	—
Ms. Leng Wei	—	—	—	—	—
	—	1,383	1,051	22	2,456

	Year ended March 31, 2026				
	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Executive directors					
Mr. Yu Chun Kau	—	54	—	3	57
Mr. Ng Kwan Ho	—	381	31	5	417
Non-executive directors					
Mr. Sum Kwong Yip Derek	—	1,218	—	18	1,236
Mr. Yim Chun Leung	—	—	—	—	—
Professor Xu Hongxi	—	—	—	—	—
Ms. Leng Wei	—	—	—	—	—
	—	1,653	31	26	1,710

The directors of the Company were appointed on the following dates:

Executive directors	Date of appointment
Mr. Yu Chun Kau	March 26, 2026
Mr. Ng Kwan Ho	March 26, 2026

Non-executive directors	Date of appointment
Mr. Sum Kwong Yip Derek	July 13, 2026
Mr. Yim Chun Leung	July 13, 2026
Professor Xu Hongxi	July 13, 2026
Ms. Leng Wei	July 13, 2026

The directors' remuneration disclosed above included the remuneration from a fellow subsidiary during the Track Record Period in respect of their services to JBM and its subsidiaries other than the Group (the "**JBM Group**") and the Group. Such remuneration was allocated based on the relative gross profit contribution among the relevant subsidiaries of the Group and the JBM Group and was included in management fees to a fellow subsidiary as disclosed in note 28(B).

During the Track Record Period, there was no amount paid or payable by the Group to the directors or any of the five highest paid individuals as set out in note 7 below as an inducement to join or upon joining the Group or as compensation for loss of office. There was no arrangement under which a director has waived or agreed to waive remuneration during the Track Record Period.

7 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, 1, 1 and 1 are directors for the years ended March 31, 2024, 2025 and 2026 respectively whose emoluments are disclosed in note 6. The aggregate of the emoluments in respect of the remaining individuals are as follows:

	Year ended March 31,		
	2024	2025	2026
	HK$'000	*HK$'000*	*HK$'000*
Salaries and other emoluments	3,737	3,476	3,984
Discretionary bonuses	1,100	478	830
Retirement scheme contributions	54	61	72
	4,891	4,015	4,886

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

	Year ended March 31,		
	2024	2025	2026
	HK$'000	*HK$'000*	*HK$'000*
Nil–HK$1,000,000	2	3	—
HK$1,000,001–HK$1,500,000	2	1	3
HK$1,500,001–HK$2,000,000	—	—	1

8 EARNINGS PER SHARE

Earnings per share information is not presented as its inclusion for the purpose of this report is not considered meaningful due to the Reorganization and preparation of the results of the Group for the Track Record Period on the basis as disclosed in note 1.

9 DIVIDENDS

On November 16, 2023 and December 31, 2024, JBM (PCM) Limited declared dividends of HK$29,000,000 and HK$49,000,000 to its intermediate holding company, respectively.

On November 6, 2024, Li Chung Shing Tong (Holdings) Limited ("**LCSTH**"), an indirect non-wholly owned subsidiary of the Company, declared dividends of HK$360,000 to its non-controlling interests. On December 19, 2024, Orizen Capital Limited ("**Orizen**"), an indirect non-wholly owned subsidiary of the Company, declared dividends of HK$1,000,000 to its non-controlling interests.

On November 9, 2023, LCSTH declared dividends of HK$360,000 to its non-controlling interests. On November 16, 2023, Orizen declared dividends of HK$600,000 to its non-controlling interests.

No dividends were paid or declared by the Company during the Track Record Period.

10 PROPERTY, PLANT AND EQUIPMENT

(A) Reconciliation of Carrying Amount

	Leasehold land	Buildings	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Leasehold improvements	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Cost:							
At April 1, 2023	3,399	43,820	57,211	51,746	492	4,388	161,056
Additions	—	5,090	1,484	127	—	201	6,902
Disposals	—	(2,338)	(1,128)	(1,689)	—	—	(5,155)
At March 31, 2024	3,399	46,572	57,567	50,184	492	4,589	162,803
Accumulated depreciation:							
At April 1, 2023	1,365	25,179	35,164	23,452	492	2,215	87,867
Charge for the year	90	9,500	5,043	3,102	—	331	18,066
Written back on disposals	—	(2,338)	(1,126)	(1,686)	—	—	(5,150)
At March 31, 2024	1,455	32,341	39,081	24,868	492	2,546	100,783
Net book value:							
At March 31, 2024	1,944	14,231	18,486	25,316	—	2,043	62,020

	Leasehold land	Buildings	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Leasehold improvements	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Cost:							
At April 1, 2024	3,399	46,572	57,567	50,184	492	4,589	162,803
Additions	—	12,379	2,567	768	—	588	16,302
Disposals	—	(4,254)	(21)	(1,153)	—	—	(5,428)
At March 31, 2025	3,399	54,697	60,113	49,799	492	5,177	173,677
Accumulated depreciation:							
At April 1, 2024	1,455	32,341	39,081	24,868	492	2,546	100,783
Charge for the year	90	9,720	5,191	2,755	—	459	18,215
Written back on disposals	—	(4,254)	(21)	(1,153)	—	—	(5,428)
At March 31, 2025	1,545	37,807	44,251	26,470	492	3,005	113,570
Net book value:							
At March 31, 2025	1,854	16,890	15,862	23,329	—	2,172	60,107

	Leasehold land	Buildings	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Leasehold improvements	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Cost:							
At April 1, 2025	3,399	54,697	60,113	49,799	492	5,177	173,677
Additions	—	10,177	2,575	1,161	—	2,010	15,923
Acquisition of a subsidiary *(note 24)*	—	41,311	174	388	—	704	42,577
Disposals	—	(14,044)	(377)	(110)	—	—	(14,531)
At March 31, 2026	3,399	92,141	62,485	51,238	492	7,891	217,646
Accumulated depreciation:							
At April 1, 2025	1,545	37,807	44,251	26,470	492	3,005	113,570
Charge for the year	91	16,992	2,592	2,857	—	499	23,031
Written back on disposals	—	(14,044)	(324)	(80)	—	—	(14,448)
At March 31, 2026	1,636	40,755	46,519	29,247	492	3,504	122,153
Net book value:							
At March 31, 2026	1,763	51,386	15,966	21,991	—	4,387	95,493

(B) Right-Of-Use Assets

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

		As of March 31,		
	Note	**2024**	**2025**	**2026**
		HK$'000	*HK$'000*	*HK$'000*
Ownership interests in leasehold land with remaining lease term between 10 and 50 years	*(i)*	1,944	1,854	1,763
Buildings leased for own use, carried at depreciated cost	*(ii)*	12,525	15,290	23,756
		14,469	17,144	25,519

The analysis of expense items in relation to leases recognized in the consolidated statements of profit or loss and other comprehensive income is as follows:

	Year ended March 31,		
	2024	**2025**	**2026**
	HK$'000	*HK$'000*	*HK$'000*
Depreciation charge of right-of-use assets by class of underlying asset:			
Ownership interests in leasehold land	90	90	91
Buildings leased for own use	9,394	9,614	16,008
	9,484	9,704	16,099
Interest on lease liabilities *(note 4(A))*	477	606	866
Expense relating to short-term lease	1,320	—	—

Additions to right-of-use assets were HK$5,090,000, HK$12,379,000 and HK$10,177,000 during the years ended March 31, 2024, 2025 and 2026 respectively, which primarily related to the capitalized lease payments payable under new tenancy agreements. Additions to right-of-use assets arising from the acquisition of subsidiaries were HK$14,297,000 during the year ended March 31, 2026.

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in notes 17(D) and 20 respectively.

(i) Ownership interests in leasehold land held for own use

The Group holds a piece of leasehold land where its manufacturing facilities are primarily located. The Group is the registered owner of the land. Lump sum payments were made upfront to acquire these land interests from their previous registered owners, and there are no ongoing payments to be made under the terms of the land lease, other than payments based on rateable values set by the relevant government authorities. These payments vary from time to time and are payable to the relevant government authorities.

(ii) Buildings leased for own use

The Group has obtained the right to use other properties as its offices, production building housing and warehouses through tenancy agreements. The leases typically run for an initial period of 1 to 5 years.

11 INTANGIBLE ASSETS

	Goodwill	Trademarks	Unpatented drugs	Customer relationship	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Cost:					
At April 1, 2023 and March 31, 2024	67,918	159,044	24,429	125,724	377,115
Accumulated amortization and impairment:					
At April 1, 2023	—	370	7,750	37,311	45,431
Amortization charged for the year	—	—	855	8,432	9,287
At March 31, 2024	—	370	8,605	45,743	54,718
Net book value:					
At March 31, 2024	67,918	158,674	15,824	79,981	322,397

	Goodwill	Trademarks	Unpatented drugs	Customer relationship	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Cost:					
At April 1, 2024 and March 31, 2025	67,918	159,044	24,429	125,724	377,115
Accumulated amortization and impairment:					
At April 1, 2024	—	370	8,605	45,743	54,718
Amortization charged for the year	—	—	855	8,431	9,286
At March 31, 2025	—	370	9,460	54,174	64,004
Net book value:					
At March 31, 2025	67,918	158,674	14,969	71,550	313,111

	Goodwill	Trademarks	Unpatented drugs	Customer relationship	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Cost:					
At April 1, 2025	67,918	159,044	24,429	125,724	377,115
Acquisitions of subsidiaries *(note 24)*	91,167	146,803	—	3,448	241,418
At March 31, 2026	159,085	305,847	24,429	129,172	618,533
Accumulated amortization and impairment:					
At April 1, 2025	—	370	9,460	54,174	64,004
Amortization charged for the year	—	—	855	7,725	8,580
At March 31, 2026	—	370	10,315	61,899	72,584
Net book value:					
At March 31, 2026	159,085	305,477	14,114	67,273	545,949

The amortization charge is included in "Cost of sales and services," "Selling and distribution expenses" and "Administrative and other operating expenses" in the consolidated statements of profit or loss and other comprehensive income for the years ended March 31, 2024, 2025 and 2026.

Included in trademarks as of March 31, 2024, 2025 and 2026 were trademarks with indefinite useful life of HK$158,674,000, HK$158,674,000 and HK$158,674,000 respectively. In assessing the useful life of such trademarks, management considered trademarks are renewable upon their expiry and the Group will not incur significant costs to renew the registration of trademarks which is a routine administrative procedure. In addition, due consideration is given to the existing longevity of trademarks, the indefinite life cycle of the industry in which the Group operates and the expected usage of the trademarks in the future the trademarks have been assessed as having an indefinite useful life.

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

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

	As of March 31,		
	2024	2025	2026
	HK$'000	*HK$'000*	*HK$'000*
Goodwill			
Branded PCM products	67,918	67,918	110,595
Chinese medicine clinic services	—	—	48,490
	67,918	67,918	159,085
Trademarks			
Branded PCM products	158,674	158,674	158,674

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial forecasts prepared by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated rates of 3%, 3% and 2.5% as of March 31, 2024, 2025 and 2026 respectively, which does not exceed the long-term average growth rate for the business in which the CGU operates.

Key assumptions used for value-in-use calculations:

	As of March 31,		
	2024	2025	2026
Revenue growth rate	4.0%–8.0%	4.0%–8.0%	2.5%–64.9%
Gross margin	30.0%–60.0%	30.0%–57.0%	14.0%–70.4%
Discount rate	13.2%–15.2%	13.0%–15.2%	13.6%–17.8%

Management determined forecasted revenue growth rate and gross margin based on past performance and its expectations for market development. The discount rates used are pre-tax and reflect specific risks relating to the relevant CGUs. As of March 31, 2024, 2025 and 2026, the management believes that any reasonably foreseeable change in any of the above key assumptions could not cause the carrying amounts of the CGUs including goodwill to exceed the recoverable amounts of CGUs.

12 INVESTMENT IN SUBSIDIARIES AND NON-CONTROLLING INTERESTS

Particular of subsidiaries

Details of the Company's subsidiary at March 31, 2026 and the date of this report are as follow:

Name of subsidiaries	Place of incorporation	Registered capital	Proportion of ownership interest	Principal activities
JBM (PCM) Limited	British Virgin Islands February 12, 2020	1,000 ordinary shares	100%	Investment holding

Note:
No audited financial statements have been prepared for this subsidiary as it was not subject to statutory audit requirements under the rules and regulations in the jurisdiction of incorporation.

Non-controlling interests ("NCI")

The following table lists out the information relating to LCSTH, the only subsidiary of the Group which has a material NCI. The summarized financial information presented below represents the amounts before any inter-company elimination.

	2024	2025	2026
	HK$'000	*HK$'000*	*HK$'000*
NCI percentage	36.0%	56.1%	28.1%
Current assets	131,913	134,278	145,998
Non-current assets	42,695	47,348	57,722
Current liabilities	(45,547)	(43,119)	(45,959)
Non-current liabilities	(2,966)	(2,551)	(2,287)
Net assets	126,095	135,956	155,474
Carrying amount of NCI	45,394	76,271	43,688
Revenue	108,320	135,414	156,428
Profit for the year	15,064	10,862	21,661
Total comprehensive income	15,064	10,862	21,661
Profit allocated to NCI	5,423	4,843	7,798
Dividend paid to NCI	360	360	—
Cash flows (used in)/generated from operating activities	(2,245)	9,033	32,207
Cash flows used in investing activities	(2,681)	(11,493)	(14,739)
Cash flows used in financing activities	(3,616)	(4,011)	(3,040)

Note: During the year ended March 13, 2025, the Group disposed of 20.1% equity interests in LCSTH at a consideration of HK$46,230,000 to Europharm Laboratoires Company Limited ("**Europharm**", a related company under common control). HK$26,604,000 and HK$19,626,000 have been recognized under non-controlling interests and capital reserve upon completion, respectively. The effective proportion of ownership interested in LCSTH had decreased from 64% to 43.9%. The Group retains control over LCSTH as it has the majority vote over the board.

13 INTERESTS IN JOINT VENTURES

	As of March 31,		
	2024	2025	2026
	HK$'000	*HK$'000*	*HK$'000*
Share of net assets	840	—	—

The joint ventures are accounted for using the equity method in the Historical Financial Information.

Aggregate Information of the joint ventures that is not individually material:

	Year ended March 31,		
	2024	2025	2026
	HK$'000	*HK$'000*	*HK$'000*
Aggregate carrying amount of the immaterial joint ventures in the Historical Financial Information	840	—	—
Aggregate amounts of the Group's share of these joint ventures: Loss and total comprehensive income	(148)	(189)	—

14 OTHER NON-CURRENT ASSETS

	As of March 31,		
	2024	2025	2026
	HK$'000	*HK$'000*	*HK$'000*
Prepayment for acquisition of a subsidiary	—	102,600	—
Prepayments for purchase of property, plant and equipment	4,148	13,523	31,113
Deposits	1,789	2,422	6,161
	5,937	118,545	37,274

15 INVENTORIES

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

	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
	49,942	52,575	50,116

(B) The Analysis of the Amount of Inventories Recognized as an Expense and Included in Profit or Loss is as Follows:

	Year ended March 31,		
	2024	2025	2026
	HK$'000	*HK$'000*	*HK$'000*
Carrying amount of inventories sold	170,932	192,248	206,979
Provision/(reversal) of write-down of inventories	48	(640)	(56)
	170,980	191,608	206,923

16 TRADE AND OTHER RECEIVABLES

	Note	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
Amount due from the intermediate holding company	*16(B)*	24,114	12,788	12,788
Amounts due from fellow subsidiaries	*16(B)*	70,850	75,170	113,641
		154,526	156,917	243,854

(A) Trade Receivables

As of the end of each reporting period, the aging analysis of trade receivables, based on the invoice date and net of loss allowances, is as follows:

	As of March 31, 2024	2025	2026
	HK$'000	*HK$'000*	*HK$'000*
Less than 1 month	14,782	20,303	35,708
1 to 6 months	37,459	28,303	39,258
Over 6 months	2,337	14,699	23,469
	54,578	63,305	98,435

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

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

Further details on the Group's credit policy and credit risk arising from trade receivables are set out in note 26(A).

(B) Amounts Due from the Intermediate Holding Company and Fellow Subsidiaries

The amounts due from fellow subsidiaries of HK$50,405,000 as of March 31, 2026 are unsecured, recoverable on demand and interest-bearing at 1.5% per annum. The remaining portion of the amounts due from the intermediate holding company and fellow subsidiaries are unsecured, interest-free and recoverable on demand. All the amounts due from the intermediate holding company and fellow subsidiaries will be settled prior to the **[REDACTED]**.

17 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(A) Cash and Cash Equivalents Comprise:

	As of March 31,		
	2024	**2025**	**2026**
	HK$'000	*HK$'000*	*HK$'000*
Cash at bank and on hand	49,358	64,963	70,544

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

		Year ended March 31,		
	Note	**2024**	**2025**	**2026**
		HK$'000	*HK$'000*	*HK$'000*
Operating activities				
Profit before taxation		77,918	60,023	96,697
Adjustments for:				
Depreciation and amortization	*4(C)*	27,353	27,501	31,611
Net loss on disposals of property, plant and equipment	*3*	5	—	—
Finance costs	*4(A)*	1,105	1,202	4,228
Interest income from bank deposits	*3*	(85)	(545)	(609)
(Gain)/loss on disposal of equity interest in a joint venture	*3*	—	(1,016)	16
Share of losses of joint ventures		148	189	—
Changes in working capital:				
(Increase)/decrease in inventories		(21,692)	(2,633)	9,378
Increase in trade and other receivables		(61,098)	(3,024)	(81,650)
Increase/(decrease) in trade and other payables and contract liabilities		7,497	8,676	(3,276)
Cash generated from operations		31,151	90,373	56,395

(C) Reconciliation of Liabilities Arising from Financing Activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statements as cash flows from financing activities.

	Lease liabilities	Amounts due to the intermediate holding company	Amounts due to fellow subsidiaries	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At April 1, 2023	17,468	449,403	25,317	492,188
Changes from financing cash flows:				
Capital element of lease rentals paid	(9,392)	—	—	(9,392)
Interest element of lease rentals paid	(477)	—	—	(477)
Repayment of amounts due to the intermediate holding company	—	(500)	—	(500)
Advance from fellow subsidiaries	—	—	4,852	4,852
Total changes from financing cash flows	(9,869)	(500)	4,852	(5,517)
Other changes:				
Interest expenses	477	—	628	1,105
Increase in lease liabilities from entering into new leases during the year	5,090	—	—	5,090
Total other changes	5,567	—	628	6,195
At March 31, 2024	13,166	448,903	30,797	492,866

	Lease liabilities	Amounts due to the intermediate holding company	Amounts due to fellow subsidiaries	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At April 1, 2024	13,166	448,903	30,797	492,866
Changes from financing cash flows:				
Capital element of lease rentals paid	(9,840)	—	—	(9,840)
Interest element of lease rentals paid	(606)	—	—	(606)
Repayment of amounts due to the intermediate holding company	—	(46,230)	—	(46,230)
Advance from fellow subsidiaries	—	—	116,776	116,776
Total changes from financing cash flows	(10,446)	(46,230)	116,776	60,100
Other changes:				
Interest expenses	606	—	596	1,202
Increase in lease liabilities from entering into new leases during the year	12,379	—	—	12,379
Total other changes	12,985	—	596	13,581
At March 31, 2025	15,705	402,673	148,169	566,547

	Lease liabilities	Amounts due to the intermediate holding company	Amounts due to fellow subsidiaries	Bank loans	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At April 1, 2025	15,705	402,673	148,169	—	566,547
Changes from financing cash flows:					
Capital element of lease rentals paid	(16,084)	—	—	—	(16,084)
Interest element of lease rentals paid	(866)	—	—	—	(866)
Repayment of bank loans	—	—	—	(21)	(21)
Other borrowing costs paid	—	—	—	(2)	(2)
Advance from fellow subsidiaries	—	—	225,046	—	225,046
Total changes from financing cash flows	(16,950)	—	225,046	(23)	208,073
Other changes:					
Acquisitions of subsidiaries *(note 24)*	14,605	—	—	458	15,063
Interest expenses	866	—	3,360	2	4,228
Increase in lease liabilities from entering into new leases during the year	10,177	—	—	—	10,177
Total other changes	25,648	—	3,360	460	29,468
At March 31, 2026	24,403	402,673	376,575	437	804,088

(D) Total Cash Outflow for Leases

Amounts included in the consolidated cash flow statement for leases comprise the following:

	Year ended March 31,		
	2024	2025	2026
	HK$'000	*HK$'000*	*HK$'000*
Within operating cash flows	1,320	—	—
Within financing cash flows			
— third parties	2,969	4,654	10,946
— related parties	6,900	5,792	6,004
	11,189	10,446	16,950

These amounts are related to lease rental payments.

18 TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES

		As of March 31,		
	Note	2024	2025	2026
		HK$'000	*HK$'000*	*HK$'000*
Trade payables	*18(A)*	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	*18(C)*	448,903	402,673	402,673
Amounts due to fellow subsidiaries	*18(C)*	30,797	148,169	376,575
Contract liabilities	*18(B)*	1,872	—	2,750
		521,113	600,931	840,129

All of the trade and other payables are expected to be settled within one year.

(A) Trade Payables

As of the end of each reporting period, the aging analysis of trade payables, based on the invoice date, is as follows:

	As of March 31,		
	2024	2025	2026
	HK$'000	*HK$'000*	*HK$'000*
Within 1 month	12,532	8,860	9,812
1 to 6 months	2,689	4,230	1,914
Over 6 months	77	101	331
	15,298	13,191	12,057

(B) Contract Liabilities

Movements of contract liabilities are as follows:

	Year ended March 31,		
	2024	2025	2026
	HK$'000	*HK$'000*	*HK$'000*
At the beginning of the year	1,595	1,872	—
Decrease in contract liabilities as a result of recognizing revenue during the year that was included in the contract liabilities at the beginning of the year	(1,595)	(1,872)	—
Increase in contract liabilities as a result of receiving forward sales deposits at the end of the year	1,872	—	2,750
At the end of the year	1,872	—	2,750

All of the contract liabilities are expected to be recognized as income within one year.

(C) Amounts due to the Intermediate Holding Company and Fellow Subsidiaries

The amounts due to fellow subsidiaries of HK$8,939,000, HK$14,535,000 and HK$166,154,000 as of March 31, 2024, 2025 and 2026 respectively are unsecured, repayable on demand and interest-bearing at 6.30%, 5.28% and 3.96% per annum. The remaining portion of the amounts due to the intermediate holding company and fellow subsidiaries are unsecured, interest-free and repayable on demand. All of the amounts due to the intermediate holding company and fellow subsidiaries will be settled prior to the **[REDACTED]**.

19 BANK LOANS

An analysis of the carrying amount of bank loans is as follows:

	As of March 31,		
	2024	2025	2026
	HK$'000	*HK$'000*	*HK$'000*
Current portion of bank loans	—	—	437

Bank loans were analyzed as follows:

	As of March 31,		
	2024	2025	2026
	HK$'000	*HK$'000*	*HK$'000*
Bank loans			
— Unsecured	—	—	437

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

	As of March 31,		
	2024	2025	2026
	HK$'000	*HK$'000*	*HK$'000*
Bank loans due for repayment:			
Within one year or repayable on demand . . .	—	—	437

20 LEASE LIABILITIES

At the end of each reporting period, the lease liabilities were repayable as follows:

	As of March 31,		
	2024	2025	2026
	HK$'000	*HK$'000*	*HK$'000*
Within 1 year	7,420	9,093	15,858
After 1 year but within 2 years	4,977	4,482	8,125
After 2 years but within 5 years	769	2,130	420
	13,166	15,705	24,403

As of March 31, 2024, 2025 and 2026, lease liabilities due to related parties were HK$9,110,000, HK$9,260,000 and HK$9,834,000 respectively.

21 DEFERRED TAX

(A) Deferred Tax Liabilities/(Assets) Recognized

The components of deferred tax liabilities/(assets) recognized in the consolidated statements of financial position and the movements during the years are as follows:

	Property, plant and equipment	Intangible assets	Expected credit losses allowance on trade receivables	Unused tax losses	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At April 1, 2023	4,514	33,899	(429)	(2,565)	35,419
(Credited)/charged to profit or loss	(807)	(1,476)	—	807	(1,476)
At March 31, 2024	3,707	32,423	(429)	(1,758)	33,943
At April 1, 2024	3,707	32,423	(429)	(1,758)	33,943
(Credited)/charged to profit or loss	(445)	(1,474)	429	(396)	(1,886)
At March 31, 2025	3,262	30,949	—	(2,154)	32,057
At April 1, 2025	3,262	30,949	—	(2,154)	32,057
Acquisitions of subsidiaries *(note 24)*	—	26,823	—	—	26,823
Credited to profit or loss	(294)	(1,405)	—	(2,678)	(4,377)
At March 31, 2026	2,968	56,367	—	(4,832)	54,503

Reconciliation to the consolidated statements of financial position

	As of March 31,		
	2024	2025	2026
	HK$'000	*HK$'000*	*HK$'000*
Deferred tax assets recognized in the consolidated statements of financial position	(1,523)	(1,928)	(4,543)
Deferred tax liabilities recognized in the consolidated statements of financial position	35,466	33,985	59,046
	33,943	32,057	54,503

The directors are of the view that it is probable that future taxable profits will be available to utilize the deferred tax assets.

(B) Deferred Tax Assets Not Recognized

As of March 31, 2024, 2025 and 2026, in accordance with the accounting policy set out in note 2(Q), the Group has not recognized deferred tax assets in respect of cumulative tax losses of HK$117,000, HK$117,000 and HK$117,000 respectively as it is not probable that future taxable profits against which the losses can be utilized will be available in the relevant tax jurisdiction and entity. The tax losses have no expiry dates under current tax legislation.

22 SHARE CAPITAL

	Number of shares	Amount
	'000	*HK$'000*
Authorized:		
Ordinary shares of HK$0.01 each at March 26, 2026 (date of incorporation) and March 31, 2026	39,000	390
Issued:		
At March 26, 2026 (date of incorporation)	—*	—*
Issuance of ordinary shares	780	8
At March 31, 2026	780	8

* The balances represent amounts less than 1,000.

The Company was incorporated in the Cayman Islands on March 26, 2026. At the time of incorporation, the Company had an authorized share capital of HK$390,000 divided into 39,000,000 shares of HK$0.01 each. The Company issued and allotted 1 share to JBM (BVI) Limited upon incorporation.

On March 27, 2026, the Company further issued and allotted 779,999 shares to JBM (BVI) Limited to acquire the entire equity interest in JBM (PCM) Limited as part of the Reorganization. The Company has become the holding company of the Group since the completion of such share issuance.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meeting of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

The share capital of the Group as of March 31, 2024 and 2025 represented the share capital of JBM (PCM) Limited, which was the former holding company of the Group prior to the Reorganization.

23 RESERVES

The nature and purpose of reserves are set out below:

(A) Capital Reserve

The capital reserve represents (i) the difference between the considerations paid and the share of net assets value of the subsidiaries acquired from non-controlling interests and (ii) amounts due to the immediate holding company capitalized.

(B) Exchange Reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations outside Hong Kong. The reserve is dealt with in accordance with the accounting policies set out in note 2(T).

(C) Capital Management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends payable to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group is not subject to externally imposed capital requirements.

24 ACQUISITIONS OF SUBSIDIARIES

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

On February 21, 2025, Arrow King Inc., an indirect wholly-owned subsidiary of JBM (PCM) Limited, entered into a sales and purchase agreement with an independent third party, pursuant to which Arrow King Inc. agreed to purchase and the independent third party agreed to sell, a 90% equity interest in the Tin Hee Tong Medicine Factory, Limited ("**Tin Hee Tong**") at a consideration of HK$171,000,000 and the transaction was completed on April 3, 2025. The principal activity of Tin Hee Tong is manufacture and sales of branded proprietary Chinese medicines.

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

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

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

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

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

Acquisition-related costs

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

Measurement of fair value

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

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

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

On June 16, 2025, Winner Win Limited, an indirect wholly-owned subsidiary of JBM (PCM) Limited, entered into a sales and purchase agreement with an independent third party, pursuant to which Winner Win Limited agreed to purchase and the independent third party agreed to sell, a 100% equity interest in the Kenford Medical Group Company Limited ("**Kenford Group**") at a consideration of HK$38,000,000 and the transaction was completed on June 30, 2025. The principal activities of Kenford Group are provision of Chinese medical consultancy service.

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

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

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

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

Acquisition-related costs

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

Measurement of fair value

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

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

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

On December 30, 2025, Joy Wish Limited, an indirect wholly-owned subsidiary of JBM (PCM) Limited, entered into a sales and purchase agreement with an independent third party, pursuant to which Joy Wish Limited agreed to purchase and the independent third party agreed to sell, 100% equity interests in the King Pui Chinese Medical Group Limited ("**King Pui**") and Siulun Medheart Company Limited ("**Siulun**") at a consideration of HK$36,000,000 and the transaction was completed on January 30, 2026. The principal activities of King Pui and Siulun are provisions of Chinese medical consultancy services and orthopedic and traumatology specialist medical services.

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

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

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

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

Acquisition-related costs

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

Measurement of fair value

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

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

25 ACQUISITIONS OF ADDITIONAL INTERESTS IN SUBSIDIARIES

During the year ended March 31, 2026, the Group acquired additional 28% and 21% equity interests in LCSTH and Quinwood Limited ("**Quinwood**") respectively, at an aggregate consideration of HK$84,016,000. Following the completion of the transaction, the Group's interests in LCSTH and Quinwood have increased from 43.9% to 71.9% and from 71.0% to 92.0% respectively. Accordingly, the Group recognized a decrease in non-controlling interests of HK$41,206,000 and a decrease in capital reserve of HK$42,810,000.

During the year ended March 31, 2026, the Group acquired additional 10% equity interest in Tin Hee Tong at a consideration of HK$19,000,000. Following the completion of the transaction, the Group's interest in Tin Hee Tong has increased from 90% to 100%. Accordingly, the Group recognized a decrease in non-controlling interests of HK$14,966,000 and a decrease in capital reserve of HK$4,034,000.

26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES

Exposure to credit, liquidity, interest rate and currency risks arise in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(A) Credit Risk

The Group's credit risk is primarily attributable to cash and cash equivalents and trade and other receivables. Cash and cash equivalents are normally placed at financial institutions that have sound credit ratings and the Group considers the credit risk to be insignificant. Management has a credit policy in place and the exposure to these credit risks are monitored on an ongoing basis.

In respect of trade and other receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer and therefore concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. As of March 31, 2024, 2025 and 2026, 21.4%, 25.2% and 25.8% of the total trade and other receivables was due from the Group's largest debtor and 23.7%, 29.1% and 30.2% was due from the five largest debtors respectively.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which, except for amounts due from customers with known financial difficulties or significant doubt on collection that are assessed individually, is calculated using a provision matrix. Accordingly, the Group recognized credit loss allowance of HK$2,600,000, HK$2,600,000 and HK$2,600,000 for a single customer with significant doubt on collection that is individually impaired at March 31, 2024, 2025 and 2026. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

Expected loss rates are based on actual loss experience over the past two years. These rates are adjusted to reflect differences between economic conditions during the year over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

The Group assessed that there is no significant loss allowance recognized in accordance with HKFRS 9 as of March 31, 2024, 2025 and 2026 other than for the abovementioned customer, and no provision matrix has therefore been disclosed.

(B) Liquidity Risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The contractual undiscounted cash outflows of trade and other payables excluding contract liabilities as of March 31, 2024, 2025 and 2026 are due within 1 year or on demand and equal their carrying value at the end of each reporting period.

The following tables show the remaining contractual maturities at the end of each reporting period of the Group's bank loans and lease liabilities, which are based on contractual undiscounted cash outflows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of each reporting period).

	As of March 31, 2024 Contractual undiscounted cash outflow				
	Within 1 year	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	Carrying amount
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Lease liabilities	7,680	5,050	776	13,506	13,166

	As of March 31, 2025 Contractual undiscounted cash outflow				
	Within 1 year	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	Carrying amount
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Lease liabilities	9,623	4,686	2,180	16,489	15,705

	As of March 31, 2026 Contractual undiscounted cash outflow				
	Within 1 year	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	Carrying amount
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Lease liabilities	16,471	8,287	427	25,185	24,403
Bank loans	461	—	—	461	437
	16,932	8,287	427	25,646	24,840

(C) Interest Rate Risk

The Group's interest rate risk arises primarily from borrowings. Borrowings issued at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group's interest rate profile as monitored by management is set out in (i) below.

(i) Interest rate profile

The following table details the interest rate profile of the Group's borrowings at the end of each reporting period:

	As of March 31,					
	2024		2025		2026	
	Effective interest rate	Amount	Effective interest rate	Amount	Effective interest rate	Amount
		HK$'000		*HK$'000*		*HK$'000*
Fixed rate borrowings:						
Lease liabilities	2.44%–6.93%	13,166	2.44%–6.93%	15,705	2.77%–6.93%	24,403
Variable rate borrowings:						
Bank loans	—	—	—	—	3.11%	437
Total interest-bearing borrowings		13,166		15,705		24,840
Fixed rate borrowings as a percentage of total borrowings		100%		100%		98.2%

(ii) Sensitivity analysis

No sensitivity analysis is presented as the Group does not have any material floating rate instruments nor does it hold any fixed rate instruments that are measured at fair value as of March 31, 2024, 2025 and 2026, which would expose the Group to significant cash flow interest rate risk or fair value interest rate risk.

(D) Currency Risk

The Group is exposed to currency risk primarily through sales and purchases which give rise to receivables, payables and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily United States dollars and Renminbi. The Group manages this risk as follows:

In respect of trade and other receivables and payables denominated in foreign currencies, the Group ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

(i) Exposure to currency risk

The following table details the Group's exposure at the end of the Reporting Period to currency risk arising from recognized assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in Hong Kong dollars, translated using the spot rate at the end of each reporting period. Differences resulting from the translation of the financial statements of operations outside Hong Kong into the Group's presentation currency are excluded.

	As of March 31,					
	2024		2025		2026	
	United States dollars	Renminbi	United States dollars	Renminbi	United States dollars	Renminbi
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Cash and cash equivalents	—	213	878	92	834	66
Trade and other receivables	—	—	—	549	—	2,385
Trade and other payables and contract liabilities	(1,743)	—	—	(24)	(2)	—
Net exposure arising from recognized assets and liabilities	(1,743)	213	878	617	832	2,451

(ii) Sensitivity analysis

No sensitivity analysis is presented as the Group does not have any significant exposure to currency risk as of March 31, 2024, 2025 and 2026.

(E) Fair Value Measurement

The carrying amount of the Group's financial instruments carried at cost or amortized cost are not materially different from their fair values as of March 31, 2024, 2025 and 2026.

27 COMMITMENTS

Capital commitments outstanding at the end of each reporting period not provided for in the Historical Financial Information are as follows:

	2024	2025	2026
	HK$'000	*HK$'000*	*HK$'000*
Authorized and contracted for			
— Acquisition of a subsidiary	—	68,400	—
— Purchase of property, plant and equipment.	12,284	2,963	1,535
	12,284	71,363	1,535

28 MATERIAL RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in the Historical Financial Information, the Group entered into the following material related party transactions:

(A) Key Management Personnel Emoluments

All members of key management personnel are directors of the Company and their compensation is disclosed in note 6.

Total remuneration is included in "staff costs" (see note 4(B)).

(B) Transactions with Related Parties

	Year ended Mach 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

29 IMMEDIATE AND ULTIMATE CONTROLLING PARTY

At March 31, 2024, 2025 and 2026, the directors consider the immediate parent and ultimate controlling party of the Group to be JBM (BVI) Limited and Lincoln's Hill Development Limited respectively, both of which are incorporated in the British Virgin Islands. The intermediate holding company, JBM, produces financial statements available for public use.

30 ACCOUNTING JUDGMENTS AND ESTIMATES

Key Sources of Estimation Uncertainty

Impairment of intangible assets

In considering the impairment losses that may be required for the Group's intangible assets (including goodwill), the recoverable amount of the asset needs to be determined. The recoverable amount is the greater of the fair value less costs of disposal and value in use. It is difficult to precisely estimate the fair value less costs of disposal because quoted market prices for these assets may not be readily available. In determining the value in use, expected cash flows generated by the asset are discounted to their present values, which requires significant judgment relating to items such as revenue growth rates, gross margins and the discount rates applied. The Group uses all readily available information in determining an amount that is a reasonable approximation of the recoverable amount, including estimates based on reasonable and supportable assumptions and projections of items.

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

31 POSSIBLE IMPACT OF AMENDMENTS AND A NEW STANDARD ISSUED BUT NOT YET EFFECTIVE FOR THE TRACK RECORD PERIOD

Up to the date of issue of this report, the HKICPA has issued a number of new or amended standards, which are not yet effective for the Track Record Period and which have not been adopted in preparing the Historical Financial Information. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKFRS 9, *Financial instruments and HKFRS 7, Financial instruments: disclosures — Contracts referencing nature-dependent electricity* . . .	January 1, 2026
Amendments to HKFRS 9, *Financial instruments* and HKFRS 7, *Financial instruments: disclosures — Amendments to the classification and measurement of financial instruments*	January 1, 2026
Annual improvements to HKFRS Accounting Standards — Volume 11.	January 1, 2026
HKFRS 18, *Presentation and disclosure in financial statements*	January 1, 2027
HKFRS 19, *Subsidiaries without public accountability: disclosures*	January 1, 2027

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Historical Financial Information of the Group except for the following:

HKFRS 18, *Presentation and disclosure in financial statements*

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

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

The Group does not plan to early adopt HKFRS 18. HKFRS 18 will impact the presentation of financial statements and is not expected to have significant impact on the financial performance and positions of the Group.

32 SUBSEQUENT EVENTS

On May 22, 2026, Sampan Development Limited ("**Sampan**"), an indirectly wholly-owned subsidiary of the Company, entered into a sales and purchase agreement with independent third parties, pursuant to which, Sampan agreed to purchase and the independent third parties agreed to sell, 2% equity interest in Orizen at a consideration of HK$8,380,000. The transaction was completed on May 29, 2026 and Orizen has become an indirect wholly-owned subsidiary since then.

On June 29, 2026, Po Chai Herbal Technology Limited ("**PCHT**"), an indirect wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with Europharm, pursuant to which, PCHT agreed to purchase and Europharm to sell 24.9% equity interest in LCSTH at a consideration of HK$74,700,000. The transaction was completed on July 3, 2026 and the Group's equity interest in LCSTH has increased from 71.9% to 96.8% since then.

On July 15, 2026, the Company allotted and issued 434,220,000 shares to the immediate holding company, JBM (BVI) Limited, to capitalize amounts due to JBM Group of HK$350,000,000.

Subsequent Financial Statements

No audited financial statements have been prepared by the Company and its subsidiaries in respect of any period subsequent to March 31, 2026.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Set out below is a summary of certain provisions of the Memorandum and Articles of Association of the Company and of certain aspects of Cayman company law.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on March 26, 2026 under the Companies Act (As Revised) of the Cayman Islands (the "**Companies Act**"). The Company's constitutional documents consist of its Amended and Restated Memorandum of Association (the "**Memorandum**") and its Amended and Restated Articles of Association (the "**Articles**").

Unless otherwise defined in this Appendix, terms defined in the Articles shall have the same meanings in this Appendix.

1. MEMORANDUM OF ASSOCIATION

(a) The Memorandum states, inter alia, that the liability of Members is limited to the amount, if any, for the time being unpaid on the shares respectively held by them and that the objects for which the Company is established are unrestricted (including acting as an investment company), and that the Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit, as provided in section 27(2) of the Companies Act and in view of the fact that the Company is an exempted company that the Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands.

(b) The Company may by special resolution alter its Memorandum with respect to any objects, powers or other matters specified therein.

2. ARTICLES OF ASSOCIATION

The Articles were [conditionally] adopted on [•] [with effect from the **[REDACTED]**]. The following is a summary of certain provisions of the Articles:

(a) Shares

(i) Classes of shares

The share capital of the Company consists of ordinary shares.

(ii) Variation of rights of existing shares or classes of shares

Subject to the Companies Act, if at any time the share capital of the Company is divided into different classes of shares, all or any of the special rights attached to the shares or any class of shares may (unless otherwise provided for by the terms of issue of that class) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class (excluding treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of the Articles relating to general meetings will *mutatis mutandis* apply, but so that the necessary quorum (including at an adjourned meeting or postponed meeting) shall be two

persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class (excluding treasury shares). Every holder of shares of the class shall be entitled to one vote for every such share held by him.

Any special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith. For the avoidance of doubt, shares in the Company do not constitute a separate class solely by virtue of being in Certificated form or Uncertificated form.

(iii) Alteration of capital

The Company may by ordinary resolution of its Members:

(i) increase its share capital by the creation of new shares;

(ii) consolidate all or any of its capital into shares of larger amount than its existing shares;

(iii) divide its shares into several classes and attach to such shares any preferential, deferred, qualified or special rights, privileges, conditions or restrictions as the Company in general meeting or as the directors may determine;

(iv) subdivide its shares or any of them into shares of smaller amount than is fixed by the Memorandum; or

(v) cancel any shares which, at the date of passing of the resolution, have not been taken by any person, and diminish the amount of its capital by the amount of the shares so canceled.

The Company may reduce its issued share capital or any capital redemption reserve or other undistributable reserve in any way by special resolution.

(iv) Transfer of shares

Subject to the provision of the Articles, a Member shall transfer shares through the Electronic System by submitting a specified request in accordance with applicable law, rules, regulations and procedures. The Company shall not be responsible for any delay or failure in the Electronic System unless caused by its own default. Where a written instrument of transfer for any reason is required or permitted by applicable law, rules, regulations or procedures, such instrument of transfer shall be in the usual or common form or in a form prescribed by The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") or in such other form as the Board may approve and may be signed by the transferor and the transferee or, if the transferor or transferee is a clearing house or its nominee(s), signed by a representative of the clearing house or its nominee(s) or by machine imprinted signature or by such other manner of execution as the Board may approve from time to time. A reasonable fee (not exceeding any applicable limits prescribed under the ASR Code) may be charged by the Company's approved securities registrar for registering any instrument of transfer, specified request or other document relating to or affecting the title to any share.

Notwithstanding the foregoing, for so long as any shares are listed on the Stock Exchange, titles to such listed shares may be evidenced and transferred in accordance with the laws applicable to and the rules and regulations of the Stock Exchange (the "**Listing Rules**") that are or shall be applicable to such listed shares.

The Register in respect of its listed shares may be kept by recording the particulars required by Section 40 of the Companies Act in a form otherwise than legible if such recording otherwise complies with the laws applicable to and the Listing Rules that are or shall be applicable to such listed shares. The Register may be maintained in electronic form and may reflect holdings in both Certificated and Uncertificated form provided that it must be readily retrievable and capable of being printed or exported. Where any share is issued in Uncertificated form, or is dematerialized, the share will be recorded in the Register as being in Uncertificated form and such record will not be amended or removed except in accordance with the USM Rules. The Company may integrate the Register with any Electronic System. The Register shall be maintained in accordance with the USM Rules and will have such evidential value and other effect as provided in the USM Rules. Changes to any entry in the Register relating to the holder of shares that are participating securities will be notified to the holder in accordance with the USM Rules and the ASR Code.

Where a written instrument of transfer is required or permitted by applicable law, such instrument of transfer shall be executed by or on behalf of the transferor and the transferee provided that the Board may dispense with the execution of the instrument of transfer by the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect of that share.

The Board may, in its absolute discretion, at any time transfer any share upon the principal register to any branch register or any share on any branch register to the principal register or any other branch register.

The Board may decline to recognize any instrument of transfer unless a fee (not exceeding the maximum sum as the Stock Exchange, or where applicable, the ASR Code may determine to be payable) determined by the Directors is paid to the Company, the instrument of transfer is properly stamped (if applicable), it is in respect of only one class of share and where a written instrument of transfer is required or permitted by applicable law, the instrument of transfer is lodged at the relevant registration office or registered office or such other place at which the principal register is kept accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).

The Board may refuse to register the transfer or transmission of a share if:

(a) the share is in Certificated form and a dematerialization request in respect of that share and any other share covered by the same certificate as that share (i) is not received; or (ii) is not accompanied by the relevant dematerialization fee;

(b) the Company initiated the dematerialization of the share, and the dematerialization fee payable in respect of the dematerialization remains unpaid;

(c) the transferor, transferee or transmittee (as applicable) of the share is not a system-member of the UNSRT System operated by the Company's approved securities registrar;

(d) the share is in Certificated form and a specified request is sent;

(e) the share is in Uncertificated form, and the specified request is not sent in accordance with the operating rules of the Company's approved securities registrar or subject to the Articles, an instrument of transfer is lodged;

(f) the Board is entitled to do so under the Articles; or

(g) on any other ground provided under the USM Rules.

The registration of transfers may be suspended and the Register closed on giving Notice by announcement or by electronic communication or by advertisement in any newspaper or by any other means in accordance with the requirements of the Stock Exchange, at such times and for such periods as the Board may determine. The Register must not be closed for periods exceeding in the whole thirty (30) days in any year. The period of thirty (30) days may be extended for a further period or periods not exceeding thirty (30) days in respect of any year if approved by the Members by ordinary resolution. For as long as the shares are participating securities, the closure of the Register shall be subject to the USM Rules.

Subject to the above, fully paid shares are free from any restriction on transfer and free of all liens in favor of the Company.

(v) Uncertificated shares

All shares of the Company that are participating securities shall be held in Uncertificated form unless the Listing Rules and/or the rules and regulations of the competent regulatory authority permitted otherwise. The Company shall not issue share certificates in respect of any shares that are participating securities. Title to shares that are participating securities shall be evidenced by entry of the name of the holder in the Register and, where shares are held through the Electronic System, by a statement or confirmation from the relevant Electronic System. Such entry in the Register or statement or confirmation from the Electronic System shall be sufficient evidence of title to the shares to which it relates. The Register shall specify the number, class and distinguishing numbers (if any) of shares held by each Member and the amount paid up thereon.

Every person whose name is entered as a Member in the Register shall be entitled to hold their shares in Uncertificated form through the Electronic System, in compliance with the Listing Rules and other relevant regulations. The Company shall not be required to issue a certificate for any share held in Uncertificated form unless required by law. The Company shall comply with all applicable laws and regulations to facilitate the holding, transfer, and registration of its shares in Uncertificated form, including electronic processes for corporate actions, as required by the uncertificated securities market regime.

Upon allotment of shares, the Company shall procure that the name of the allottee is entered in the Register and, where applicable, that such allotment is recorded in the Electronic System within any time limit prescribed by the Act, the ASR Code or the Stock Exchange, whichever is the shorter, if such a time limit is applicable, after allotment.

Upon every transfer of shares, the Register shall be updated to reflect the transferee as the holder of the shares transferred. Where a transfer is effected through the Electronic System, the Company shall procure that the Register is updated in accordance with the rules and procedures of the Electronic System. For participating securities, no share certificate shall be issued following a share transfer.

(vi) Power of the Company to purchase its own shares

The Company is empowered by the Companies Act and the Articles to purchase its own shares (including its redeemable shares) subject to certain restrictions and the Board may only exercise this power on behalf of the Company subject to any applicable requirements imposed from time to time by the Stock Exchange. The Company is further authorized to hold any repurchased, redeemed or surrendered shares as treasury shares.

The Board may accept the surrender for no consideration of any fully paid share.

(vii) Power of any subsidiary of the Company to own shares in the Company

There are no provisions in the Articles relating to ownership of shares in the Company by a subsidiary.

(viii) Calls on shares and forfeiture of shares

The Board may from time to time make such calls upon the Members in respect of any monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium). A call may be made payable either in one lump sum or by installments. If the sum payable in respect of any call or installment is not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding twenty per cent. (20%) per annum as the Board may agree to accept from the day appointed for the payment thereof to the time of actual payment, but the Board may waive payment of such interest wholly or in part. The Board may, if it thinks fit, receive from any Member willing to advance the same, either in money or money's worth, all or any part of the monies uncalled and unpaid or installments payable upon any shares held by him, and upon all or any of the monies so advanced the Company may pay interest at such rate (if any) as the Board may decide.

If a Member fails to pay any call on the day appointed for payment thereof, the Board may serve not less than fourteen (14) clear days' Notice on him requiring payment of so much of the call as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment and stating that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.

If the requirements of any such Notice are not complied with, any share in respect of which the Notice has been given may at any time thereafter, before the payment required by the Notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture will include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture.

A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares but shall, notwithstanding, remain liable to pay to the Company all monies which, at the date of forfeiture, were payable by him to the Company in respect of the shares, together with (if the Board shall in its discretion so require) interest thereon from the date of forfeiture until the date of actual payment at such rate not exceeding twenty per cent. (20%) per annum as the Board determines.

(b) Directors

(i) Appointment, retirement and removal

At each annual general meeting, one third of the Directors for the time being (or if their number is not a multiple of three, then the number nearest to but not less than one third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. The Directors to retire by rotation shall include any Director who wishes to retire and not offer himself for re-election. Any further Directors so to retire shall be those who have been longest in office since their last re-election or appointment but as between persons who became or were last re-elected Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot.

Neither a Director nor an alternate Director is required to hold any shares in the Company by way of qualification. Further, there are no provisions in the Articles relating to retirement of Directors upon reaching any age limit.

The Directors have the power to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director so appointed shall hold office only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election.

A Director (including a managing or other executive Director) may be removed by an ordinary resolution of the Company before the expiration of his term of office (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) and Members may by ordinary resolution appoint another in his place. Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than two. There is no maximum number of Directors.

The office of director shall be vacated if:

(aa) he resigns by Notice delivered to the Company;

(bb) he becomes of unsound mind or dies;

(cc) without special leave, he is absent from meetings of the Board for six (6) consecutive months, and the Board resolves that his office is vacated;

(dd) he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors;

(ee) he is prohibited from being a director by law; or

(ff) he ceases to be a director by virtue of any provision of law or is removed from office pursuant to the Articles.

The Board may appoint one or more of its body to be managing director, joint managing director, or deputy managing director or to hold any other employment or executive office with the Company for such period and upon such terms as the Board may determine and the Board may revoke or terminate any of such appointments. The Board may delegate any of its powers, authorities and discretions to committees consisting of such Director or Directors and other persons as the Board thinks fit, and it may from time to time revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, but every committee so formed must, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations that may from time to time be imposed upon it by the Board.

(ii) Power to allot and issue shares and warrants

Subject to the provisions of the Companies Act and the Memorandum and Articles and to any special rights conferred on the holders of any shares or class of shares, any share may be issued (a) with or have attached thereto such rights, or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, as the Directors may determine, or (b) on terms that, at the option of the Company or the holder thereof, it is liable to be redeemed.

The Board may issue warrants or convertible securities or securities of similar nature conferring the right upon the holders thereof to subscribe for any class of shares or securities in the capital of the Company on such terms as it may determine.

Any share issued on or after the day on which shares become participating securities will be in Uncertificated form. With effect from (and including) the day on which shares become participating securities, they may be dematerialized in accordance with the USM Rules. A reasonable dematerialization fee (as determined by the Directors, and not exceeding any applicable limits prescribed under the ASR Code) may be charged by the Company or its approved securities registrar to the holder and/or transferee of a share in connection with the dematerialization of the share. Such fee may be charged irrespective of whether the dematerialization is initiated by the Company or requested by the holder or transferee.

Subject to the provisions of the Companies Act and the Articles and, where applicable, the Listing Rules and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, all unissued shares in the Company are at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and on such terms and conditions as it in its absolute discretion thinks fit, but so that no shares shall be issued at a discount to their nominal value.

Neither the Company nor the Board is obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to Members or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the Board, be unlawful or impracticable. Members affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of Members for any purpose whatsoever.

(iii) Power to dispose of the assets of the Company or any of its subsidiaries

There are no specific provisions in the Articles relating to the disposal of the assets of the Company or any of its subsidiaries. The Directors may, however, exercise all powers and do all acts and things which may be exercised or done or approved by the Company and which are not required by the Articles or the Companies Act to be exercised or done by the Company in general meeting.

(iv) Borrowing powers

The Board may exercise all the powers of the Company to raise or borrow money, to mortgage or charge all or any part of the undertaking, property and assets and uncalled capital of the Company and, subject to the Companies Act, to issue debentures, bonds and other securities of the Company, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(v) Remuneration

The ordinary remuneration of the Directors is to be determined by the Company in general meeting, such sum (unless otherwise directed by the resolution by which it is voted) to be divided amongst the Directors in such proportions and in such manner as the Board may agree or, failing agreement, equally, except that any Director holding office for part only of the period in respect of which the remuneration is payable shall only rank in such division in proportion to the time during such period for which he held office. The Directors are also entitled to be prepaid or repaid all traveling, hotel and incidental expenses reasonably expected to be incurred or incurred by them in attending any Board meetings, committee meetings or general meetings or separate meetings of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties as Directors.

Any Director who, by request, goes or resides abroad for any purpose of the Company or who performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such extra remuneration as the Board may determine and such extra remuneration shall be in addition to or in substitution for any ordinary remuneration as a Director. An executive Director appointed to be a managing director, joint managing director, deputy managing director or other executive officer shall receive such remuneration and such other benefits and allowances as the Board may from time to time decide. Such remuneration may be either in addition to or in lieu of his remuneration as a Director.

The Board may establish or concur or join with other companies (being subsidiary companies of the Company or companies with which it is associated in business) in establishing and making contributions out of the Company's monies to any schemes or funds for providing pensions, sickness or

compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following paragraph shall include any Director or past Director who may hold or have held any executive office or any office of profit with the Company or any of its subsidiaries) and ex-employees of the Company and their dependents or any class or classes of such persons.

The Board may pay, enter into agreements to pay or make grants of revocable or irrevocable, and either subject or not subject to any terms or conditions, pensions or other benefits to employees and ex-employees and their dependents, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or ex-employees or their dependents are or may become entitled under any such scheme or fund as is mentioned in the previous paragraph. Any such pension or benefit may, as the Board considers desirable, be granted to an employee either before and in anticipation of, or upon or at any time after, his actual retirement.

The Board may resolve to capitalize all or any part of any amount for the time being standing to the credit of any reserve or fund (including a share premium account and the profit and loss account) whether or not the same is available for distribution by applying such sum in paying up unissued shares to be allotted to (i) employees (including directors) of the Company and/or its affiliates (meaning any individual, corporation, partnership, association, joint-stock company, trust, unincorporated association or other entity (other than the Company) that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with, the Company) upon exercise or vesting of any options or awards granted under any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the Members in general meeting, or (ii) any trustee of any trust to whom shares are to be allotted and issued by the Company in connection with the operation of any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the Members in general meeting.

(vi) Compensation or payments for loss of office

Pursuant to the Articles, payments to any Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually entitled) must be approved by the Company in general meeting.

(vii) Loans and provision of security for loans to Directors

The Company must not make any loan, directly or indirectly, to a Director or his close associate(s) if and to the extent it would be prohibited by the Companies Ordinance as if the Company were a company incorporated in Hong Kong.

(viii) Disclosure of interests in contracts with the Company or any of its subsidiaries

A Director may hold any other office or place of profit with the Company (except that of the Auditor) in conjunction with his office of Director for such period and upon such terms as the Board may determine, and may be paid such extra remuneration therefor in addition to any remuneration provided for by or pursuant to the Articles. A Director may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or any other company in which the Company may be interested, and shall not be liable to account to the Company or the Members for any

remuneration, profits or other benefits received by him as a director, officer or member of, or from his interest in, such other company. The Board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favor of any resolution appointing the Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.

No Director or proposed or intended Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatsoever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the Members for any remuneration, profit or other benefits realized by any such contract or arrangement by reason of such Director holding that office or the fiduciary relationship thereby established. A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company must declare the nature of his interest at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, if he knows his interest then exists, or in any other case, at the first meeting of the Board after he knows that he is or has become so interested.

A Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or other proposal in which he or any of his close associates is materially interested, but this prohibition does not apply to any of the following matters, namely:

(aa) the giving of any security or indemnity either:–

(aaa) to the Director or his close associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries; or

(bbb) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) has himself/ themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;

(bb) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

(cc) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:–

(aaa) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the Director or his close associate(s) may benefit; or

(bbb) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates to the Directors, his close associate(s) and employee(s) of the Company or any of its subsidiaries and does not provide in respect of any Director, or his close associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates;

(dd) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.

(c) Proceedings of the Board

The Board may meet for the despatch of business, adjourn or postpone and otherwise regulate its meetings as it considers appropriate. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have an additional or casting vote.

(d) Alterations to constitutional documents and the Company's name

The Articles may be rescinded, altered or amended by the Company in general meeting by special resolution. The Articles state that a special resolution shall be required to alter the provisions of the Memorandum, to amend the Articles or to change the name of the Company.

(e) Meetings of Members

(i) Special and ordinary resolutions

A special resolution of the Company must be passed by a majority of not less than three-fourths of the votes cast by such Members as, being entitled so to do, vote in person or, in the case of such Members as are corporations, by their duly authorized representatives or, where proxies are allowed, by proxy at a general meeting of which Notice has been duly given in accordance with the Articles.

Under the Companies Act, a copy of any special resolution must be forwarded to the Registrar of Companies in the Cayman Islands within fifteen (15) days of being passed.

An ordinary resolution is defined in the Articles to mean a resolution passed by a simple majority of the votes of such Members as, being entitled to do so, vote in person or, in the case of corporations, by their duly authorized representatives or, where proxies are allowed, by proxy at a general meeting of which Notice has been duly given in accordance with the Articles.

(ii) Voting rights and right to demand a poll

Subject to any special rights or restrictions as to voting for the time being attached to any shares, at any general meeting on a poll every Member present in person or by proxy or, in the case of a Member being a corporation, by its duly authorized representative shall have one vote for every fully

paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or installments is treated for the foregoing purposes as paid up on the share. A Member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

At any general meeting a resolution put to the vote of the meeting is to be decided by way of a poll, the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every Member present in person (or being a corporation, is present by a duly authorized representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a Member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. Votes (whether on a show of hands or by way of poll) may be cast by such means, electronic or otherwise, as the Directors or the chairman of the meeting may determine.

Any corporation which is a Member may by resolution of its directors or other governing body authorize such person as it thinks fit to act as its representative at any general meeting of the Company or at any meeting of any class of members. The person so authorized shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual member and such corporation shall for the purposes of the Articles be deemed to be present in person at any such meeting if a person so authorized is present thereat.

If a recognized clearing house (or its nominee(s)) is a Member it may authorize such person or persons as it thinks fit to act as its representative(s) at any meeting of the Company or at any meeting of any class of Members provided that, if more than one person is so authorized, the authorization shall specify the number and class of shares in respect of which each such person is so authorized. A person authorized pursuant to this provision shall be deemed to have been duly authorized without further evidence of the facts and be entitled to exercise the same powers on behalf of the recognized clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by that clearing house (or its nominee(s)) including, the right to speak and to vote, and where a show of hands is allowed, the right to vote individually on a show of hands.

All Members have the right to speak and vote at a general meeting except where a member is required, by the rules of the Stock Exchange, to abstain from voting to approve the matter under consideration.

Where the Company has any knowledge that any Member is, under the Listing Rules, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted.

(iii) Annual General Meetings and Extraordinary General Meetings

The Company must hold an annual general meeting of the Company for each financial year and such general meeting must be held within six (6) months after the end of the Company's financial year unless a longer period would not infringe the Listing Rules.

Extraordinary general meetings may be convened on the requisition of one or more Members holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company (excluding treasury shares) having the right of voting at general meetings, on a one vote per

share basis. Such requisition shall be made in writing to the Board or the secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business or resolution specified in such requisition. Such meeting shall be held within 2 months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself/herself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Notwithstanding any provisions in the Articles, any general meeting or any class meeting may be held by means of such telephone, electronic or other communication facilities as to permit all persons participating in the meeting to communicate with each other, and participation in such a meeting shall constitute presence at such meeting.

(iv) Notices of meetings and business to be conducted

An annual general meeting must be called by Notice of not less than twenty-one (21) clear days. All other general meetings must be called by Notice of at least fourteen (14) clear days. The Notice is exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and must specify (a) the time and date of the meeting, (b) save for an electronic meeting, the place of the meeting and if there is more than one meeting location as determined by the Board pursuant to the Articles, the principal place of the meeting (the "**Principal Meeting Place**"), (c) if the general meeting is to be a hybrid meeting or an electronic meeting, the Notice shall include a statement to that effect and with details of the electronic facilities for attendance and participation by electronic means at the meeting or where such details will be made available by the Company prior to the meeting, and (d) particulars of resolutions to be considered at the meeting.

In addition, Notice of every general meeting must be given to all Members of the Company other than to such Members as, under the provisions of the Articles or the terms of issue of the shares they hold, are not entitled to receive such Notices from the Company, and also to, among others, the Auditors for the time being of the Company.

Any Notice or document (including any "corporate communication" and "actionable corporate communication" within the meaning ascribed thereto under the Listing Rules) to be given or issued by the Company may be given or issued, among other means, by sending or transmitting it as an electronic communication, and subject to compliance with the Listing Rules, any such notice or document may be given or issued by the following means:

(aa) by serving it personally on the relevant person;

(bb) by sending it through the post to such Member's registered address;

(cc) by delivering or leaving it at such member's registered address;

(dd) by placing an advertisement in newspapers or other publication and where applicable, in accordance with the requirements of the Stock Exchange;

(ee) by sending or transmitting it as an electronic communication to the relevant person at such electronic address as he may provide under the Articles, without the need for any additional consent or notification;

(ff) by publishing it on the Company's website or the website of the Stock Exchange without the need for any additional consent or notification; or

(gg) by sending or otherwise making it available to such person through such other means to the extent permitted by and in accordance with the Cayman Islands law and other applicable laws, rules and regulations.

All business that is transacted at an extraordinary general meeting and at an annual general meeting is deemed special, save that in the case of an annual general meeting, each of the following business is deemed an ordinary business:

(aaa) the declaration and sanctioning of dividends;

(bbb) the consideration and adoption of the accounts and balance sheet and the reports of the directors and the Auditors;

(ccc) the election of directors in place of those retiring;

(ddd) the appointment of Auditors and other officers; and

(eee) the fixing of the remuneration of the directors and of the Auditors.

(v) Quorum for meetings and separate class meetings

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the appointment of a chairman.

The quorum for a general meeting shall be two Members present in person (or, in the case of a Member being a corporation, by its duly authorized representative) or by proxy or, for quorum purposes only, two persons appointed by the clearing house as authorized representative or proxy, and entitled to vote. In respect of a separate class meeting (including at an adjourned meeting or postponed meeting) convened to sanction the modification of class rights the necessary quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class (excluding treasury shares).

(vi) Proxies

Any Member entitled to attend and vote at a meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a Member and is entitled to exercise the same powers on behalf of a member who is an individual and for whom he acts as proxy as such Member could exercise. In addition, a proxy is entitled to exercise the same powers on behalf of a

Member which is a corporation and for which he acts as proxy as such Member could exercise as if it were an individual Member. Votes may be given either personally (or, in the case of a Member being a corporation, by its duly authorized representative) or by proxy. The instrument appointing a proxy shall be in such form, including electronic or otherwise, as the Board may determine. The Company may, at its absolute discretion, or, where the applicable laws, rules or regulations mandatorily require the provision of an electronic address for the receipt of document or information, the Company shall, provide an electronic address for the receipt of any document or information relating to proxies for a general meeting.

(f) Accounts and audit

The Board shall cause true accounts to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipt and expenditure take place, and of the property, assets, credits and liabilities of the Company and of all other matters required by the Companies Act or necessary to give a true and fair view of the Company's affairs and to explain its transactions.

The accounting records must be kept at the registered office or at such other place or places as the Board decides and shall always be open to inspection by any Director. No Member (other than a Director) shall have any right to inspect any accounting record or book or document of the Company except as conferred by law or authorized by the Board or the Company in general meeting. However, an exempted company must make available at its registered office in electronic form or any other medium, copies of its books of account or parts thereof as may be required of it upon service of an order or Notice by the Tax Information Authority pursuant to the Tax Information Authority Act of the Cayman Islands.

A copy of every balance sheet and profit and loss account (including every document required by law to be annexed thereto) which is to be laid before the Company at its general meeting, together with a copy of the Directors' report and a copy of the Auditors' report, shall not less than twenty-one (21) days before the date of the meeting be sent to every person entitled to receive Notices of general meetings of the Company under the provisions of the Articles; however, subject to compliance with all applicable laws, including the Listing Rules, the Company may send to such persons summarized financial statements derived from the Company's annual accounts and the directors' report instead provided that any such person may by Notice served on the Company, demand that the Company sends to him, in addition to summarized financial statements, a complete copy of the Company's annual financial statements and the directors' report thereon.

At the annual general meeting or at a subsequent extraordinary general meeting in each year, the Members shall by ordinary resolution appoint an Auditor to audit the accounts of the Company and such auditor shall hold office until the next annual general meeting. Moreover, the Members may, at any general meeting, by ordinary resolution remove the Auditor at any time before the expiration of his terms of office and shall by ordinary resolution at that meeting appoint another Auditor for the remainder of his term. The remuneration of the Auditors shall be fixed and approved by the Company by an ordinary resolution passed at a general meeting or in such manner as the Members may by ordinary resolution determine.

The financial statements of the Company shall be audited by the Auditor in accordance with generally accepted auditing standards which may be those of a country or jurisdiction other than the Cayman Islands. The Auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the Auditor must be submitted to the Members in general meeting.

(g) Dividends and other methods of distribution

The Company in general meeting may declare dividends in any currency to be paid to the Members but no dividend shall be declared in excess of the amount recommended by the Board.

The Articles provide dividends may be declared and paid out of the profits of the Company, realized or unrealized, or from any reserve set aside from profits which the directors determine is no longer needed. With the sanction of an ordinary resolution dividends may also be declared and paid out of share premium account or any other fund or account which can be authorized for this purpose in accordance with the Companies Act.

Except in so far as the rights attaching to, or the terms of issue of, any share may otherwise provide, (i) all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid but no amount paid up on a share in advance of calls shall for this purpose be treated as paid up on the share and (ii) all dividends shall be apportioned and paid pro rata according to the amount paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. The Directors may deduct from any dividend or other monies payable to any Member or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared on the share capital of the Company, the Board may further resolve either (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the Members entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment, or (b) that Members entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Board may think fit.

The Company may also upon the recommendation of the Board by an ordinary resolution resolve in respect of any one particular dividend of the Company that it may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to Members to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, interest or other sum payable in cash to the holder of shares may be paid by check or warrant sent through the post addressed to the holder at his registered address, or in the case of joint holders, addressed to the holder whose name stands first in the register of the Company in respect of the shares at his address as appearing in the register or addressed to such person and at such addresses as the holder or joint holders may in writing direct. Every such check or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the register in respect of such shares, and shall be sent at his or their risk and payment of the check or warrant by the bank on which it is drawn shall constitute a good discharge to the Company. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of

the shares held by such joint holders. For the avoidance of doubt, any dividend, interest, or other sum payable in cash may also be paid by electronic funds transfer on such terms and conditions as the Directors may determine.

Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared the Board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind.

All dividends or bonuses unclaimed for one year after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends or bonuses unclaimed for six years after having been declared may be forfeited by the Board and shall revert to the Company.

No dividend or other monies payable by the Company on or in respect of any share shall bear interest against the Company.

(h) Inspection of corporate records

Pursuant to the Articles, the Register shall be open to inspection for at least two (2) hours during business hours by Members and holders of prescribed securities without charge, or by any other person upon a maximum payment of HK$2.50 or such other sum specified by the Board, at the registered office or such other place at which the register is kept in accordance with the Companies Act or, upon a maximum payment of HK$1.00 or such lesser sum specified by the Board, at the Registration Office, unless the register is closed in accordance with the Articles.

(i) Rights of minorities in relation to fraud or oppression

There are no provisions in the Articles relating to rights of minority shareholders in relation to fraud or oppression. However, certain remedies are available to Members under Cayman Islands law, as summarized in paragraph 3(f) of this Appendix.

(j) Procedures on liquidation

Unless otherwise provided by the Companies Act, a resolution that the Company be wound up by the court or be wound up voluntarily shall be a special resolution.

Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of shares:

(i) if the Company is wound up and the assets available for distribution amongst the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed *pari passu* amongst such Members in proportion to the amount paid up on the shares held by them respectively; and

(ii) if the Company is wound up and the assets available for distribution amongst the Members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively.

If the Company is wound up (whether the liquidation is voluntary or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the Companies Act divide among the Members in specie or kind the whole or any part of the assets of the Company whether the assets shall consist of property of one kind or shall consist of properties of different kinds and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of Members as the liquidator, with the like authority, shall think fit, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

(k) Subscription rights reserve

The Articles provide that to the extent that it is not prohibited by and is in compliance with the Companies Act, if warrants to subscribe for shares have been issued by the Company and the Company does any act or engages in any transaction which would result in the subscription price of such warrants being reduced below the par value of a share, a subscription rights reserve shall be established and applied in paying up the difference between the subscription price and the par value of a share on any exercise of the warrants.

(l) Payment of corporate action proceeds and electronic instructions

The Articles provide that to the extent permitted by applicable law and unless otherwise restricted or prohibited by the Listing Rules, the Company shall:

(i) accept instructions from Members and its securities holders (including but not limited to dividend election instructions, payment choice instructions, responses to "corporate communication" and "actionable corporate communications" within the meaning ascribed thereto under the Listing Rules, and instructions regarding any meeting of the securities holders such as meeting attendance indications, proxy appointments, revocations, voting directions, and responses to corporate communications) transmitted by electronic means, in such manner and subject to reasonable authentication measures as the Board may from time to time determine;

(ii) accept payment from Members and its securities holders by any electronic means, including through any payment system in Hong Kong operated by Hong Kong Interbank Clearing Limited for settling inter-bank payments on a real-time gross settlement basis, or by such other means as the Board considers appropriate, if the Company makes an offer to Members and its securities holders to subscribe for any new securities; and

(iii) pay any corporate action proceeds (including proceeds paid by the Company to Members and its securities holders in connection with its corporate actions, such as the distribution of dividends and other entitlements, refunds in respect of applications for, and/or (where applicable) excess applications in connection with, rights issues, open offers, and offers made to a specified group of such holders on a preferential basis; and payments in connection with takeovers and privatizations) by any electronic means, including through any payment system in Hong Kong operated by Hong Kong Interbank Clearing Limited for settling inter-bank payments on a real-time gross settlement basis, or by such other means as the Board considers appropriate.

3. CAYMAN ISLANDS COMPANY LAW

The Company is incorporated in the Cayman Islands subject to the Companies Act and, therefore, operates subject to Cayman Islands law. Set out below is a summary of certain provisions of Cayman company law, although this does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of Cayman company law and taxation, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar:

(a) Company operations

As an exempted company, the Company's operations must be conducted mainly outside the Cayman Islands. The Company is required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the amount of its authorized share capital.

(b) Share capital

The Companies Act provides that where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the value of the premiums on those shares shall be transferred to an account, to be called the "share premium account." At the option of a company, these provisions may not apply to premiums on shares of that company allotted pursuant to any arrangement in consideration of the acquisition or cancelation of shares in any other company and issued at a premium.

The Companies Act provides that the share premium account may be applied by the company subject to the provisions, if any, of its memorandum and articles of association in (a) paying distributions or dividends to members; (b) paying up unissued shares of the company to be issued to members as fully paid bonus shares; (c) the redemption and repurchase of shares (subject to the provisions of section 37 of the Companies Act); (d) writing-off the preliminary expenses of the company; and (e) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company.

No distribution or dividend may be paid to members out of the share premium account unless immediately following the date on which the distribution or dividend is proposed to be paid, the company will be able to pay its debts as they fall due in the ordinary course of business.

The Companies Act provides that a company limited by shares or a company limited by guarantee and having a share capital may, if so authorized by its articles of association, reduce its share capital in any way by (i) special resolution and confirmation to the Grand Court of the Cayman Islands (the "**Court**"); or (ii) special resolution supported by a solvency statement in accordance with the Companies Act.

(c) Financial assistance to purchase shares of a company or its holding company

There is no statutory restriction in the Cayman Islands on the provision of financial assistance by a company to another person for the purchase of, or subscription for, its own or its holding company's shares. Accordingly, a company may provide financial assistance if the directors of the company consider, in discharging their duties of care and acting in good faith, for a proper purpose and in the interests of the company, that such assistance can properly be given. Such assistance should be on an arm's-length basis.

(d) Purchase of shares and warrants by a company and its subsidiaries

A company limited by shares or a company limited by guarantee and having a share capital may, if so authorized by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a shareholder and the Companies Act expressly provides that it shall be lawful for the rights attaching to any shares to be varied, subject to the provisions of the company's articles of association, so as to provide that such shares are to be or are liable to be so redeemed. In addition, such a company may, if authorized to do so by its articles of association, purchase its own shares, including any redeemable shares. However, if the articles of association do not authorize the manner and terms of purchase, a company cannot purchase any of its own shares unless the manner and terms of purchase have first been authorized by an ordinary resolution of the company. At no time may a company redeem or purchase its shares unless they are fully paid. A company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any issued shares of the company other than shares held as treasury shares. A payment out of capital by a company for the redemption or purchase of its own shares is not lawful unless immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

Shares purchased by a company is to be treated as canceled unless, subject to the memorandum and articles of association of the company, the directors of the company resolve to hold such shares in the name of the company as treasury shares prior to the purchase. Where shares of a company are held as treasury shares, the company shall be entered in the Register as holding those shares, however, notwithstanding the foregoing, the company is not to be treated as a member for any purpose and must not exercise any right in respect of the treasury shares, and any purported exercise of such a right shall be void, and a treasury share must not be voted, directly or indirectly, at any meeting of the company and must not be counted in determining the total number of issued shares at any given time, whether for the purposes of the company's articles of association or the Companies Act.

A company is not prohibited from purchasing and may purchase its own warrants subject to and in accordance with the terms and conditions of the relevant warrant instrument or certificate. There is no requirement under Cayman Islands law that a company's memorandum or articles of association contain a specific provision enabling such purchases and the directors of a company may rely upon the general power contained in its memorandum of association to buy and sell and deal in personal property of all kinds.

Under Cayman Islands law, a subsidiary may hold shares in its holding company and, in certain circumstances, may acquire such shares.

(e) Dividends and distributions

The Companies Act permits, subject to a solvency test and the provisions, if any, of the company's memorandum and articles of association, the payment of dividends and distributions out of the share premium account. With the exception of the foregoing, there are no statutory provisions relating to the payment of dividends. Based upon English case law, which is regarded as persuasive in the Cayman Islands, dividends may be paid only out of profits.

No dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the company's assets (including any distribution of assets to Members on a winding up) may be made to the company, in respect of a treasury share.

(f) Protection of minorities and shareholders' suits

The Courts ordinarily would be expected to follow English case law precedents which permit a minority shareholder to commence a representative action against or derivative actions in the name of the company to challenge (a) an act which is ultra vires the company or illegal, (b) an act which constitutes a fraud against the minority and the wrongdoers are themselves in control of the company, and (c) an irregularity in the passing of a resolution which requires a qualified (or special) majority.

In the case of a company (not being a bank) having a share capital divided into shares, the Court may, on the application of members holding not less than one fifth of the shares of the company in issue, appoint an inspector to examine into the affairs of the company and to report thereon in such manner as the Court shall direct.

Any shareholder of a company may petition the Court which may make a winding up order if the Court is of the opinion that it is just and equitable that the company should be wound up or, as an alternative to a winding up order, (a) an order regulating the conduct of the company's affairs in the future, (b) an order requiring the company to refrain from doing or continuing an act complained of by the shareholder petitioner or to do an act which the shareholder petitioner has complained it has omitted to do, (c) an order authorizing civil proceedings to be brought in the name and on behalf of the company by the shareholder petitioner on such terms as the Court may direct, or (d) an order providing for the purchase of the shares of any shareholders of the company by other shareholders or by the company itself and, in the case of a purchase by the company itself, a reduction of the company's capital accordingly.

Generally claims against a company by its shareholders must be based on the general laws of contract or tort applicable in the Cayman Islands or their individual rights as shareholders as established by the company's memorandum and articles of association.

(g) Disposal of assets

The Companies Act contains no specific restrictions on the power of directors to dispose of assets of a company. However, as a matter of general law, every officer of a company, which includes a director, managing director and secretary, in exercising his powers and discharging his duties must do so honestly and in good faith with a view to the best interests of the company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

(h) Accounting and auditing requirements

A company must cause proper books of account to be kept with respect to (i) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place; (ii) all sales and purchases of goods by the company; and (iii) the assets and liabilities of the company.

Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions.

An exempted company must make available at its registered office in electronic form or any other medium, copies of its books of account or parts thereof as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Act of the Cayman Islands.

(i) Exchange control

There are no exchange control regulations or currency restrictions in the Cayman Islands.

(j) Taxation

Pursuant to the Tax Concessions Act of the Cayman Islands, the Company has obtained an undertaking:

(1) that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciation shall apply to the Company or its operations; and

(2) that the aforesaid tax or any tax in the nature of estate duty or inheritance tax shall not be payable on or in respect of the shares, debentures or other obligations of the Company.

The undertaking for the Company is for a period of twenty years from March 30, 2026.

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to the Company levied by the Government of the Cayman

Islands save for certain stamp duties which may be applicable, from time to time, on certain instruments executed in or brought within the jurisdiction of the Cayman Islands. The Cayman Islands are a party to a double tax treaty entered into with the United Kingdom in 2010 but otherwise is not party to any double tax treaties.

(k) Stamp duty on transfers

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

(l) Loans to directors

There is no express provision in the Companies Act prohibiting the making of loans by a company to any of its directors.

(m) Inspection of corporate records

The notice of registered office is a matter of public record. A list of the names of the current directors and alternate directors (if applicable) is made available by the Registrar of Companies for inspection by any person on payment of a fee. The register of mortgages is open to inspection by creditors and members.

Members of the Company have no general right under the Companies Act to inspect or obtain copies of the register of members or corporate records of the Company. They will, however, have such rights as may be set out in the Company's Articles.

(n) Register of members

An exempted company may maintain its principal register of members and any branch registers at such locations, whether within or without the Cayman Islands, as the directors may, from time to time, think fit. The register of members shall contain such particulars as required by Section 40 of the Companies Act. A branch register must be kept in the same manner in which a principal register is by the Companies Act required or permitted to be kept. The company shall cause to be kept at the place where the company's principal register is kept a duplicate of any branch register duly entered up from time to time.

There is no requirement under the Companies Act for an exempted company to make any returns of members to the Registrar of Companies of the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection. However, an exempted company shall make available at its registered office, in electronic form or any other medium, such register of members, including any branch register of members, as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Act of the Cayman Islands.

(o) Register of Directors and Officers

The Company is required to maintain at its registered office a register of directors and officers which is not available for inspection by the public. A copy of such register must be filed with the Registrar of Companies in the Cayman Islands and any change must be notified to the Registrar within thirty (30) days of any change in such directors or officers.

(p) Beneficial Ownership Register

An exempted company is required to identify its beneficial owners and provide details of these beneficial owners to its corporate service provider ("**CSP**") which maintains its beneficial ownership register in the Cayman Islands. A beneficial owner is defined as an individual who (a) ultimately owns or controls, whether through director or indirect ownership or control 25% or more of the shares, voting rights, or partnership interests in the company, (b) otherwise exercises ultimate effective control over the management of the company, or (c) is identified as exercising control of the company through other means. The beneficial ownership register may be accessed by members of the public who demonstrate a legitimate interest, subject to approval by the competent authority. An exempted company with its shares listed on an approved stock exchange, which includes the Stock Exchange, may provide CSP with details of the listed status as an alternative compliance route instead of providing details of its beneficial owners. Accordingly, as long as the shares of the Company remain listed on the Stock Exchange, the Company may opt for this alternative compliance route rather than maintain a beneficial ownership register.

(q) Winding up

A company may be wound up (a) compulsorily by order of the Court, (b) voluntarily, or (c) under the supervision of the Court.

The Court has authority to order winding up in a number of specified circumstances including where the members of the company have passed a special resolution requiring the company to be wound up by the Court, or where the company is unable to pay its debts, or where it is, in the opinion of the Court, just and equitable to do so. Where a petition is presented by members of the company as contributories on the ground that it is just and equitable that the company should be wound up, the Court has the jurisdiction to make certain other orders as an alternative to a winding-up order, such as making an order regulating the conduct of the company's affairs in the future, making an order authorizing civil proceedings to be brought in the name and on behalf of the company by the petitioner on such terms as the Court may direct, or making an order providing for the purchase of the shares of any of the members of the company by other members or by the company itself.

A company (save with respect to a limited duration company) may be wound up voluntarily when the company so resolves by special resolution or when the company in general meeting resolves by ordinary resolution that it be wound up voluntarily because it is unable to pay its debts. In the case of a voluntary winding up, such company is obliged to cease to carry on its business (except so far as it may be beneficial for its winding up) from the time of passing the resolution for voluntary winding up or upon the expiry of the period or the occurrence of the event referred to above.

For the purpose of conducting the proceedings in winding up a company and assisting the Court therein, there may be appointed an official liquidator or official liquidators; and the court may appoint to such office such person, either provisionally or otherwise, as it thinks fit, and if more persons than one are appointed to such office, the Court must declare whether any act required or authorized to be done by the official liquidator is to be done by all or any one or more of such persons. The Court may also determine whether any and what security is to be given by an official liquidator on his appointment; if no official liquidator is appointed, or during any vacancy in such office, all the property of the company shall be in the custody of the Court.

As soon as the affairs of the company are fully wound up, the liquidator must make a report and an account of the winding up, showing how the winding up has been conducted and how the property of the company has been disposed of, and thereupon call a general meeting of the company for the purposes of laying before it the account and giving an explanation thereof. This final general meeting must be called by at least 21 days' notice to each contributory in any manner authorized by the company's articles of association and published in the Gazette.

(r) Reconstructions

There are statutory provisions which facilitate reconstructions and amalgamations approved by (i) a majority in number representing seventy-five per cent. (75%) in value of creditors, or (ii) seventy-five per cent. (75%) in value of shareholders or class of shareholders, as the case may be, as are present at a meeting called for such purpose and thereafter sanctioned by the Court. Whilst a dissenting shareholder would have the right to express to the Court his view that the transaction for which approval is sought would not provide the shareholders with a fair value for their shares, the Court is unlikely to disapprove the transaction on that ground alone in the absence of evidence of fraud or bad faith on behalf of management.

The Companies Act also contains statutory provisions which provide that a company may present a petition to the Court for the appointment of a restructuring officer on the grounds that the company (a) is or is likely to become unable to pay its debts within the meaning of section 93 of the Companies Act; and (b) intends to present a compromise or arrangement to its creditors (or classes thereof) either, pursuant to the Companies Act, the law of a foreign country or by way of a consensual restructuring. The petition may be presented by a company acting by its directors, without a resolution of its shareholders or an express power in its articles of association. On hearing such a petition, the Court may, among other things, make an order appointing a restructuring officer or make any other order as the Court thinks fit.

(s) Take-overs

Where an offer is made by a company for the shares of another company and, upon the holders of not less than ninety per cent. (90%) of the shares which are the subject of the offer accepting the offer, the offeror may at any time within two (2) months after such acceptance, by notice in the prescribed manner require the dissenting shareholders to transfer their shares on the terms of the offer. A dissenting shareholder may apply to the Court within one (1) month of the notice objecting to the transfer. The burden is on the dissenting shareholder to show that the Court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority shareholders or non-compliance with the statutory requirements.

(t) Indemnification

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Court to be contrary to public policy (e.g. for purporting to provide indemnification against the consequences of committing a crime).

(u) Economic Substance Requirements

Pursuant to the International Tax Cooperation (Economic Substance) Act of the Cayman Islands ("**ES Act**") that came into force on January 1, 2019, a "relevant entity" is required to satisfy the economic substance test set out in the ES Act. A "relevant entity" includes an exempted company incorporated in the Cayman Islands as is the Company; however, it does not include an entity that is tax resident outside the Cayman Islands. Accordingly, for so long as the Company is a tax resident outside the Cayman Islands, including in Hong Kong, it is not required to satisfy the economic substance test set out in the ES Act.

4. GENERAL

Conyers Dill & Pearman, the Company's special legal counsel on Cayman Islands law, have sent to the Company a letter of advice summarizing certain aspects of Cayman Islands company law. This letter, together with a copy of the Companies Act, is available for inspection as referred to in the section headed "Documents Delivered to the Registrar of Companies and Available on Display" in Appendix V to this document. Any person wishing to have a detailed summary of Cayman Islands company law or advice on the differences between it and the laws of any jurisdiction with which he is more familiar is recommended to seek independent legal advice.

A. FURTHER INFORMATION ABOUT OUR GROUP

1. Incorporation of Our Company

We were incorporated in the Cayman Islands under Cayman Companies Act as an exempted company with limited liability on March 26, 2026. We have established a principal place of business in Hong Kong at 807, 8/F, C-Bons International Centre, 108 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong and have been registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on May 26, 2026. Mr. Yu Chun Kau has been appointed as the authorized representative of our Company for the acceptance of service of process and notices in Hong Kong.

As we were incorporated in the Cayman Islands, our operations are subject to the Cayman Companies Act and to the Memorandum and Articles of Association. A summary of the certain aspects of the Cayman Islands company law and a summary of certain provisions of the Memorandum and Articles of Association is set out in "Summary of the Constitution of the Company and Cayman Islands Company Law" in Appendix III to this document.

2. Changes in the Share Capital of Our Company

As of the date of incorporation of our Company, our Company had an authorized share capital of HK$390,000, divided into 39,000,000 shares of HK$0.01 each.

The following changes in the share capital of our Company have taken place since the date of incorporation of our Company up to the date of this document:

- On March 26, 2026, one Share was issued nil paid to the initial subscriber, which was transferred to JBM BVI on the same day.

- On March 27, 2026, 779,999 Shares were allotted and issued to JBM BVI and the one share held by JBM BVI was credited as fully paid as part of the Reorganization. For further details, see the section headed "History, Reorganization and Corporate Structure — Reorganization."

- On July 13, 2026, the authorized share capital of our Company was increased from HK$390,000 divided into 39,000,000 Shares, to HK$10,000,000 divided into 1,000,000,000 Shares.

- On July 15, 2026, 434,220,000 Shares were allotted and issued to JBM BVI to capitalize certain amounts due to JBM BVI. For further details, see the section headed "History, Reorganization and Corporate Structure — Reorganization."

Save as disclosed above and in the section headed "History, Reorganization and Corporate Structure — Reorganization," there has been no alteration in the share capital of our Company within the two years immediately preceding the date of this document.

3. Resolutions in Writing of Our Sole Shareholder Passed on [•]

Pursuant to the written resolutions of our sole Shareholder passed on [•]:

(a) our Company approved and conditionally adopted the Articles of Association which will come into effect upon the **[REDACTED]**;

(b) conditional on (1) the Listing Committee granting the approval for the **[REDACTED]** of, and permission to **[REDACTED]** in, the Shares in issue and Shares to be issued and allotted pursuant to the **[REDACTED]** and as mentioned in this document including the Shares which may be issued and allotted pursuant to the exercise of the **[REDACTED]**; (2) the **[REDACTED]** having been duly determined; and (3) the obligations of the **[REDACTED]** under the **[REDACTED]** becoming unconditional and not being terminated in accordance with the terms of such agreement (or any conditions as specified in this document), in each case on or before the dates and times specified in the **[REDACTED]**:

(i) the **[REDACTED]** was approved and our Directors were authorized to allot and issue the new Shares pursuant to the **[REDACTED]**;

(ii) the **[REDACTED]** was approved and our Directors were authorized to issue and allot the Shares upon the exercise of the **[REDACTED]**;

(iii) the proposed **[REDACTED]** was approved and our Directors were authorized to implement the **[REDACTED]**;

(iv) subject to the "lock-up" provisions under Rule 10.08 of the Listing Rules, a general unconditional mandate was granted to our Directors to allot, issue and deal with Shares or securities convertible into Shares or options, warrants or similar rights to subscribe for Shares or such convertible securities and to make or grant offers, agreements or options which would or might require the exercise of such powers, provided that the aggregate number of Shares allotted or agreed to be allotted by our Directors other than pursuant to (a) a rights issue, or (b) any scrip dividend scheme or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association, or (c) the exercise of any subscription or conversion rights attaching to any warrants or securities which are convertible into Shares or in issue prior to the date of passing the relevant resolution, or (d) a specific authority granted by the Shareholders in general meeting, or (e) the **[REDACTED]**, shall not exceed the aggregate of (1) 20% of the total number of issued Shares immediately following the completion of the **[REDACTED]** (but taking no account of any Shares which may be issued and allotted pursuant to the exercise of the **[REDACTED]**, and subject to adjustment in the case of subdivision and consolidation of Shares) and (2) the total number of Shares repurchased by our Company (if any) under the general mandate to repurchase Shares referred to in paragraph (v) below (subject to adjustment in the case of subdivision and consolidation of Shares), such mandate to remain in effect during the period from the passing of the resolution until the earliest of the conclusion of our next annual general meeting, the end of the period within which we are required by any applicable law or

the Articles of Association to hold our next annual general meeting and the date on which the resolution is varied or revoked by an ordinary resolution of the Shareholders in a general meeting (the "**Applicable Period**");

(v) a general unconditional mandate was granted to our Directors to exercise all powers of our Company, subject to and in accordance with all applicable laws and the Listing Rules, to repurchase Shares listed on the Stock Exchange or on any other stock exchange and which is recognized by the SFC and the Stock Exchange for this purpose, provided that the aggregate number of Shares to be repurchased shall not exceed 10% of the total number of issued Shares immediately following completion of the **[REDACTED]** (but taking no account of any Shares which may be issued and allotted pursuant to the exercise of the **[REDACTED]**, and subject to adjustment in the case of subdivision and consolidation of Shares), such mandate to remain in effect during the Applicable Period; and

(vi) the general unconditional mandate mentioned in paragraph (iv) above be extended by the addition to the aggregate number of Shares which may be allotted or agreed conditionally or unconditionally to be allotted by our Directors pursuant to such general mandate of a number representing the aggregate number of Shares repurchased by our Company pursuant to the mandate to repurchase Shares referred to in paragraph (v) above, provided that such extended amount shall not exceed 10% of the aggregate nominal amount of the Company's share capital in issue immediately following completion of the **[REDACTED]**.

4. Our Corporate Reorganization

The companies comprising our Group underwent the Reorganization in preparation for the **[REDACTED]**. For further details, see the section headed "History, Reorganization and Corporate Structure."

5. Changes in the Share Capital of Our Subsidiaries

The following alterations in the share capital of our subsidiaries have taken place within the two years immediately preceding the date of this document:

- On March 30, 2026, JPJ Services Limited was incorporated with 10,000 shares of HK$1.00 each, which were issued to JBM (PCM) Limited on the same date.

- On April 1, 2026, JPJ Treasury Limited was incorporated with 10,000 shares of HK$1.00 each, which were issued to JBM (PCM) Limited on the same date.

Save as disclosed above, there have been no alterations in the share capital of our subsidiaries within the two years immediately preceding the date of this document.

6. Repurchases of Our Own Securities

(a) Provisions of the Listing Rules

The Listing Rules permit companies listed on the Stock Exchange to repurchase their own securities on the Stock Exchange subject to certain restrictions, the more important of which are summarized below:

(i) Shareholders' Approval

All proposed repurchases of securities (which must be fully paid up in the case of shares) by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of the shareholders in general meeting, either by way of general mandate or by specific approval of a particular transaction.

Pursuant to a resolution passed by our then sole Shareholder on [•], a general unconditional mandate (the "**Repurchase Mandate**") was given to our Directors authorizing any repurchase by our Company of Shares on the Stock Exchange or on any other stock exchange on which the securities may be listed and which is recognized by the SFC and the Stock Exchange for this purpose, of not more than 10% of the total number of issued Shares (excluding treasury Shares, if any) immediately following the completion of the **[REDACTED]** (excluding any Shares to be issued pursuant to the exercise of the **[REDACTED]**), such mandate to expire at the conclusion of our next annual general meeting, the date by which our next annual general meeting is required by our Articles of Association or any other applicable laws of the Cayman Islands to be held or when revoked or varied by an ordinary resolution of Shareholders in general meeting, whichever first occurs.

(ii) Source of Funds

Repurchases must be funded out of funds legally available for the purpose in accordance with the Memorandum and Articles, the Listing Rules and the applicable laws and regulations of Hong Kong and the Cayman Islands. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time. As a matter of Cayman Islands law, any purchases by our Company may be made out of profits or out of the proceeds of a new issue of shares made for the purpose of the purchase or from sums standing to the credit of our share premium account or, if so authorized by the Articles and subject to the Cayman Companies Act, out of capital. Any premium payable on the purchase over the par value of the shares to be purchased must be provided for out of profits or from sums standing to the credit of our share premium account or, if so authorized by the Articles and subject to the Cayman Companies Act, out of capital.

(iii) Trading Restrictions

The total number of shares which a listed company may repurchase on the Stock Exchange is the number of shares representing up to a maximum of 10% of the aggregate number of shares in issue (excluding treasury Shares, if any). A company may not issue or announce a proposed issue of new securities for a period of 30 days immediately following a repurchase (other than an issue of securities pursuant to an exercise of warrants, share options or similar instruments requiring the company to issue securities which were outstanding prior to such repurchase) without the prior approval of the Stock Exchange. In addition, a listed company is prohibited from repurchasing its shares on the Stock

Exchange if the purchase price is 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on the Stock Exchange. The Listing Rules also prohibit a listed company from repurchasing its securities if the repurchase would result in the number of listed securities which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Stock Exchange. A company is required to procure that the broker appointed by it to effect a repurchase of securities discloses to the Stock Exchange such information with respect to the repurchase as the Stock Exchange may require.

(iv) Status of Repurchased Shares

The listing of all purchased securities (whether on the Stock Exchange or, otherwise) is automatically canceled and the relative certificates must be canceled and destroyed. Under the laws of the Cayman Islands, unless, prior to the purchase, the directors of the Company resolve to hold the shares purchased by the Company as treasury shares, shares purchased by the Company shall be treated as canceled and the amount of the Company's issued share capital shall be diminished by the nominal value of those shares. However, the purchase of shares will not be taken as reducing the amount of the authorized share capital under Cayman Islands law.

(v) Suspension of Repurchase

A listed company may not make any repurchase of securities at any time after inside information has come to its knowledge until the information has been made publicly available. In particular, during the period of one month immediately preceding the earlier of (a) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of a listed company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules) and (b) the deadline for publication of an announcement of a listed company's results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), the listed company may not repurchase its shares on the Stock Exchange other than in exceptional circumstances. In addition, the Stock Exchange may prohibit a repurchase of securities on the Stock Exchange if a listed company has breached the Listing Rules.

(vi) Reporting Requirements

Certain information relating to repurchases of securities on the Stock Exchange or otherwise must be reported to the Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the following business day. In addition, a listed company's annual report is required to disclose details regarding repurchases of securities made during the year, including a monthly analysis of the number of securities repurchased, the purchase price per share or the highest and lowest price paid for all such repurchases, where relevant, and the aggregate prices paid.

(vii) Core Connected Persons

A listed company is prohibited from knowingly purchasing securities on the Stock Exchange from a "core connected person," that is, a director, chief executive or substantial shareholder of the company or any of its subsidiaries or a close associate of any of them (as defined in the Listing Rules) and a core connected person is prohibited from knowingly selling his securities to the company.

(b) Reasons for Repurchases

Our Directors believe that the ability to repurchase Shares is in the interests of our Company and the Shareholders. Repurchases may, depending on the circumstances, result in an increase in the net assets and/or earnings per Share. Our Directors sought the grant of a general mandate to repurchase Shares to give our Company the flexibility to do so if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by our Directors at the relevant time having regard to the circumstances then pertaining. Repurchases of Shares will only be made when our Directors believe that such repurchases will benefit our Company and our Shareholders.

(c) Funding of Repurchases

In repurchasing securities, our Company may only apply funds lawfully available for such purpose in accordance with its Articles of Association, the Listing Rules and the applicable laws of the Cayman Islands. There could be a material adverse impact on the working capital and/or gearing position of our Company (as compared with the position disclosed in this document) in the event that the Repurchase Mandate were to be carried out in full at any time during the share repurchase period. However, our Directors do not propose to exercise the general mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of our Company or the gearing levels which in the opinion of our Directors are from time to time appropriate for our Company.

(d) General

The exercise in full of the Repurchase Mandate, on the basis of **[REDACTED]** Shares in issue immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), could accordingly result in up to **[REDACTED]** Shares being repurchased by our Company during the period prior to:

(i) the conclusion of our next annual general meeting; or

(ii) the end of the period within which we are required by any applicable law or our Articles of Association to hold our next annual general meeting; or

(iii) the date when the Repurchase Mandate is varied or revoked by an ordinary resolution of our Shareholders in general meeting,

whichever is the earliest.

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates has any present intention to sell any Shares to our Company or our subsidiaries.

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws in the Cayman Islands.

No core connected person of our Company has notified our Company that he or she or it has a present intention to sell Shares to our Company, or has undertaken not to do so, if the Repurchase Mandate is exercised.

If, as a result of any repurchase of Shares, a Shareholder's proportionate interest in the voting rights of our Company is increased, such increase will be treated as an acquisition for the purposes of the Hong Kong Code on Takeovers and Mergers (the "**Takeovers Code**"). Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

Any repurchase of Shares that results in the number of Shares held by the public falling below 25% of the total number of Shares in issue, being the relevant minimum prescribed percentage as required by the Stock Exchange, could only be implemented if the Stock Exchange agreed to waive the requirement regarding the public float under Rule 8.08 of the Listing Rules. However, our Directors have no present intention to exercise the Repurchase Mandate to such an extent that, under the circumstances, there would be insufficient public float as prescribed under the Listing Rules.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business of our Group) were entered into by our Company or its subsidiaries within the two years preceding the date of this document and are or may be material:

(a) the sale and purchase agreement in relation to 90% of the issued share capital in Tin Hee Tong Medicine Factory, Limited dated February 21, 2025 entered into between Hou Jiasheng as seller and Arrow King Inc. as purchaser, pursuant to which Hou Jiasheng agreed to sell 22,950 ordinary shares in Tin Hee Tong Medicine Factory, Limited to Arrow King Inc. at a consideration of HK$171,000,000;

(b) the sale and purchase agreement in relation to the entire issued share capital in Kenford Medical Group Company Limited dated June 16, 2025 entered into between Ever Development Holdings Limited as seller and Winner Win Limited as purchaser, pursuant to which Ever Development Holdings Limited agreed to sell 12,400,000 ordinary shares in Kenford Medical Group Company Limited to Winner Win Limited at a consideration of HK$38,000,000;

(c) the sale and purchase agreement in relation to 10% of the issued share capital in Tin Hee Tong Medicine Factory, Limited dated September 2, 2025 entered into between Yang Qicheng David as seller and Arrow King Inc. as purchaser, pursuant to which Yang Qicheng David agreed to sell 2,550 ordinary shares in Tin Hee Tong Medicine Factory, Limited to Arrow King Inc. at a consideration of HK$19,000,000;

(d) the sale and purchase agreement in relation to the entire issued share capital in King Pui Chinese Medical Group Limited and Siulun Medheart Company Limited dated December 30, 2025 entered into between Mok Wing Ho as seller and Joy Wish Limited as purchaser,

pursuant to which Mok Wing Ho agreed to sell 10,000 ordinary shares in King Pui Chinese Medical Group Limited and 10,000 ordinary shares in Siulun Medheart Company Limited to Joy Wish Limited at an aggregate consideration of HK$36,000,000;

(e) the sale and purchase agreement in relation to 24.9% of the issued share capital in Li Chung Shing Tong (Holdings) Limited dated June 29, 2026 entered into between Europharm Laboratoires Company Limited as seller and Po Chai Herbal Technology Limited as purchaser, pursuant to which Europharm Laboratoires Company Limited agreed to sell 124,500 ordinary shares in Li Chung Shing Tong (Holdings) Limited to Po Chai Herbal Technology Limited at a consideration of HK$74,700,000; and

(f) The Hong Kong **[REDACTED]**.

2. Intellectual Property Rights of Our Group

As of the Latest Practicable Date, we have registered or have applied for the registration of the following intellectual property rights which are material in relation to our business.

(a) Trade marks

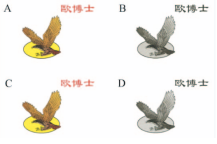
As of the Latest Practicable Date, we have registered the following trade marks which are material to our business:

No.	Trade mark	Type and class	Registered owner	Place of registration	Registration number	Registration date	Expiry date
1	Shiling Oil 十靈油	5	Ling Chi Medicine	Hong Kong	19590140	September 24, 1958	September 24, 2027
2	Shiling Oil	3, 5	Ling Chi Medicine	Hong Kong	304973608	June 27, 2019	June 26, 2029
3	Shiling INHALER	3, 5	Ling Chi Medicine	Hong Kong	304973635	June 27, 2019	June 26, 2029
4		3, 5	Ling Chi Medicine	Hong Kong	304973653	June 27, 2019	June 26, 2029
5	李眾勝堂	5	Quinwood	China	1122315	October 28, 1997	October 27, 2027

No.	Trade mark	Type and class	Registered owner	Place of registration	Registration number	Registration date	Expiry date
6		5	Quinwood	China	4368304	February 14, 2008	February 13, 2028
7		5	Quinwood	China	4368282	September 7, 2009	September 6, 2029
8		5	Quinwood	China	6574659	April 7, 2010	April 6, 2030
9		5	Quinwood	Hong Kong	19390370	September 15, 1939	September 15, 2029
10		5, 30	Quinwood	Hong Kong	301700658	August 27, 2010	August 26, 2030
11		5,29,30	Quinwood	Hong Kong	305562261	March 15, 2021	March 14, 2031
12		5	Quinwood	Hong Kong	306842313	March 19, 2025	March 18, 2035
13		5	Quinwood	Hong Kong	306842331	March 19, 2025	March 18, 2035

No.	Trade mark	Type and class	Registered owner	Place of registration	Registration number	Registration date	Expiry date
14		5	Quinwood	Singapore	40202506572S	March 19, 2025	March 19, 2035
15	保濟丸 PO CHAI PILLS 條裝	5	Quinwood	Singapore	40202506569X	March 19, 2025	March 19, 2035
16		5	Quinwood	Macau	N/237228	August 12, 2025	August 12, 2032
17		5	Quinwood	Macau	N/237230	August 12, 2025	August 12, 2032
18		5	Quinwood	Macau	N/237233	August 12, 2025	August 12, 2032
19	保濟丸 PO CHAI PILLS 條裝	5	Quinwood	Macau	N/237235	August 12, 2025	August 12, 2032
20	保濟丸 PO CHAI PILLS	5	Quinwood	Indonesia	159413	April 18, 2008	October 31, 2027
21	PO CHAI YUEN 保濟丸	5	Quinwood	Malaysia	92000861	February 13, 1992	February 13, 2036
22	保濟丸	5	Quinwood	USA	78496723 (3282365)	August 21, 2007	August 21, 2027
23	保 濟 丸	5	Quinwood	Thailand	KOR163551	May 25, 2000	May 24, 2030

No.	Trade mark	Type and class	Registered owner	Place of registration	Registration number	Registration date	Expiry date
24	李眾勝堂	5, 30	Quinwood	Thailand	KOR369007	October 6, 2010	October 5, 2030
25	脾中紅 中	5	Jetstar	Hong Kong	300833319	March 16, 2007	March 15, 2027
26	活絡神	5	Jetstar	Hong Kong	300834255	March 19, 2007	March 18, 2027
27	永昇堂	5	Jetstar	Hong Kong	300916344	July 20, 2007	July 19, 2027
28	元福堂	5	Jetstar	Hong Kong	300916353	July 20, 2007	July 19, 2027
29	二合堂	5	Jetstar	Hong Kong	300916362	July 20, 2007	July 19, 2027
30	唐太宗 TONG TAI CHUNG	5	Jetstar	China	1146702	January 28, 1998	January 27, 2028
31	唐人之寶 TONG REN ZHI BAO	5	Jetstar	China	1136717	December 21, 1997	December 20, 2027
32	唐太宗 TONG TAI CHUNG	5	Jetstar	Hong Kong	304924422	May 15, 2019	May 14, 2029
33	唐太宗 TONG TAI CHUNG 活絡油	5	Jetstar	Hong Kong	304924404	May 15, 2019	May 14, 2029

No.	Trade mark	Type and class	Registered owner	Place of registration	Registration number	Registration date	Expiry date
34		44	King Pui	Hong Kong	305567482	March 19, 2021	March 18, 2031
35	健福堂中醫診所 Ienford Chinese Medicine Clinic	44	Kenford Medical	Hong Kong	304420098	February 2, 2018	February 1, 2028
36		3,5	Kenford Medical	Hong Kong	304420106	February 2, 2018	February 1, 2028
37	天喜堂	5	Tin Hee Tong	Hong Kong	19831240	March 12, 1981	March 12, 2036
38	天喜堂天喜丸 天喜堂天喜丸 丸喜天堂喜天 丸喜天堂喜天	5	Tin Hee Tong	Hong Kong	300586431	February 23, 2006	February 22, 2036
39	TIN HEE PILLS	5	Tin Hee Tong	Hong Kong	300586422	February 23, 2006	February 22, 2036
40		5, 35	Tin Hee Tong	Hong Kong	306941034	June 24, 2025	June 23, 2035
41	鎮痛霸 KONSODONA	5	Singmalay Company Limited	Hong Kong	304924369	May 15, 2019	May 14, 2029
42		5	Europharm Laboratoires (Hong Kong) Company Limited	Hong Kong	303808422	June 16, 2016	June 15, 2036

No.	Trade mark	Type and class	Registered owner	Place of registration	Registration number	Registration date	Expiry date
43	FLYING EAGLE WOOD LOK MEDICATED OIL	5	Europharm Laboratoires (Hong Kong) Company Limited	Hong Kong	306741342	November 29, 2024	November 28, 2034
44		5	PCCH	Hong Kong	301529037	January 22, 2010	January 21, 2030

As of the Latest Practicable Date, we have applied for registration the following trade marks which are material to our business:

No.	Trade mark	Type and class	Name of applicant	Place of application	Application number	Application date
1		5	Quinwood	Australia	2653806	May 15, 2026
2		5	Quinwood	Australia	2635817	May 15, 2026

(b) Domain Names

As of the Latest Practicable Date, we have registered the following domain names:

No.	Domain name	Registrant	Registration date	Expiry date
1	www.jpjtcm.com.hk	JPJ Services Limited	April 22, 2026	April 22, 2029
2	www.jpjtcm.hk	JPJ Services Limited	April 22, 2026	April 22, 2029
3	www.jpjtcm.com.cn	JPJ Services Limited	May 12, 2026	May 12, 2029

Save as aforesaid, as of the Latest Practicable Date, there were no other trade or service marks, patents, designs, intellectual or industrial property rights which were material in relation to our business.

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of Interests

(a) Interests of the Directors and the Chief Executive of our Company

Immediately following completion of the **[REDACTED]** (without taking into account of: (i) any Shares which may be issued upon the exercise of the **[REDACTED]**; and (ii) any change in the shareholding of JBM after the Latest Practicable Date), the interests and/or short positions (as applicable) of our Directors and the chief executive of our Company in our Shares or underlying Shares or debentures of our Company and any interests and/or short positions (as applicable) in the shares or underlying shares or debentures of any of our Company's associated corporations (within the meaning of Part XV of the SFO) which (i) will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions (as applicable) which they are taken or deemed to have under such provisions of the SFO); or (ii) will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules, in each case once our Shares are **[REDACTED]**, will be as follows:

Interest in our Company

Name of Director	Capacity/ Nature of interest	Shares held immediately prior to the completion of the [REDACTED][1]		Shares held immediately following the completion of the [REDACTED][1]	
		Number of Share(s)	*Approximate percentage of shareholding*	*Number of Share(s)*	*Approximate percentage of shareholding*
Mr. Sum[2]	Interest in controlled corporation; Settlor of trust	435,000,000	100.00%	**[REDACTED]**	**[REDACTED]**%

Notes:

(1) All interests stated are long positions.

(2) These Shares are held by JBM through JBM BVI. JBM is owned as to approximately 39.27%, 23.95%, 7.96% and 0.44% by Lincoln's Hill, Queenshill, Mr. Sum (in his personal capacity) and Queenshill Trustco, respectively. Lincoln's Hill is wholly-owned by Trust Co under The Kingshill Trust. Trust Co is in turn wholly-owned by UBS Trustees (B.V.I.) Limited (the trustee of The Kingshill Trust) through its nominee, UBS Nominees Limited. Queenshill Trustco is wholly-owned by UBS Trustees (Jersey) Ltd. (the trustee of The Queenshill Trust). Each of The Kingshill Trust and The Queenshill Trust is a discretionary trust established by Mr. Sum (as the settlor) with Mr. Sum and his family members as discretionary beneficiaries. Queenshill is wholly-owned by Mr. Sum. By virtue of the SFO, Mr. Sum is deemed to be interested in the Shares in which JBM, Lincoln's Hill, Queenshill and Queenshill Trustco is interested.

Interests in our associated corporation

JBM

Name of Director	Capacity/ Nature of interest	Number of shares held as of the Latest Practicable Date[1]	Approximate percentage of shareholding
Mr. Sum[2]	Interest in controlled corporation; Settlor of trust; Beneficial owner	588,723,346	71.62%
Mr. Yim Chun Leung	Beneficial owner	14,096,390	1.71%
Mr. Yu Chun Kau	Beneficial owner	5,828,550	0.71%
Ms. Leng Wei	Beneficial owner	14,525	—[3]
Mr. Ngai Wah Sing Francis	Beneficial owner	8,000	—[3]

Notes:
(1) All interests stated are long positions.
(2) Please refer to Note 2 in the section headed "— Interest in our Company" above.
(3) Less than 0.01%.

(b) Interests of the Substantial Shareholders

Save as disclosed in the section headed "Substantial Shareholders," immediately following the completion of the **[REDACTED]** (without taking into account of: (i) any Shares which may be issued upon the exercise of the **[REDACTED]**; and (ii) any change in the shareholding of JBM after the Latest Practicable Date), our Directors or chief executive are not aware of any other person (other than a Director or chief executive of our Company) who will have an interest or short position in the Shares or the underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or are, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group.

(c) Interests in Other Members of our Group

As of the Latest Practicable Date, our Directors are not aware of any other persons (excluding us) who are directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group.

2. Directors' Service Contracts and Letters of Appointment

Each of our executive Directors has entered into a service contract with our Company and we have issued letters of appointment to each of our non-executive Directors and each of our independent non-executive Directors. The service contracts with each of our executive Directors and the letters of appointment with each of our non-executive Directors and independent non-executive Directors are for

an initial fixed term of three years. The service contracts and the letters of appointment are subject to termination in accordance with their respective terms. The service contracts may be renewed in accordance with our Articles of Association and the applicable Listing Rules.

Save as disclosed above, none of our Directors has entered, or has proposed to enter, a service contract with any member of our Group (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

3. Directors' Remuneration

The aggregate remuneration (including fees, salaries, contributions to pension schemes, discretionary bonuses, allowances and other benefits in kind) incurred for our Directors in connection with their services rendered to our Group for the years ended March 31, 2024, 2025 and 2026 was HK$1,663,000, HK$2,456,000 and HK$1,710,000, respectively.

Our independent non-executive Directors have been appointed for a term of three years. Our Company intends to pay a director's fee of HK$220,000 per annum to each of the independent non-executive Directors. Save for the director's fees, none of our independent non-executive Directors is expected to receive any other remuneration for holding his office as an independent non-executive Director.

Under the arrangements currently in force, we estimate the aggregate remuneration, excluding discretionary bonus, of our Directors for the financial year ending March 31, 2027 to be approximately HK$3.7 million.

There was no arrangement under which a Director has waived or agreed to waive any emoluments for each of the three financial years immediately preceding the issue of this document.

For further details of the terms of the above service contracts, see "— 2. Directors' Service Contracts and Letters of Appointment" above.

4. Directors' Competing Interests

Save as disclosed in the section headed "Relationship with JBM," none of our Directors are interested in any business apart from the business of our Group which competes or is likely to compete, directly or indirectly, with the business of our Group.

5. Disclaimers

Save as disclosed in this Appendix IV and the section headed "Business":

(a) none of our Directors or chief executive of our Company has any interests or short positions in the shares, underlying shares and debentures of our Company or our associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he is taken or deemed to have taken under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to in that section, or which will be required,

pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules, to be notified to our Company and the Stock Exchange, once the Shares are **[REDACTED]** on the Stock Exchange;

(b) so far as is known to any Director or chief executive of our Company, no person has an interest or short position in the Shares and underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group;

(c) none of our Directors nor any of the persons listed in the section headed "— D. Other Information — 5. Qualification of Experts" below is interested in the promotion of, or in any assets which have been, within the two years immediately preceding the issue of this document, acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;

(d) none of our Directors nor any of the persons listed in the section headed "— D. Other Information — 5. Qualification of Experts" below is materially interested in any contract or arrangement with our Group subsisting at the date of this document which is unusual in its nature or conditions or which is significant in relation to the business of our Group as a whole;

(e) save in connection with the **[REDACTED]**, none of the persons listed in the section headed "— D. Other Information — 5. Qualification of Experts" below has any shareholding in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group;

(f) none of our Directors has entered or has proposed to enter into any service agreements with our Company or any member of our Group (other than contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation); and

(g) none of our Directors, their respective close associates (as defined under the Listing Rules), or Shareholders who are interested in more than 5% of the issued share capital of our Company has any interest in our Company's five largest customers and five largest suppliers.

D. OTHER INFORMATION

1. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our Directors.

2. Litigation

As of the Latest Practicable Date, no member of our Group was engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance was known to our Directors to be pending or threatened by or against our Group, that would have a material adverse effect on its business, financial condition or results of operations.

3. Sole Sponsor

The Sole Sponsor has made an application on behalf of our Company to the Listing Committee for the **[REDACTED]** of, and permission to **[REDACTED]** in, all our Shares in issue and any Shares which may fall to be issued as mentioned herein, including any Shares that may fall to be issued upon the exercise of the **[REDACTED]**. All necessary arrangements have been made to enable such Shares to be admitted into **[REDACTED]**.

The Sole Sponsor satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

The fees payable to the Sole Sponsor is approximately HK$3.7 million in connection with its services as sponsor for the **[REDACTED]** and are payable by our Company.

4. No Material Adverse Change

Our Directors confirm that there has been no material adverse change in the financial or trading position or prospects of our Group since March 31, 2026 (being the date to which the latest audited consolidated financial statements of our Group were prepared).

5. Qualification of Experts

The following are the qualifications of the experts (as defined under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance) who have given opinions or advice which are contained in this document:

Name	Qualification
Quam Capital Limited	Licensed corporation for conducting Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
KPMG	Certified Public Accountants Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
Frost & Sullivan	Industry consultant
Cherry Qili Xu	Barrister-at-law
Conyers Dill & Pearman	Legal advisors to our Company as to Cayman Islands laws

6. Consents of Experts

Each of the experts as referred to in "— 5. Qualification of Experts" above has given and has not withdrawn its consent to the issue of this document with the inclusion of its report and/or letter and/or opinion (as the case may be) and references to its name included in the form and context in which it respectively appears.

None of the experts named above has any shareholding interests in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in our Company or any of our subsidiaries.

7. Promoter

Our Company has no promoter for the purpose of the Listing Rules. Within the two years immediately preceding the date of this document, no cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoters in connection with the **[REDACTED]** and the related transactions described in this document.

8. Preliminary Expenses

The preliminary expenses incurred by our Company were approximately HK$35,439 and were payable by us.

9. Binding Effect

This document shall have the effect, if an application is made in pursuance of this document, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance insofar as applicable.

10. Bilingual Document

The English language and Chinese language versions of this document are being published separately, in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

11. Miscellaneous

(a) Save as disclosed in the sections headed "History, Reorganization and Corporate Structure," "**[REDACTED]**" and "— A. Further Information about Our Group" above, within the two years immediately preceding the date of this document:

(i) neither we nor any of our subsidiaries has issued or agreed to issue any share or loan capital fully or partly paid up either for cash or for a consideration other than cash;

(ii) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;

(iii) no commissions, discounts, brokerage or other special terms have been granted in connection with the issue or sale of any shares or loan capital of any member of our Group;

(iv) no commission has been paid or payable (except **[REDACTED]** to **[REDACTED]**) to any persons for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any shares of our Company or any of our subsidiaries;

(v) no founder, management or deferred shares of our Company or any of our subsidiaries have been issued or agreed to be issued;

(vi) our Company has no outstanding convertible debt securities or debentures; and

(vii) there is no arrangement under which future dividends are waived or agreed to be waived.

(b) Save as disclosed in this Appendix IV, none of the persons named in the section headed "— 6. Consents of Experts" above is interested beneficially or otherwise in any shares of any member of our Group or has any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any securities in any member of our Group.

(c) The branch register of members of our Company will be maintained in Hong Kong by our **[REDACTED]**, **[REDACTED]**. Unless our Directors otherwise agree, all transfer and other documents of title of Shares must be lodged for registration with and registered by our **[REDACTED]** maintained in Hong Kong and may not be lodged in the Cayman Islands. All necessary arrangements have been made to enable the Shares to be admitted to **[REDACTED]**.

(d) Our Directors confirm that:

(i) there has not been any interruption in the business of our Company which may have or have had a material adverse effect on the financial position of our Company in the 12 months immediately preceding the date of this document; and

(ii) our Company has no outstanding convertible debt securities or debentures.

(e) No company within our Group is presently listed on any stock exchange or traded on any trading system.

(f) The English version of this document shall prevail over the Chinese version.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this document delivered to the Registrar of Companies in Hong Kong for registration were:

(a) the written consents referred to in the section headed "Statutory and General Information — D. Other Information — 6. Consents of Experts" in Appendix IV to this document; and

(b) a copy of each of the material contracts referred to in the section headed "Statutory and General Information — B. Further Information About Our Business — 1. Summary of Material Contracts" in Appendix IV to this document.

DOCUMENTS ON DISPLAY

The following documents will be published on the website of the Stock Exchange (**www.hkexnews.hk**) and our website (**www.jpjtcm.com.hk**) up to and including the date which is 14 days from the date of this document:

(a) the Memorandum and Articles of Association of our Company;

(b) the Accountants' Report from KPMG, the text of which is set forth in Appendix I to this document;

(c) the report on the unaudited **[REDACTED]** financial information of our Group from KPMG, the text of which is set forth in Appendix II to this document;

(d) the audited consolidated financial statements of our Group for the years ended March 31, 2024, 2025 and 2026;

(e) the note of advice issued by Cherry Qili Xu, barrister-at-law, in respect of certain Hong Kong law matters in relation to our business operations in Hong Kong;

(f) the letter of advice issued by Conyers Dill & Pearman, our legal advisors as to Cayman Islands law, summarizing the constitution of the Company and certain aspects of Cayman Islands company law set forth in Appendix III to this document;

(g) the written consents referred to in the section headed "Statutory and General Information — D. Other Information — 6. Consents of Experts" in Appendix IV to this document;

(h) the material contracts referred to in the section headed "Statutory and General Information — B. Further Information About Our Business — 1. Summary of Material Contracts" in Appendix IV to this document;

(i) the service contracts and letters of appointment referred to in "Statutory and General Information — C. Further Information About Our Directors and Substantial Shareholders — 2. Directors' Service Contracts and Letters of Appointment" in Appendix IV to this document;

(j) the Frost & Sullivan Report; and

(k) the Cayman Companies Act.