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**WAI YUEN TONG MEDICINE HOLDINGS LIMITED**  
**(位元堂藥業控股有限公司\*)**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 897)**

**ANNOUNCEMENT OF INTERIM RESULTS**  
**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024**

<b>Interim Financial Highlights</b>			
<i>HK\$' million</i>	<b>Six months ended</b>		<b>Change</b>
	<b>2024</b>	<b>2023</b>	
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	
		<b>(Restated)</b>	
Revenue	<b>346.8</b>	368.3	(5.8%)
Gross profit	<b>182.0</b>	186.2	(2.3%)
Profit attributable to owners of the parent	<b>23.7</b>	3.5	577.1%
Earnings per share ( <i>HK cents</i> )			
— Basic and diluted	<b>2.10</b>	0.30	1.8
	<b>As at</b>	<b>As at</b>	
	<b>30 September</b>	<b>31 March</b>	
	<b>2024</b>	<b>2024</b>	
	<b>(Unaudited)</b>	<b>(Audited)</b>	
Net asset value	<b>1,198.5</b>	1,385.5	(13.5%)
Cash and cash equivalents	<b>96.3</b>	155.0	(37.9%)
Gearing ratio	<b>21.0%</b>	21.7%	(0.7%)

\* For identification purpose only

## INTERIM RESULTS

The board of directors (the “**Board**” or the “**Director(s)**”) of Wai Yuen Tong Medicine Holdings Limited (the “**Company**”, together with its subsidiaries, collectively referred to as the “**Group**”) is pleased to announce the unaudited condensed consolidated interim results of the Group for the six months ended 30 September 2024, together with the comparative figures for the corresponding period in 2023. This interim condensed consolidated financial information was not audited, but have been reviewed by the audit committee of the Company (the “**Audit Committee**”).

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*Six months ended 30 September 2024*

		<b>Six months ended 30 September</b>	
		<b>2024</b>	2023
		<b>(Unaudited)</b>	(Unaudited)
	Notes	<b>HK\$'000</b>	HK\$'000
			(Restated)
<b>CONTINUING OPERATIONS</b>			
<b>REVENUE</b>	4	<b>346,843</b>	368,326
Cost of sales		<u>(164,824)</u>	<u>(182,114)</u>
Gross profit		<b>182,019</b>	186,212
Other income and gains, net	4	<b>46,240</b>	69,551
Selling and distribution expenses		<b>(131,850)</b>	(111,917)
Administrative expenses		<b>(63,443)</b>	(55,117)
Fair value losses on financial assets at fair value through profit or loss, net		<b>(4,170)</b>	(2,246)
Fair value gains/(losses) on owned investment properties, net		<b>13,141</b>	(920)
Reversal of impairment losses/(impairment losses) on financial assets, net		<b>(997)</b>	79
Other expenses, net	5	<b>(1,349)</b>	(53,608)
Finance costs	6	<b>(14,954)</b>	(20,168)
Share of profits and losses of associates		<u><b>515</b></u>	<u>1,263</u>
<b>PROFIT BEFORE TAX</b>			
<b>FROM CONTINUING OPERATIONS</b>	5	<b>25,152</b>	13,129
Income tax expense	7	<u><b>(1,410)</b></u>	<u>(600)</u>
<b>PROFIT FOR THE PERIOD</b>			
<b>FROM CONTINUING OPERATIONS</b>		<b>23,742</b>	12,529
<b>DISCONTINUED OPERATIONS</b>			
Profit for the period from discontinued operations	8	<u><b>—</b></u>	<u>8,595</u>
<b>PROFIT FOR THE PERIOD</b>		<u><b>23,742</b></u>	<u>21,124</u>

	<b>Six months ended 30 September</b>	
	<b>2024</b>	2023
	<b>(Unaudited)</b>	(Unaudited)
	<b>HK\$'000</b>	HK\$'000
		(Restated)
<b>OTHER COMPREHENSIVE INCOME/ (LOSS)</b>		
<i>Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:</i>		
Debt investments at fair value through other comprehensive income:		
Changes in fair value	(74)	(10,076)
Reclassification adjustments for gains included in profit or loss:		
— Reversal of impairment losses	—	(93)
— Gain on disposal/redemption	(426)	(12)
Subtotal	(500)	(10,181)
Translation reserve:		
Translation of foreign operations	(117)	(187,521)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	(617)	(197,702)
<i>Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:</i>		
Equity investments at fair value through other comprehensive income:		
Changes in fair value	879	(13,344)
<b>OTHER COMPREHENSIVE INCOME/ (LOSS) FOR THE PERIOD</b>	<b>262</b>	<b>(211,046)</b>
<b>TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE PERIOD</b>	<b>24,004</b>	<b>(189,922)</b>

		<b>Six months ended 30 September</b>	
		<b>2024</b>	2023
		<b>(Unaudited)</b>	(Unaudited)
	Note	<b>HK\$'000</b>	<b>HK\$'000</b>
			(Restated)
Profit attributable to:			
Owners of the parent		<b>23,701</b>	3,549
Non-controlling interests		<b>41</b>	17,575
		<hr/>	<hr/>
Total		<b>23,742</b>	21,124
		<hr/>	<hr/>
Total comprehensive income/(loss) attributable to:			
Owners of the parent		<b>23,963</b>	(108,636)
Non-controlling interests		<b>41</b>	(81,286)
		<hr/>	<hr/>
Total		<b>24,004</b>	(189,922)
		<hr/>	<hr/>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>	10		
Basic and diluted			
— For profit for the period		<b>HK2.10 cents</b>	HK0.30 cent
		<hr/>	<hr/>
— For profit from continuing operations		<b>HK2.10 cents</b>	HK1.04 cents
		<hr/>	<hr/>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
*30 September 2024*

	Note	<b>30 September 2024 (Unaudited) HK\$'000</b>	31 March 2024 (Audited) HK\$'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>635,804</b>	665,458
Investment properties		<b>132,300</b>	152,000
Net investments in subleases		<b>4,343</b>	5,897
Investments in associates		<b>4,948</b>	4,433
Financial assets at fair value through other comprehensive income		<b>3,879</b>	24,986
Loans and interest receivables		<b>395,000</b>	380,000
Prepayments and deposits		<b>24,715</b>	14,423
Deferred tax assets		<b>16,066</b>	17,685
		<hr/>	<hr/>
Total non-current assets		<b>1,217,055</b>	1,264,882
<b>CURRENT ASSETS</b>			
Inventories		<b>275,530</b>	308,098
Trade receivables	11	<b>86,457</b>	81,356
Loans and interest receivables		<b>15,929</b>	114,759
Prepayments, deposits and other receivables		<b>65,431</b>	57,781
Net investments in subleases		<b>4,598</b>	4,931
Financial assets at fair value through other comprehensive income		<b>370</b>	8,128
Financial assets at fair value through profit or loss		<b>12,258</b>	28,753
Tax recoverable		<b>181</b>	181
Pledged deposits		<b>—</b>	4,444
Cash and cash equivalents		<b>96,276</b>	154,969
		<hr/>	<hr/>
		<b>557,030</b>	763,400
Assets classified as held for sale		<b>—</b>	66,828
		<hr/>	<hr/>
Total current assets		<b>557,030</b>	830,228

		<b>30 September 2024 (Unaudited) HK\$'000</b>	31 March 2024 (Audited) HK\$'000
	Note		
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	12	<b>19,940</b>	30,907
Other payables and accruals		<b>139,521</b>	148,683
Contract liabilities		<b>10,428</b>	12,020
Interest-bearing bank borrowings		<b>185,386</b>	184,749
Tax payable		<b>4,255</b>	4,513
		<hr/>	<hr/>
Total current liabilities		<b>359,530</b>	380,872
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>			
		<b>197,500</b>	449,356
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<b>1,414,555</b>	1,714,238
		<hr/>	<hr/>
<b>NON-CURRENT LIABILITIES</b>			
Other payables		<b>52,635</b>	51,220
Interest-bearing bank borrowings		<b>162,750</b>	276,200
Deferred tax liabilities		<b>653</b>	1,362
		<hr/>	<hr/>
Total non-current liabilities		<b>216,038</b>	328,782
		<hr/>	<hr/>
Net assets		<b>1,198,517</b>	1,385,456
		<hr/>	<hr/>
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent</b>			
Issued capital		<b>11,251</b>	11,711
Reserves		<b>1,188,715</b>	1,375,235
		<hr/>	<hr/>
Subtotal		<b>1,199,966</b>	1,386,946
Non-controlling interests		<b>(1,449)</b>	(1,490)
		<hr/>	<hr/>
Total equity		<b>1,198,517</b>	1,385,456
		<hr/>	<hr/>

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 1. BASIS OF PREPARATION

Wai Yuen Tong Medicine Holdings Limited (the “**Company**”) is incorporated in Bermuda as an exempted company with limited liability and is listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The principal activities of the Company and its subsidiaries (collectively referred to as the “**Group**”) are described in note 3 to the unaudited interim condensed consolidated financial information.

The unaudited interim condensed consolidated financial information of the Group for the six months ended 30 September 2024 has been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The unaudited interim condensed consolidated financial information does not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 March 2024.

The accounting policies and the basis of preparation adopted in the preparation of this unaudited interim condensed consolidated financial information are consistent with those adopted in the Group’s audited consolidated financial statements for the year ended 31 March 2024, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) (which include all Hong Kong Financial Reporting Standards, HKASs and Interpretations) issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, except for the adoption of the revised HKFRSs as further explained in note 2 below.

This unaudited interim condensed consolidated financial information has been prepared under the historical cost convention, except for investment properties, financial assets at fair value through profit or loss (“**FVTPL**”) and financial assets at fair value through other comprehensive income (“**FVTOCI**”) which have been measured at fair value. This unaudited interim condensed consolidated financial information is presented in Hong Kong dollars (“**HK\$**”) and all values are rounded to the nearest thousand except when otherwise indicated.

### 2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current period’s unaudited interim condensed consolidated financial information:

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

The nature and impact of the revised HKFRSs are described below:

- (a) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

- (b) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure of relevant information for supplier finance arrangements is not required for any interim reporting period during the first annual reporting period in which an entity applies the amendments. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the interim condensed consolidated financial information.

### 3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has four reportable operating segments as follows:

#### **Continuing operations:**

- production and sale of Chinese pharmaceutical and health food products — manufacture, processing and sale of traditional Chinese medicine which includes Chinese medicinal products sold under the brand name of “Wai Yuen Tong” and a range of products manufactured using selected medicinal materials with traditional prescriptions, mainly in Chinese Mainland and Hong Kong (“**Chinese Pharmaceutical Segment**”);
- production and sale of Western pharmaceutical and health food products — manufacture, processing and sale of Western pharmaceutical products and personal care products under the brand names of “Madame Pearl’s” and “Pearl’s”, respectively (“**Western Pharmaceutical Segment**”); and
- property investment — investment in commercial and industrial premises for rental income.

#### **Discontinued operations:**

- management of and sale of properties in agricultural produce exchange markets.

Upon completion of the Distribution in Specie (as defined in note 8 to the condensed consolidated financial information), China Agri-Products Exchange Limited (“**CAP**”, together with its subsidiaries, the “**CAP Group**”) ceased to be the subsidiary of the Group. Accordingly, the financial performance of the management of and sale of properties in agricultural produce exchange markets segment for the period ended 30 September 2023 has been re-presented as “profit for the period from discontinued operations” in the condensed consolidated statement of profit or loss and other comprehensive income.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that bank interest income, finance costs, and head office and corporate income and expenses are excluded from such measurement.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.



## Segment revenue and results

### Six months ended 30 September

	Continuing operations								Discontinued operations							
	Chinese Pharmaceutical Segment		Western Pharmaceutical Segment		Property investment		Total continuing operations		Management of and sale of properties in agricultural produce exchange markets		Eliminations		Total			
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023		
	(Unaudited) HK\$'000	(Unaudited) HK\$'000 (Restated)	(Unaudited) HK\$'000	(Unaudited) HK\$'000 (Restated)	(Unaudited) HK\$'000	(Unaudited) HK\$'000 (Restated)	(Unaudited) HK\$'000	(Unaudited) HK\$'000 (Restated)	(Unaudited) HK\$'000	(Unaudited) HK\$'000 (Restated)	(Unaudited) HK\$'000	(Unaudited) HK\$'000 (Restated)	(Unaudited) HK\$'000	(Unaudited) HK\$'000 (Restated)		
<b>Segment revenue and income:</b>																
Sales to external customers	306,351	330,359	38,461	36,362	2,031	1,605	346,843	368,326	—	310,478	—	—	346,843	678,804		
Intersegment sales	—	1,182	584	27	3,540	7,729	4,124	8,938	—	—	(4,124)	(8,938)	—	—		
Total segment revenue	306,351	331,541	39,045	36,389	5,571	9,334	350,967	377,264	—	310,478	(4,124)	(8,938)	346,843	678,804		
Other income and gains	1,700	2,543	168	—	16,404	36,336	18,272	38,879	—	19,206	—	—	18,272	58,085		
<b>Total</b>	<b>308,051</b>	<b>334,084</b>	<b>39,213</b>	<b>36,389</b>	<b>21,975</b>	<b>45,670</b>	<b>369,239</b>	<b>416,143</b>	<b>—</b>	<b>329,684</b>	<b>(4,124)</b>	<b>(8,938)</b>	<b>365,115</b>	<b>736,889</b>		
<b>Segment results</b>	<b>(2,149)</b>	<b>19,844</b>	<b>280</b>	<b>7,376</b>	<b>31,869</b>	<b>(10,882)</b>	<b>30,000</b>	<b>16,338</b>	<b>—</b>	<b>66,374</b>	<b>—</b>	<b>—</b>	<b>30,000</b>	<b>82,712</b>		
<i>Reconciliation:</i>																
Bank interest income							1,168	1,426	—	1,019			1,168	2,445		
Finance costs							(14,954)	(20,168)	—	(57,800)			(14,954)	(77,968)		
Corporate and unallocated income and expense, net							8,938	16,715	—	14,525			8,938	31,240		
Profit before tax							25,152	14,311	—	24,118			25,152	38,429		
Income tax expense							(1,410)	(600)	—	(16,705)			(1,410)	(17,305)		
Profit for the period							23,742	13,711	—	7,413			23,742	21,124		

#### 4. REVENUE AND OTHER INCOME AND GAINS, NET

An analysis of the Group's revenue is as follows:

	Six months ended 30 September					
	2024			2023		
	Continuing operations (Unaudited) HK\$'000	Discontinued operations (Unaudited) HK\$'000	Total (Unaudited) HK\$'000	Continuing operations (Unaudited) HK\$'000 (Restated)	Discontinued operations (Unaudited) HK\$'000 (Restated)	Total (Unaudited) HK\$'000 (Restated)
Revenue from contracts with customers	344,812	—	344,812	366,721	222,056	588,777
Revenue from other sources						
Gross rental income from investment property operating leases	2,031	—	2,031	1,605	88,422	90,027
<b>Total revenue</b>	<b>346,843</b>	<b>—</b>	<b>346,843</b>	<b>368,326</b>	<b>310,478</b>	<b>678,804</b>

## Disaggregated revenue information for revenue from contracts with customers

For the six months ended 30 September 2024

Segments

	Continuing operations			Discontinued operations	Total (Unaudited) HK\$'000
	Production and sale of Chinese pharmaceutical and health food products (Unaudited) HK\$'000	Production and sale of Western pharmaceutical and health food products (Unaudited) HK\$'000	Total continuing operations (Unaudited) HK\$'000	Management of and sale of properties in agricultural produce exchange markets (Unaudited) HK\$'000	
<b>Types of goods or services</b>					
— Sale of goods	299,900	38,461	338,361	—	338,361
— Management and promotion services	6,451	—	6,451	—	6,451
Total revenue from contracts with customers	<u>306,351</u>	<u>38,461</u>	<u>344,812</u>	<u>—</u>	<u>344,812</u>
<b>Geographical markets</b>					
Hong Kong	248,871	23,990	272,861	—	272,861
Chinese Mainland	31,621	9,462	41,083	—	41,083
Macau	24,342	4,693	29,035	—	29,035
Others	1,517	316	1,833	—	1,833
Total revenue from contracts with customers	<u>306,351</u>	<u>38,461</u>	<u>344,812</u>	<u>—</u>	<u>344,812</u>
<b>Timing of revenue recognition</b>					
Goods or services transferred at a point in time	299,900	38,461	338,361	—	338,361
Services transferred over time	6,451	—	6,451	—	6,451
Total revenue from contracts with customers	<u>306,351</u>	<u>38,461</u>	<u>344,812</u>	<u>—</u>	<u>344,812</u>

**For the six months ended 30 September 2023**

Segments

	Continuing operations			Discontinued operations	Total (Unaudited) HK\$'000
	Production and sale of Chinese pharmaceutical and health food products (Unaudited) HK\$'000	Production and sale of Western pharmaceutical and health food products (Unaudited) HK\$'000	Total continuing operations (Unaudited) HK\$'000	Management of and sale of properties in agricultural produce exchange markets (Unaudited) HK\$'000	
<b>Types of goods or services</b>					
— Sale of goods	323,458	36,362	359,820	15,491	375,311
— Management and promotion services	6,901	—	6,901	—	6,901
— Sale of properties	—	—	—	116,677	116,677
— Commission income from agricultural produce exchange markets	—	—	—	45,136	45,136
— Agricultural produce exchange market ancillary services	—	—	—	44,752	44,752
Total revenue from contracts with customers	<u>330,359</u>	<u>36,362</u>	<u>366,721</u>	<u>222,056</u>	<u>588,777</u>
<b>Geographical markets</b>					
Hong Kong	274,455	20,568	295,023	15,491	310,514
Chinese Mainland	26,575	10,061	36,636	206,565	243,201
Macau	28,930	5,020	33,950	—	33,950
Others	399	713	1,112	—	1,112
Total revenue from contracts with customers	<u>330,359</u>	<u>36,362</u>	<u>366,721</u>	<u>222,056</u>	<u>588,777</u>
<b>Timing of revenue recognition</b>					
Goods or services transferred at a point in time	323,458	36,362	359,820	132,168	491,988
Services transferred over time	6,901	—	6,901	89,888	96,789
Total revenue from contracts with customers	<u>330,359</u>	<u>36,362</u>	<u>366,721</u>	<u>222,056</u>	<u>588,777</u>

Set out below is the reconciliation of the revenue from contracts with customers to the amounts disclosed in the segment information:

**For the six months ended 30 September 2024**

Segments

	Continuing operations			Discontinued operations	Total (Unaudited) HK\$'000
	Production and sale of Chinese pharmaceutical and health food products (Unaudited) HK\$'000	Production and sale of Western pharmaceutical and health food products (Unaudited) HK\$'000	Total continuing operations (Unaudited) HK\$'000	Management of and sale of properties in agricultural produce exchange markets (Unaudited) HK\$'000	
<b>Revenue from contracts with customers</b>					
External customers	306,351	38,461	344,812	—	344,812
Intersegment sales	—	584	584	—	584
Subtotal	306,351	39,045	345,396	—	345,396
Intersegment adjustments and eliminations	—	(584)	(584)	—	(584)
Total revenue from contracts with customers	<u>306,351</u>	<u>38,461</u>	<u>344,812</u>	<u>—</u>	<u>344,812</u>

**For the six months ended 30 September 2023**

Segments

	Continuing operations			Discontinued operations	Total (Unaudited) HK\$'000
	Production and sale of Chinese pharmaceutical and health food products (Unaudited) HK\$'000	Production and sale of Western pharmaceutical and health food products (Unaudited) HK\$'000	Total continuing operations (Unaudited) HK\$'000	Management of and sale of properties in agricultural produce exchange markets (Unaudited) HK\$'000	
<b>Revenue from contracts with customers</b>					
External customers	330,359	36,362	366,721	222,056	588,777
Intersegment sales	1,182	27	1,209	—	1,209
Subtotal	331,541	36,389	367,930	222,056	589,986
Intersegment adjustments and eliminations	(1,182)	(27)	(1,209)	—	(1,209)
Total revenue from contracts with customers	<u>330,359</u>	<u>36,362</u>	<u>366,721</u>	<u>222,056</u>	<u>588,777</u>

An analysis of the Group’s other income and gains, net, from continuing operation is as follows:

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2024</b>	2023
	<b>(Unaudited)</b>	(Unaudited)
	<b>HK\$’000</b>	HK\$’000
		(Restated)
<b>Other income</b>		
Interest income on loans receivable from CAP (note (i))	<b>19,518</b>	20,257
Interest income on loans receivable from Wang On Group Limited (“Wang On”)	<b>4,101</b>	—
Interest income on financial assets at FVTPL and FVTOCI	<b>178</b>	2,615
Interest income on bank deposits	<b>1,168</b>	1,426
Finance income on net investments in subleases	<b>147</b>	78
Dividends from financial assets at FVTPL and FVTOCI	<b>361</b>	2,133
Rental income from other properties	<b>2,442</b>	2,543
Government subsidies (note (ii))	<b>441</b>	—
Others	<b>981</b>	4,151
	<hr/>	<hr/>
Total other income	<b>29,337</b>	33,203
	<hr/>	<hr/>
<b>Gains, net</b>		
Gain on disposal/redemption of financial assets at FVTOCI	<b>426</b>	12
Gain on disposal of items of property, plant and equipment, net	<b>16,093</b>	36,336
Exchange gains, net	<b>384</b>	—
	<hr/>	<hr/>
	<b>16,903</b>	36,348
	<hr/>	<hr/>
Total other income and gains, net	<b>46,240</b>	69,551
	<hr/>	<hr/>

Notes:

- (i) The interest income on loans receivable from CAP, the operations of which were classified as discontinued operations, was not eliminated for the six months ended 30 September 2023, and was presented to reflect how the loans arrangement with CAP will be reflected in continuing operations going forward.
- (ii) Government subsidies from continuing operations during the six months ended 30 September 2024 represented the one-off subsidies of HK\$441,000 (six months ended 30 September 2023: Nil) granted by The Government of the Hong Kong Special Administrative Region’s SME Export Marketing Fund and Guangdong-Hong Kong-Macao Greater Bay Area Proprietary Chinese Medicine Industry Development Support Scheme. The Group has complied with all attached conditions before the six months ended 30 September 2024 and recognised these grants in profit or loss as “Other income and gains, net”.
- (iii) Government subsidies from discontinued operations during the six months ended 30 September 2023 represented The People’s Republic of China (the “PRC”) government subsidies of HK\$1,180,000 granted to the CAP Group by the local governmental authority in Chinese Mainland for the business support on its operations in agricultural produce exchange market in Chinese Mainland. The CAP Group has complied with all attached conditions before the six months ended 30 September 2023. These grants have been recognised in profit or loss as “Profit for the period from discontinued operations”.

## 5. PROFIT BEFORE TAX

The Group's profit before tax from continuing operations is arrived at after charging/(crediting):

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2024</b>	2023
	<b>(Unaudited)</b>	(Unaudited)
	<b>HK\$'000</b>	HK\$'000
		(Restated)
Cost of inventories recognised as an expense (including allowance for obsolete inventories of HK\$1,051,000 (six months ended 30 September 2023: HK\$1,293,000))	<b>164,824</b>	182,114
Depreciation of owned assets	<b>16,915</b>	18,775
Depreciation of right-of-use assets	<b>27,149</b>	24,159
<b>Total</b>	<b>44,064</b>	42,934
Foreign exchange differences, net	<b>(384)</b>	2,756*
Impairment losses/(reversal of impairment losses) on financial assets, net:		
Trade receivables	<b>997</b>	14
Debt investments at FVTOCI	<b>—</b>	(93)
<b>Total</b>	<b>997</b>	(79)
Gross rental income	<b>(4,473)</b>	(4,148)
Less: Direct outgoing expenses	<b>1,046</b>	313
<b>Net rental income</b>	<b>(3,427)</b>	(3,835)
Loss on disposal of a subsidiary	<b>—</b>	2,665*
Impairment losses on items of property, plant and equipment, net	<b>189*</b>	48,187*
Losses on disposal of investment properties	<b>1,160*</b>	—

\* These expenses are included in "Other expenses, net" in the condensed consolidated statement of profit or loss and other comprehensive income.

## 6. FINANCE COSTS

An analysis of finance costs from continuing operations is as follows:

	Six months ended 30 September	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
		(Restated)
Interest on bank and other borrowings	12,475	18,368
Interest on lease liabilities	2,479	1,800
Total	<u>14,954</u>	<u>20,168</u>

## 7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 September 2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Tax on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates. The provision for PRC land appreciation tax (“LAT”) is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been provided at a fixed rate or ranges of progressive rates, as applicable, of the appreciation value, with certain allowable deductions.

	Six months ended 30 September	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
		(Restated)
Current — Hong Kong		
Charge for the period	—	600
Underprovision in prior periods	500	—
Deferred taxation	910	—
Total tax charge for the period from continuing operations	<u>1,410</u>	600
Total tax charge for the period from discontinued operations (note 8)	<u>—</u>	<u>16,705</u>
Total tax charge	<u>1,410</u>	<u>17,305</u>

## 8. DISCONTINUED OPERATIONS

On 7 March 2024, the shareholders of the Company approved the payment of a special dividend by way of a distribution in specie of 1,715,665,730 shares of Wang On and 5,310,951,597 shares of CAP held by the Group which represented approximately 53.36% of the issued capital of CAP to the qualifying shareholders in proportion to their respective shareholdings in the Company (the “**Distribution in Specie**”). Upon completion of the Distribution in Specie on 25 March 2024, the CAP Group ceased to be subsidiaries of the Company. Details of the Distribution in Specie are set out in the announcement of the Company dated 25 January 2024, the circular of the Company dated 14 February 2024 and the annual report for the year ended 31 March 2024 of the Company.

Since the operations and cash flows relating to the CAP Group can be clearly distinguished from the rest of the Group and represented a separate major line of business of the Group, they were classified as discontinued operations. The results of the discontinued operations were presented separately in the condensed consolidated statement of profit or loss and other comprehensive income, and the corresponding comparative information relating to the discontinued operations has been re-presented for the six months ended 30 September 2023.

- (a) The results of the discontinued operations for the six months ended 30 September 2023 are presented below:

	Six months ended 30 September 2023 (Unaudited) HK\$'000
Revenue	310,478
Other income and gains, net	37,446
Expenses and losses, net	(264,824)
Finance costs*	<u>(57,800)</u>
Profit before tax from discontinued operations	25,300
Income tax charge	<u>(16,705)</u>
Profit for the period from discontinued operations	<u>8,595</u>

- \* Included in finance costs was interest expense of HK\$20,257,000 charged by subsidiaries within the Group's continuing operations which was presented gross (note 4).

- (b) The net cash flows incurred by the discontinued operations are as follows:

	Six months ended 30 September 2023 (Unaudited) HK\$'000
Net cash flows from operating activities	116,089
Net cash flows used in investing activities	(17,342)
Net cash flows used in financing activities	<u>(97,196)</u>
Net increase in cash and cash equivalents	<u>1,551</u>



## 9. INTERIM DIVIDEND

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2024</b>	2023
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
2024 Final dividend declared and paid — HK3.0 cents (2023: Nil) per ordinary share	33,753	—
2024 Special dividend declared and paid — HK14.7 cents (2023: Nil) per ordinary share	<u>165,390</u>	—
Total	<u><b>199,143</b></u>	<u>—</u>

The board of directors does not recommend the payment of any interim dividend in respect of the six months ended 30 September 2024 (six months ended 30 September 2023: Nil).

## 10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share for the six months ended 30 September 2024 is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares in issue during the period of 1,126,567,369 (six months ended 30 September 2023: 1,191,588,899).

No adjustment has been made to the basic earnings per share amounts presented for the six months ended 30 September 2024 and 2023 as the Group had no potentially dilutive ordinary shares in issue during the periods.

The calculations of basic and diluted earnings per share amounts are based on:

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2024</b>	2023
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Restated)
<u>Earnings</u>		
Profit/(loss) attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation:		
From continuing operations	23,701	12,419
From discontinued operations	—	(8,870)
Total	<u><b>23,701</b></u>	<u>3,549</u>

**Number of shares**  
**Six months ended**  
**30 September**  
**2024**                      2023  
**(Unaudited)**              (Unaudited)

Shares

Weighted average number of ordinary shares used in the basic and diluted earnings per share calculation **1,126,567,369**    **1,191,588,899\***

\* In respect of the six months ended 30 September 2023, no adjustment has been made to the basic earnings per share amount of the Group and the discontinued operations presented in respect of a dilution as the impact of outstanding share options issued by CAP had no dilutive effect on the basic earnings per share amounts presented.

**11. TRADE RECEIVABLES**

	<b>30 September</b> <b>2024</b> <b>(Unaudited)</b> <i>HK\$'000</i>	31 March 2024 (Audited) <i>HK\$'000</i>
Trade receivables	<b>100,467</b>	94,402
Less: Accumulated impairment	<b>(14,010)</b>	(13,046)
<b>Total</b>	<b><u>86,457</u></b>	<b><u>81,356</u></b>

The Group's trading terms with its customers are mainly on credit. The credit period ranges from 7 to 120 days. Each customer has a maximum credit limit and the credit limit is reviewed regularly. The Group seeks to maintain strict control over its outstanding receivables and to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

Included in the Group's trade receivables are amounts due from the Group's associates of HK\$7,979,000 (31 March 2024: HK\$5,341,000) which are repayable on credit terms similar to those offered to the major customers of the Group.

An ageing analysis of trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	<b>30 September</b> <b>2024</b> <b>(Unaudited)</b> <i>HK\$'000</i>	31 March 2024 (Audited) <i>HK\$'000</i>
Within 1 month	<b>33,800</b>	37,767
1 to 3 months	<b>20,305</b>	13,313
Over 3 months but within 6 months	<b>20,982</b>	15,391
Over 6 months	<b>11,370</b>	14,885
<b>Total</b>	<b><u>86,457</u></b>	<b><u>81,356</u></b>

## 12. TRADE AND BILLS PAYABLES

	<b>30 September 2024 (Unaudited) HK\$'000</b>	31 March 2024 (Audited) HK\$'000
Trade payables	19,940	26,463
Bills payable	—	4,444
	<hr/>	<hr/>
Total	<b>19,940</b>	<b>30,907</b>

An ageing analysis of trade and bills payables as at the end of the reporting period, based on the invoice date is as follows:

	<b>30 September 2024 (Unaudited) HK\$'000</b>	31 March 2024 (Audited) HK\$'000
Within 1 month	5,902	13,817
1 to 3 months	6,295	4,234
Over 3 months but within 6 months	2,322	1,364
Over 6 months	5,421	11,492
	<hr/>	<hr/>
Total	<b>19,940</b>	<b>30,907</b>

The trade payables are non-interest-bearing. The bills payables of the Group are interest-bearing at 2.45% (31 March 2024: 2.45%) per annum. The trade and bills payables have an average term of 30 to 360 days. The Group has financial risk management policies in place to ensure that all payables are within the credit time frame.

## **INTERIM DIVIDEND**

The Board does not recommend the payment of any interim dividend in respect of the six months ended 30 September 2024 (six months ended 30 September 2023: Nil).

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Revenue**

For the six months ended 30 September 2024 (the “**Period**”), total revenue of the Group decreased by approximately HK\$21.5 million to approximately HK\$346.8 million, which was mainly attributable to weakened sales performance of Chinese pharmaceutical and health food products.

### **Gross profit**

The Group’s gross profit decreased by approximately HK\$4.2 million or approximately 2.3% to approximately HK\$182.0 million for the Period as compared to approximately HK\$186.2 million for the six months ended 30 September 2023. The decrease was mainly due to decrease in sale of Chinese pharmaceutical and health food products.

### **Other income and gains, net**

Other income and gains of the Group decreased by approximately HK\$23.4 million or approximately 33.6% from approximately HK\$69.6 million for the six months ended 30 September 2023 to approximately HK\$46.2 million for the Period. The decrease was mostly because of reduced gain on disposal of items of property, plant and equipment as compared with the corresponding period in 2023.

### **Selling and distribution expenses**

Selling and distribution expenses increased by approximately HK\$20.0 million or approximately 17.9% from approximately HK\$111.9 million for the six months ended 30 September 2023 to approximately HK\$131.9 million for the Period. The increase was mainly owing to increased marketing cost for new products launched and expansion of e-commerce business.

### **Administrative expenses**

Administrative expenses increased by approximately HK\$8.3 million or approximately 15.1% from approximately HK\$55.1 million for the six months ended 30 September 2023 to approximately HK\$63.4 million for the Period. The increase was mainly due to increase in legal and professional fee.

### **Other expenses, net**

Other expenses decreased by approximately HK\$52.3 million or approximately 97.6% from approximately HK\$53.6 million for the six months ended 30 September 2023 to approximately HK\$1.3 million for the Period. The decrease was mostly attributable to the decrease in net impairment losses on items of properties, plant and equipment compared to the amount recorded in the corresponding period in 2023.

## **Profit for the Period attributable to owners of the parent**

During the Period, the Group recorded a profit attributable to owners of the parent of approximately HK\$23.7 million (six months ended 30 September 2023: approximately HK\$3.5 million). Such increase was mainly attributable to fair value gains on owned investment properties, decrease in impairment on items of properties, plant and equipment and absence of loss attributable to owners of the parent from the discontinued operation.

## **BUSINESS REVIEW**

### **Chinese Pharmaceutical and Health Food Products**

During the period from April to September 2024, sales of Chinese drugs and herbs in Hong Kong declined by 16.5%\* compared to the corresponding period in 2023. The near-term performance of the retail sector continues to be impacted by changing consumption patterns among residents and visitors. In light of these shifting market dynamics, the Group experienced a sales decrease of 7.3% year-on-year.

In response to the turbulent market environment, the Group is actively pursuing a range of initiatives to capitalize on emerging business opportunities. We are expanding our cross-border e-commerce channels to leverage the growing market in China. By launching Wai Yuen Tong new products and establishing presence on cross border ecommerce platforms including Douyin and XiaoHongShu, and collaborating with prominent celebrities and key opinion leaders, we have significantly enhanced Wai Yuen Tong's brand awareness and visibility in China. These efforts have also enabled us to effectively engage with younger consumer segments. Notably, sales recorded from cross-border e-commerce have increased by more than 2 times compared to the corresponding period in 2023.

The Group remains committed to research and development. Through strong collaboration between our R&D teams in Hong Kong and China, our new product pipeline is designed to address the needs of consumers in both markets. In this spring we introduced Wai Yuen Tong Body Dampness “位元堂祛濕清” which promotes diuresis to alleviate puffiness. As we enter flu season, we have launched Premium Ganoderma Eight Plus “百草靈芝皇” to strengthen consumers' immunity. More new products are currently under development and will be introduced to consumers.

As a pioneer in the traditional Chinese medicine industry in Hong Kong, Wai Yuen Tong is committed to promoting this invaluable heritage. In collaboration with Guangzhou University of Chinese Medicine, we jointly applied to establish the “Guangdong-Hong Kong Traditional Chinese Medicine International Cooperation Base.” This partnership focuses on comprehensive cooperation in areas such as personnel training, medical services, technological innovation, and the promotion of traditional Chinese medicine culture. In October 2024, a significant conference was held, providing a platform for Chinese and international experts in traditional Chinese medicine to share their research findings and discuss advancements in the field. Topics included the treatment of female diseases, tuberculosis, gout, femoral head necrosis, and recent developments in addressing depression, among others. This event marked an important step in elevating the practice and understanding of traditional Chinese medicine on both domestic and international stages.

\* Source: Report on Monthly Survey of Retail Sales, Hong Kong Census and Statistics Department

## **Western Pharmaceutical and Health Food Products**

During the Period, there was a small-scale outbreak of the Influenzas before summer and our Madame Pearl's cough syrup has recorded a significantly growth on the sales, that leded the total revenue of Luxembourg western pharmaceutical a growth of 5.8% over same period in last year.

Responding to such a turbulent market environment, the Group keep striving different efforts in realizing business opportunities in the market. Madame Pearls, our flagship brand, achieved Hong Kong cough syrup sales champion for 14 consecutive years, underpinned by our continuous efforts in strategic sales and marketing activities. During the Period, the Group made sound and solid progress on marketing campaigns, and enriched the distribution channels on Luxembourg products. Furthermore, the Group has engaged local distributors with strong existing networks, increased the penetration of the "Madame Pearl's" into the medical channels and "Pearl's" into the consumer channels in the Mainland China.

In regards to Pearl's, another key brand of the Group, have continued to be the leadership position in mosquito repellent product in Hong Kong. During the Period, the Monthly Gravidtrap Indices and Density Indices of Aedes albopictus were improved which affected the sales performance on the mosquito repellent product in Hong Kong. However, our sales was sustained due to the new outlook for our Pearl's Mosquitout product with a famous comic character, Pokemon.

With the continue efforts on developing the e-commerce business channel, especially on cross-border e-commerce business, we have a significantly growth on our Madame Pearl's Cough syrup and Pearl's Mosquito products on this segment.

## **Property Investment**

As at 30 September 2024, the Group owned 5 properties in Hong Kong which are all retail properties. A majority of these properties were used as the retail shops under self-operating and franchise modes. The net fair value gain on owned investment properties for the Period amounted to approximately HK\$13.1 million (six months ended 30 September 2023: net fair value loss of approximately HK\$0.9 million). During the Period, the Group completed the disposal of 4 properties to 4 different independent third parties at a total consideration of HK\$133.9 million (Please refer to the joint announcements dated 22 January 2024, 1 March 2024, 3 May 2024, and the announcement dated 17 June 2024 for details).

## **FINANCIAL REVIEW**

### **Liquidity and Gearing and Financial Resources**

As at 30 September 2024, the Group had total assets of approximately HK\$1,774.1 million (31 March 2024: approximately HK\$2,095.1 million) which were financed by current liabilities of approximately HK\$359.5 million (31 March 2024: approximately HK\$380.9 million), non-current liabilities of approximately HK\$216.0 million (31 March 2024: approximately HK\$328.8 million) and shareholders' equity of approximately HK\$1,198.5 million (31 March 2024: approximately HK\$1,385.5 million).

As at 30 September 2024, the Group's total of cash and cash equivalents were approximately HK\$96.3 million (31 March 2024: cash and cash equivalents and pledged deposit approximately HK\$159.4 million).

As at 30 September 2024, the Group's total interest-bearing debts amounted to approximately HK\$348.1 million (31 March 2024: approximately HK\$460.9 million), all of which bore interest at fixed or floating interest rates and were denominated in Hong Kong dollars.

The current ratio, being a ratio of total current assets to total current liabilities, was approximately 1.5 (31 March 2024: approximately 2.2). The gearing ratio, being the ratio of total interest-bearing debts net of cash and cash equivalents and pledged deposits to equity attributable to owners of the parent, was approximately 21.0% (31 March 2024: approximately 21.7%). The Group always adopts a conservative approach in its financial management.

### **Foreign Exchange**

The Board is of the opinion that the Group has material foreign exchange exposure in RMB. All the bank borrowings are denominated in Hong Kong dollars. The revenue of the Group, mostly denominated in Hong Kong dollars and RMB, matches the currency requirements of the Group's operating expenses. Currently, the Group does not have a foreign currency hedging policy.

The activities of the Group are exposed to foreign currency risks mainly arising from its operations in Mainland China. The RMB exposure of the Group is mainly derived from currency translation risk arising from the net assets of our Mainland subsidiaries. The retranslation of these net assets denominated in RMB into Hong Kong dollars using the exchange rate as of the reporting date resulted in a re-translation loss of approximately HK\$0.1 million (six months ended 30 September 2023: loss of approximately HK\$187.5 million). The re-translation loss was recognised in other comprehensive income/exchange reserve.

## **Treasury Policy**

With an aim to ensuring adequate financial resources are available for business growth whilst maintaining a prudent capital structure, the Group manages its financial risks including currency risk, interest rate risk and price risk. The Group invests its surplus funds in fixed deposits, debt investments and unlisted funds to maximise assets efficiency.

## **Capital Commitment**

As at 30 September 2024, the Group had capital commitment of approximately HK\$12.8 million (31 March 2024: approximately HK\$2.6 million) in respect of the acquisition of property, plant and equipment, which were contracted for but not provided for in the unaudited interim condensed consolidated financial information.

## **Pledge of Assets**

As at 30 September 2024, certain bank loans of the Group were secured by the Group's property, plant and equipment, owned investment properties and certain rental income generated therefrom, with a total carrying value of approximately HK\$271.1 million (31 March 2024: approximately HK\$438.1 million).

## **Financial Guarantee**

As at 30 September 2024, the Group has provided guarantees to a bank in connection with facilities granted to CAP up to HK\$370 million (31 March 2024: HK\$370 million).

## **Other Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries and Future Plans for Material Investments or Capital Assets**

Save as disclosed above, there was no significant investment held, nor was there any material acquisition or disposal of subsidiaries, associates and joint ventures during the Period, As at 30 September 2024, the Group did not have any concrete plan for material investments or capital assets nor acquisition or disposal of subsidiaries, associated and joint ventures.

## **Events After Reporting Period**

There is no material subsequent event undertaken by the Company or by the Group after 30 September 2024 and up to the date of this announcement.



## **RELATIONSHIP WITH EMPLOYEES, SUPPLIERS AND CUSTOMERS**

The Group recognises our employees as the key element that contributes to the Group's success. As at 30 September 2024, the Group had 817 (31 March 2024: 810) employees, of whom approximately 80.8% (31 March 2024: approximately 81.0%) were located in Hong Kong and Macau and the rest were located in mainland China. The Group remunerated its employees based on industry practices and individual performance and experience. On top of the regular remuneration, discretionary bonus and share options may also be granted to selected staff by reference to the Group's performance, where appropriate, as well as the individual's performance. The Group also provides a defined contribution to the Mandatory Provident Fund as required under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for our eligible employees in Hong Kong and pays retirement contributions in accordance with the statutory requirements for our Macau and PRC staff. Other benefits such as medical and retirement benefits and structured training programs were also provided. Meanwhile, the Group endeavors to provide a safe workplace to our employees. The Board believes that the Group maintains admirable relations with the employees.

Besides, the Group understands that it is important to maintain good relationships with the stakeholders, including business partners, suppliers, customers, shareholders, investors and bankers to achieve its longterm business growth and development. With an aim to enhancing the competitiveness of the brands of the Group, it endeavors to provide consistently high quality and large range of products to its customers; and to build up and maintain a trustworthy and long-term relationship with its suppliers.

## **PROSPECTS**

### **Chinese Pharmaceutical and Health Food Products**

Wai Yuen Tong is resolute in its commitment to delivering high-quality consultation services in Traditional Chinese Medicine (TCM), despite the prevailing challenges in the retail market. The organization recognizes the critical importance of specialization and is focused on providing personalized, professional services that address the distinct needs of each customer. By emphasizing specialized therapeutic TCM consultations, Wai Yuen Tong seeks to differentiate ourselves and enhance the overall customer experience. Furthermore, the company is dedicated to advancing its Customer Relationship Management (CRM) system, aimed at cultivating stronger relationships with our customers, thereby fostering trust and loyalty. Through a strategic prioritization of customer engagement, Wai Yuen Tong is committed to establishing long-term relationships that yield reciprocal benefits for both the organization and our clientele.

Looking ahead, the national policy for the Guangdong-Hong Kong-Macau Greater Bay Area presents a highly favorable outlook for the Chinese pharmaceutical and health food sectors, offering substantial opportunities for growth and expansion. Wai Yuen Tong is uniquely & strategically well-positioned to leverage on these prospects, aligning its business strategies with the evolving market dynamics of the region. Additionally, the Group is committed to continue investment in cross-border e-commerce initiatives to enhance brand presence and capitalize on regional opportunities.

By maintaining a steadfast commitment to delivering exceptional services, enhancing customer relationships, and capitalizing on the opportunities presented by the Greater Bay Area policy, Wai Yuen Tong is positioned to navigate the uncertainties of the current retail market. This strategic focus aims to secure the company’s sustained success within the Chinese pharmaceutical and health food products industry.

### **Western Pharmaceuticals and Health Food Products**

We have been recruiting the Strategic Distribution Partners for Madame Pearl’s cough syrup for children in Mainland China since the April 2024. The product has been listed in several “Top 10” pharmacy chains, hospitals and clinics. The sales was steadily growth and expecting it will be substantial in the coming years. Simultaneously, the Group is diversifying the business by launching tablets form medicines, for treating Upper Respiratory Infection (URI) under the brand name “Madame Pearl’s”, aiming to establish “Madame Pearl’s” as the specialist for URI treatment.

Following the Covid-19 pandemic, peoples are increasingly concerned about sub-health which leading the health supplement market’s growth potential. The Group is focusing on health supplement market, and searching potential products worldwide, selecting four innovated products to launch next year. These four products are scientifically developed to improve or prevent specific areas: (i) glucose level, (ii) cholesterol level, (iii) liver health, and (iv) joint function. All these health concern are particularly prevalent in Hong Kong and China. With these potential products, we expect to make a constructive contribution to the Group.

### **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

During the Period, the Company repurchased a total of 46,000,000 shares of HK\$0.01 each of the Company on The Stock Exchange of Hong Kong Limited. All the repurchased shares were subsequently cancelled by the Company on 3 May 2024.

Details of the share repurchases during the Period are as follows:

<b>Month of repurchase</b>	<b>Number of share repurchased</b>	<b>Purchase price per share</b>		<b>Aggregate amount HK\$ (in million)</b>
		<b>Highest HK\$</b>	<b>Lowest HK\$</b>	
April 2024	46,000,000	0.260	0.250	11.80

The repurchases of the Company’s shares during the Period were made pursuant to the mandate granted by the shareholders of the Company (the “**Shareholder(s)**”) at the 2023 annual general meeting of the Company held on 22 August 2023, with a view to benefiting the Shareholders as a whole by enhancing the net asset value per share and earnings per share of the Company. As at 30 September 2024 and up to the date of this announcement, the total number of shares of the Company in issue was 1,125,102,888 shares.

Save as disclosed above, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the Period.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

The Company is committed to maintaining a high standard of corporate governance within a sensible framework with a strong emphasis on transparency, accountability, integrity and independence and enhancing the Company's competitiveness and operating efficiency, to ensure its sustainable development and to enhance its shareholder value.

The Board has reviewed the corporate governance practices of the Company and is satisfied that the Company had applied the principles and complied with the code provisions set out in the Corporate Governance Code (the "**CG Code**") as contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") throughout the Period, except for the following deviation:

### **Code provision C.2.1**

Code provision C.2.1 provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. During the Period, Mr. Tang Ching Ho ("**Mr. Tang**"), the chairman of the Board, also assumed the role of managing Director, which arrangement deviated from code provision C.2.1 of the CG Code. Mr. Tang has extensive management experience in corporate management and is responsible for overall corporate planning, strategic policy making of the Group which is of great value in enhancing the efficiency to cope with the dynamic business environment. Furthermore, there are various experienced individuals in charge of various business units in the daily business operation and the Board comprises three executive Directors and three independent non-executive Directors with balance of skill and experience appropriate for the Group's further development. The Company does not propose to comply with code provision C.2.1 of the CG Code for the time being but will continue to review such deviation to enhance the best interest of the Group as a whole.

The Group continues to review and propose, as and when appropriate, by taking into consideration of such deviation and any other relevant factors.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted its code of conduct regarding securities transactions by the Directors on the terms no less exacting than the required standard set forth in the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules. Having made specific enquiries of all Directors, the Directors confirmed that they had complied with the required standard set out in the Model Code throughout the Period and no incident of non-compliance by the Directors was noted by the Company during the Period.

## **AUDIT COMMITTEE**

The Company has established the Audit Committee with specific terms of reference (as amended from time to time) in compliance with Rule 3.21 of the Listing Rules for the purposes of reviewing and providing supervision over, among other things, the Group's financial reporting process, internal controls, risk management and other corporate governance issues. The Audit Committee has reviewed with the Company's management the unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2024. The Audit Committee comprises the three independent non-executive Directors, namely Messrs. Li, Ka Fai, David, Sit Wing Hang and Chan Wing Kwong, and Mr. Li Ka Fai, David is the chairman of the Audit Committee.

## **PUBLICATION OF RESULTS ANNOUNCEMENT AND DESPATCH OF INTERIM REPORT**

The interim results announcement is published on the websites of the Stock Exchange at ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company at ([www.wyth.net](http://www.wyth.net)). The 2024 interim report containing all the information required by the Listing Rules will be despatched to the shareholders of the Company and available on the above websites in due course.

By Order of the Board  
**WAI YUEN TONG MEDICINE HOLDINGS LIMITED**  
(位元堂藥業控股有限公司\*)  
**Tang Ching Ho**  
*Chairman and Managing Director*

Hong Kong, 27 November 2024

*As at the date of this announcement, the executive Directors are Mr. Tang Ching Ho, Ms. Tang Wai Man and Ms. Law Man Yee, Anita and the independent non-executive Directors are Mr. Li Ka Fai, David, Professor Sit Wing Hang and Professor Chan Wing Kwong.*