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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 2025

Interim Financial Highlights

<i>HK\$' million</i>	Six months ended 30 September		Change
	2025 (Unaudited)	2024 (Unaudited)	
Revenue	322.8	346.8	(6.9)%
Gross profit	165.3	182.0	(9.2)%
Profit attributable to owners of the parent	2.8	23.7	(88.2)%
Earnings per share (<i>HK cents</i>)			
— Basic and diluted	0.25	2.10	(1.85)
	As at 30 September 2025 (Unaudited)	As at 31 March 2025 (Audited)	
Net asset value	1,181.5	1,179.6	0.2%
Cash and cash equivalents	121.2	132.3	(8.4)%
Gearing ratio	15.3%	17.9%	(2.6)pp

* 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 2025, together with the comparative figures for the corresponding period in 2024. 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

For the six months ended 30 September 2025

		Six months ended 30 September	
		2025	2024
		(Unaudited)	(Unaudited)
	Notes	HK\$'000	HK\$'000
REVENUE	4	322,817	346,843
Cost of sales		(157,521)	(164,824)
Gross profit		165,296	182,019
Other income and gains, net	4	23,489	46,240
Selling and distribution expenses		(131,669)	(131,850)
Administrative expenses		(53,984)	(63,443)
Fair value gains/(losses) on financial assets at fair value through profit or loss, net		1,002	(4,170)
Fair value gains on investment properties, net		6,213	13,141
Reversal of impairment losses/(impairment losses) on trade receivables, net		951	(997)
Other expenses, net		(87)	(1,349)
Finance costs	6	(8,849)	(14,954)
Share of profits and losses of associates		177	515
PROFIT BEFORE TAX	5	2,539	25,152
Income tax credit/(expense)	7	260	(1,410)
PROFIT FOR THE PERIOD		2,799	23,742

	Six months ended 30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
OTHER COMPREHENSIVE INCOME/ (LOSS)		
<i>Other comprehensive income/(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	50	(74)
Reclassification adjustment for gain included in profit or loss:		
— Gain on disposal/redemption	—	(426)
Subtotal	50	(500)
Translation reserve:		
Translation of foreign operations	387	(117)
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	437	(617)
<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	(1,327)	879
OTHER COMPREHENSIVE INCOME/ (LOSS) FOR THE PERIOD	(890)	262
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1,909	24,004

		Six months ended 30 September	
		2025	2024
		(Unaudited)	(Unaudited)
		HK\$'000	HK\$'000
	Note		
Profit attributable to:			
Owners of the parent		2,772	23,701
Non-controlling interests		27	41
Total		2,799	23,742
Total comprehensive income attributable to:			
Owners of the parent		1,882	23,963
Non-controlling interests		27	41
Total		1,909	24,004
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	9		
Basic and diluted		HK0.25 cent	HK2.10 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 September 2025

		30 September 2025 (Unaudited) HK\$'000	31 March 2025 (Audited) HK\$'000
	Note		
NON-CURRENT ASSETS			
Property, plant and equipment		600,134	638,547
Investment properties		136,300	129,900
Net investments in subleases		2,316	4,232
Investments in associates		3,155	2,978
Financial assets at fair value through other comprehensive income		2,372	3,699
Loans receivables		295,000	295,000
Prepayments and deposits		15,087	18,823
Deferred tax assets		21,047	21,047
Total non-current assets		1,075,411	1,114,226
CURRENT ASSETS			
Inventories		238,071	238,098
Trade receivables	10	62,532	67,346
Loans and interest receivables		112,204	112,453
Prepayments, deposits and other receivables		65,595	56,543
Net investments in subleases		3,080	3,856
Financial assets at fair value through other comprehensive income		505	455
Financial assets at fair value through profit or loss		10,929	9,927
Tax recoverable		119	29
Cash and cash equivalents		121,169	132,316
Total current assets		614,204	621,023

		30 September 2025 (Unaudited) HK\$'000	31 March 2025 (Audited) HK\$'000
	Note		
CURRENT LIABILITIES			
Trade payables	11	30,978	18,271
Other payables and accruals		137,138	139,089
Contract liabilities		7,456	9,364
Interest-bearing bank borrowings		301,478	187,345
Tax payable		4,783	4,864
Total current liabilities		481,833	358,933
NET CURRENT ASSETS		132,371	262,090
TOTAL ASSETS LESS CURRENT LIABILITIES		1,207,782	1,376,316
NON-CURRENT LIABILITIES			
Other payables		26,003	40,476
Interest-bearing bank borrowings		—	155,950
Deferred tax liabilities		300	320
Total non-current liabilities		26,303	196,746
Net assets		1,181,479	1,179,570
EQUITY			
Equity attributable to owners of the parent			
Issued capital		11,251	11,251
Reserves		1,171,699	1,169,817
Subtotal		1,182,950	1,181,068
Non-controlling interests		(1,471)	(1,498)
Total equity		1,181,479	1,179,570

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 2025 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 (“**HKICPA**”) and the disclosure requirements of Appendix D2 of the Rules Governing the Listing of Securities on the Stock Exchange.

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 2025.

The accounting policies and the basis of preparation adopted in the preparation of this unaudited interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s audited consolidated financial statements for the year ended 31 March 2025, which have been prepared in accordance with HKFRS Accounting Standards (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 amended HKFRS Accounting Standard 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 amended HKFRS Accounting Standard for the first time for the current period’s unaudited interim condensed consolidated financial information:

Amendments to HKAS 21

Lack of Exchangeability

The nature and impact of the amended HKFRS Accounting Standard are described below:

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group’s presentation currency were exchangeable, 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 three reportable operating segments as follows:

- production and sale of Chinese pharmaceutical and health food products and relevant services — (i) 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 Mainland China and Hong Kong, (ii) provision of Traditional Chinese Medicine (“TCM”) services, and (iii) provision of management and promotion services (“**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 premises for rental income.

Management monitors the results of the Group’s operating segments separately for the purpose of making decisions about resource 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 before tax except that bank interest income, finance costs, fair value gains/losses from the Group’s financial instruments at FVTPL as well as 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.

The segmentations are based on the information about the operation of the Group that management uses to make decisions and regularly review by the chief operating decision maker for the purpose of allocating resources to segments and assessing their performance.

Segment revenue and results

Six months ended 30 September

	Chinese Pharmaceutical Segment		Western Pharmaceutical Segment		Property investment		Eliminations		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue and income										
Sales to external customers	292,825	306,351	28,635	38,461	1,357	2,031	—	—	322,817	346,843
Intersegment sales	—	—	309	584	1,945	3,540	(2,254)	(4,124)	—	—
Total segment revenue (note 4)	292,825	306,351	28,944	39,045	3,302	5,571	(2,254)	(4,124)	322,817	346,843
Other income and gains, net	1,872	1,700	156	168	31	16,404	—	—	2,059	18,272
Total	294,697	308,051	29,100	39,213	3,333	21,975	(2,254)	(4,124)	324,876	365,115
Segment results	(12,911)	(2,149)	6,164	280	5,323	31,869	—	—	(1,424)	30,000
<i>Reconciliation:</i>										
Bank interest income									180	1,168
Finance costs									(8,849)	(14,954)
Fair value gains/(losses) on financial assets at FVTPL, net									1,002	(4,170)
Corporate and other unallocated income and expenses, net									11,630	13,108
Profit before tax									2,539	25,152
Income tax credit/(expense)									260	(1,410)
Profit for the period									2,799	23,742

4. REVENUE, OTHER INCOME AND GAINS, NET

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

	Six months ended 30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
<i>Revenue from contracts with customers</i>	321,460	344,812
<i>Revenue from other sources</i>		
Gross rental income from investment property operating leases	1,357	2,031
Total	322,817	346,843

Disaggregated revenue information for revenue from contracts with customers

For the six months ended 30 September 2025

Segments

	Chinese Pharmaceutical Segment (Unaudited) HK\$'000	Western Pharmaceutical Segment (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
Types of goods or services			
— Sale of goods	281,912	28,635	310,547
— Management and promotion services	5,455	—	5,455
— TCM services	5,458	—	5,458
Total	<u>292,825</u>	<u>28,635</u>	<u>321,460</u>
Geographical markets			
Hong Kong	224,260	18,267	242,527
Mainland China	45,365	7,234	52,599
Macau	22,600	2,960	25,560
Others	600	174	774
Total	<u>292,825</u>	<u>28,635</u>	<u>321,460</u>
Timing of revenue recognition			
Goods or services transferred at a point in time	287,370	28,635	316,005
Services transferred over time	5,455	—	5,455
Total	<u>292,825</u>	<u>28,635</u>	<u>321,460</u>

For the six months ended 30 September 2024

Segments

	Chinese Pharmaceutical Segment (Unaudited) <i>HK\$'000</i>	Western Pharmaceutical Segment (Unaudited) <i>HK\$'000</i>	Total (Unaudited) <i>HK\$'000</i>
Types of goods or services			
— Sale of goods	293,566	38,461	332,027
— Management and promotion services	6,451	—	6,451
— TCM services	6,334	—	6,334
Total	306,351	38,461	344,812
Geographical markets			
Hong Kong	248,871	23,990	272,861
Mainland China	31,621	9,462	41,083
Macau	24,342	4,693	29,035
Others	1,517	316	1,833
Total	306,351	38,461	344,812
Timing of revenue recognition			
Goods or services transferred at a point in time	299,900	38,461	338,361
Services transferred over time	6,451	—	6,451
Total	306,351	38,461	344,812

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 2025

Segments

	Chinese Pharmaceutical Segment (Unaudited) HK\$'000	Western Pharmaceutical Segment (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
Revenue from contracts with customers			
External customers	292,825	28,635	321,460
Intersegment sales	—	309	309
Subtotal	292,825	28,944	321,769
Intersegment adjustments and eliminations	—	(309)	(309)
Total	<u>292,825</u>	<u>28,635</u>	<u>321,460</u>

For the six months ended 30 September 2024

Segments

	Chinese Pharmaceutical Segment (Unaudited) HK\$'000	Western Pharmaceutical Segment (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
Revenue from contracts with customers			
External customers	306,351	38,461	344,812
Intersegment sales	—	584	584
Subtotal	306,351	39,045	345,396
Intersegment adjustments and eliminations	—	(584)	(584)
Total	<u>306,351</u>	<u>38,461</u>	<u>344,812</u>

An analysis of the Group's other income and gains, net, is as follows:

	Six months ended	
	30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Other income		
Interest income on loans receivable from		
China Agri-Products Exchange Limited (“CAP”)	14,790	19,518
Interest income on loans receivable from		
Wang On Group Limited (“Wang On”)	5,014	4,101
Interest income on financial assets at FVTPL and FVTOCI	—	178
Interest income on bank deposits	180	1,168
Finance income on net investments in subleases	171	147
Dividends from financial assets at FVTPL and FVTOCI	—	361
Rental income from other properties	2,097	2,442
Government subsidies (note)	100	441
Others	1,106	981
Total other income	23,458	29,337
Gains, net		
Gain on disposal/redemption of debt investments at FVTOCI	—	426
Gain on disposal of items of property, plant and equipment, net	31	16,093
Exchange gains, net	—	384
Total gains, net	31	16,903
Total other income and gains, net	23,489	46,240

Note: Government subsidies during the six months ended 30 September 2025 represented the one-off subsidies of HK\$100,000 granted by The Government of the Hong Kong Special Administrative Region's SME Export Marketing Fund (six months ended 30 September 2024: HK\$441,000 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 2025 and 2024 and recognised these grants in profit or loss as “Other income and gains, net” in the respective reporting period.

5. PROFIT BEFORE TAX

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

	Six months ended 30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Cost of inventories recognised as an expense (including allowance for obsolete inventories of HK\$1,675,000 (six months ended 30 September 2024: HK\$1,051,000))	144,593	151,566
Cost of services provided	12,928	13,258
Depreciation of owned assets	16,390	16,915
Depreciation of right-of-use assets	25,048	27,149
Total	41,438	44,064
Foreign exchange differences, net	87*	(384)
Impairment losses/(reversal of impairment losses) on trade receivables, net:	(951)	997
Gross rental income	(3,454)	(4,473)
Less: Direct outgoing expenses	315	1,046
Net rental income	(3,139)	(3,427)
Impairment losses on items of property, plant and equipment, net	—	189*
Losses on disposal of investment properties	—	1,160*

* 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 is as follows:

	Six months ended 30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interest on bank borrowings	6,428	12,475
Interest on lease liabilities	2,421	2,479
Total	8,849	14,954

7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 September 2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	Six months ended 30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Current — Hong Kong		
Underprovision/(overprovision) in prior periods	(240)	500
Deferred taxation	(20)	910
Total tax charge/(credit) for the period	(260)	1,410

8. DIVIDEND

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

No final dividend was declared and paid for the year ended 31 March 2025.

The board of directors does not recommend the payment of any interim dividend for the six months ended 30 September 2025 (six months ended 30 September 2024: Nil).

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

The calculation of the basic earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,125,102,888 (six months ended 30 September 2024: 1,126,567,369) outstanding during the period.

No adjustment has been made to the basic earnings per share amounts presented for the six months ended 30 September 2025 and 2024 as the Group had no potentially dilutive ordinary shares in issue during the periods.

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

	Six months ended 30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
<u>Earnings</u>		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation	<u>2,772</u>	<u>23,701</u>
	Number of shares	
	Six months ended	
	30 September	
	2025	2024
<u>Shares</u>		
Weighted average number of ordinary shares outstanding during the period used in the basic and diluted earnings per share calculation	<u>1,125,102,888</u>	<u>1,126,567,369</u>

10. TRADE RECEIVABLES

	30 September 2025	31 March 2025
	(Unaudited)	(Audited)
	HK\$'000	HK\$'000
Trade receivables	68,873	74,584
Less: Accumulated impairment	<u>(6,341)</u>	<u>(7,238)</u>
Net carrying amount	<u>62,532</u>	<u>67,346</u>

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\$9,323,000 (31 March 2025: HK\$9,575,000), which are unsecured, non-interest-bearing and repayable on credit terms similar to those offered to the major customers of the Group.

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

	30 September 2025 (Unaudited) HK\$'000	31 March 2025 (Audited) HK\$'000
Within 1 month	45,200	51,515
1 to 3 months	12,724	14,500
Over 3 months but within 6 months	3,652	716
Over 6 months	956	615
Total	62,532	67,346

11. TRADE PAYABLES

	30 September 2025 (Unaudited) HK\$'000	31 March 2025 (Audited) HK\$'000
Trade payables	30,978	18,271

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

	30 September 2025 (Unaudited) HK\$'000	31 March 2025 (Audited) HK\$'000
Within 1 month	19,235	10,982
1 to 3 months	5,539	2,102
Over 3 months but within 6 months	1,173	334
Over 6 months	5,031	4,853
Total	30,978	18,271

The trade payables are non-interest-bearing. The trade 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 for the six months ended 30 September 2025 (six months ended 30 September 2024: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

Revenue

For the six months ended 30 September 2025 (the “**Period**”), total revenue of the Group decreased by approximately HK\$24.0 million or approximately 6.9% to approximately HK\$322.8 million, as compared to approximately HK\$346.8 million for the six months ended 30 September 2024, which was mainly attributable to weakened sales performance of both Chinese and Western pharmaceutical and health food products.

Gross profit

The Group’s gross profit decreased by approximately HK\$16.7 million or approximately 9.2% to approximately HK\$165.3 million for the Period as compared to approximately HK\$182.0 million for the six months ended 30 September 2024. The decrease was mainly due to decrease in sale of Chinese pharmaceutical and health food products and relevant services and sale of Western pharmaceutical and health food products. The GP% slightly decreased by 1.3% point to approximately 51.2% for the Period from approximately 52.5% for the six months ended 30 September 2024. The decrease mainly due to change of sales mix.

Other income and gains, net

Net other income and gains of the Group decreased by approximately HK\$22.7 million or approximately 49.2% from approximately HK\$46.2 million for the six months ended 30 September 2024 to approximately HK\$23.5 million for the Period. The decrease was mostly because of reduced net gain on disposal of items of property, plant and equipment as compared with the corresponding period in 2024.

Selling and distribution expenses

Selling and distribution expenses decreased by approximately HK\$0.2 million or approximately 0.1% from approximately HK\$131.9 million for the six months ended 30 September 2024 to approximately HK\$131.7 million for the Period. The decrease was mainly owing to certain cost saving measures which partially offset by increase of marketing cost for expansion of e-commerce business.

Administrative expenses

Administrative expenses decreased by approximately HK\$9.4 million or approximately 14.9% from approximately HK\$63.4 million for the six months ended 30 September 2024 to approximately HK\$54.0 million for the Period. The decrease was mainly due to decrease in legal and professional fee.

Other expenses, net

Other expenses decreased by approximately HK\$1.2 million or approximately 93.6% from approximately HK\$1.3 million for the six months ended 30 September 2024 to approximately HK\$0.1 million for the Period. The decrease was mostly attributable to decrease in losses on disposal of investment properties compared to the amount recorded in the corresponding period in 2024.

Income tax

For the Period, there was an income tax credit of approximately HK\$0.3 million as compared to an income tax expense of approximately HK\$1.4 million for the six months ended 30 September 2024. The decrease was mainly due to the release of overprovision in prior periods during the Period.

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\$2.8 million (six months ended 30 September 2024: approximately HK\$23.7 million). Such decrease was mainly attributable to a decrease of approximately 6.9% in revenue driven by weakened consumer sentiment in the retail market which resulted in a drop in gross profit of the Group, a significant decrease of net gains on disposal of properties and a reduction in net fair value gains on investment properties.

BUSINESS REVIEW

Chinese Pharmaceutical and Health Food Products and Relevant Services

The retail sector in Hong Kong is currently facing notable changes in consumer behavior in 2025. There has been a significant shift among mainland Chinese tourist, moving away from high-value shopping towards a greater emphasis on experiential activities. Concurrently, an increasing number of local residents in Hong Kong are travelling to Mainland China, particularly the Greater Bay Area, to engage in various activities including medical services. As a consequence of these trends, the Group has reported a sales decline of 4.4% during the period from April to September 2025 compared to the corresponding period in 2024. Nevertheless, we have observed a recovery in sales momentum during the National Day holidays in October. Additionally, during the Period the Cross Border E-commerce business of the Group has experienced substantial growth by approximately 154%, driven by enhanced marketing strategies and the expansion of the distribution channels.

The Group has put in effort in this year to enhance the technology capability, with the objective of consistently providing optimal health solutions to the consumers. The Group has successfully implemented new state-of-the-art Customer Relationship Management (“CRM”) systems in Hong Kong and Mainland China, allowing for seamless customer relations and service delivery. Furthermore, the Group has introduced a cutting-edge Artificial Intelligence Traditional Chinese Medicine (“TCM”) diagnostic system for TCM at the premier stores in Hong Kong. This initiative enables well-trained Chinese Medicine practitioners to offer integrated health services, thereby attracting new consumers to Wai Yuen Tong stores for TCM services and health supplements products. In addition, the Group is planning further enhancements to the services, including the upgrade of Wai Yuen Tong E-shop and the introduction of new Wai Yuen Tong applications. These initiatives demonstrate the continuous commitment to providing an exemplary shopping experience to our customers.

Wai Yuen Tong continues to advance its commitment to product innovation, exemplified by the successful launch of Wai Yuen Tong Body Dampness (位元堂祛濕清) marketing campaign this summer, which included a combination of outdoor and digital promotional activities. Wai Yuen Tong Body Dampness has swiftly emerged as the top-selling health supplement, resulting in a notable increase in sales. To further reinforce the leadership of the Group in the over-the-counter (“OTC”) products market, the Group will be launching new marketing campaigns for the flagship products, Angong Niuhuang Wan (安宮牛黃丸) and Hou Tsao Powder (猴棗除痰散), in the upcoming fall and winter seasons.

With the announcement of Greater Bay Area simplified OTC product registration procedure (大灣區簡化中成藥審批流程), the team of professionals has been collaborating closely with relevant Chinese authorities. The Group is pleased to announce that Hou Tsao Powder has received approval as the inaugural OTC product from Hong Kong under this new scheme. This achievement will facilitate the availability of Hou Tsao Powder to millions of consumers across Mainland China next year.

Western Pharmaceutical and Health Food Products

The respiratory health market in Hong Kong exhibited a moderate contraction in 2025, characterized by diminished seasonal demand and intensified competitive dynamics. During the Period, the revenue of western pharmaceutical and health food products decreased by 25.5% compared to the corresponding period in 2024. Notwithstanding these market headwinds, Madame Pearl’s cough syrup maintained its category leadership for the 15th consecutive year — a testament to its enduring brand equity and strategic market positioning. This sustained performance was underpinned by a comprehensive 71st anniversary marketing initiative, deploying integrated multi-channel activities including brand-new television commercials, targeted digital engagement outreach, and strategic outdoor advertising placements. These initiatives have effectively reinforced brand prestige while facilitating the acquisition of new customer.

In Mainland China, Madame Pearl has made significant strides in expanding its distribution network, now encompassing over 40,000 outlets, including major pediatric hospitals, chain pharmacies and prominent e-commerce platforms. The Company remains resolute in its commitment to broadening the availability of its products, with a particular emphasis on improving respiratory health among Chinese consumers. This strategic expansion not only enhances brand visibility but also positions Madame Pearl as a key player in the burgeoning health and wellness market in Mainland China.

Within the personal care segment, the Pearl’s brand executed high-impact marketing activations, including a co-branding initiative with the renowned Japanese animation franchise “Pokémon”. These efforts, complemented by enhanced in-store merchandising solutions, have successfully increased brand relevance among young family demographics. Moreover, cross-border e-commerce channels have demonstrated sales growth of approximately 5% year-on-year, indicating effective digital transformation and platform optimization strategies.

The division’s strategic combination of brand heritage preservation, innovative approaches, and systematic market expansion has solidified its leadership position in Hong Kong’s respiratory health market while establishing a formidable presence in the Greater Bay Area market.

Property Investment

As at 30 September 2025, the Group owned 4 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 gains on investment properties for the Period amounted to approximately HK\$6.2 million (six months ended 30 September 2024: net fair value gains of approximately HK\$13.1 million) as a result of the recovery of the property market. During the Period, the Group completed the disposal of a property situated at Shop on G/F with the cockloft, 60A Yen Chow Street, Kowloon, Hong Kong at a total consideration of HK\$19.5 million to an independent third party.

FINANCIAL REVIEW

Liquidity and Gearing and Financial Resources

As at 30 September 2025, the Group had total assets of approximately HK\$1,689.6 million (31 March 2025: approximately HK\$1,735.2 million) which were financed by current liabilities of approximately HK\$481.8 million (31 March 2025: approximately HK\$358.9 million), non-current liabilities of approximately HK\$26.3 million (31 March 2025: approximately HK\$196.7 million) and shareholders' equity of approximately HK\$1,181.5 million (31 March 2025: approximately HK\$1,179.6 million).

As at 30 September 2025, the Group's total of cash and cash equivalents were approximately HK\$121.2 million, of which approximately HK\$96.4 million was denominated in HKD, approximately HK\$19.9 million was denominated in RMB, and approximately HK\$4.9 million was denominated in other currencies mainly in MOP (31 March 2025: approximately HK\$132.3 million, of which approximately HK\$96.6 million was denominated in HKD, approximately HK\$22.9 million was denominated in RMB, and approximately HK\$12.8 million was denominated in other currencies mainly in MOP).

As at 30 September 2025, the Group's total interest-bearing debts amounted to approximately HK\$301.5 million, all were matured within 1 year or repayable on demand (31 March 2025: approximately HK\$343.3 million of which approximately HK\$187.3 million was matured within 1 year or repayable on demand and approximately HK\$156.0 million was matured within 2 years), all of which bore interest at floating interest rates and were denominated in Hong Kong dollars. The effective interest rate for these bank loans with floating rates was approximately 4.0% per annum for the Period (31 March 2025: approximately 6.1% per annum).

The current ratio, being a ratio of total current assets to total current liabilities, was approximately 1.3 (31 March 2025: approximately 1.7). The gearing ratio, being the ratio of total interest-bearing debts net of cash and cash equivalents to equity attributable to owners of the parent, was approximately 15.3% (31 March 2025: approximately 17.9%). The Group always adopts a conservative approach in its financial management.

As at 30 September 2025 and 31 March 2025, the Company's issued share capital was approximately HK\$11,251,029 which were divided into 1,125,102,888 ordinary shares of HK\$0.01 each.

Foreign Exchange

The Board is of the opinion that the Group has limited 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 re-translation 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 gain of approximately HK\$0.4 million (six months ended 30 September 2024: loss of approximately HK\$0.1 million). The re-translation gain/loss was recognised in other comprehensive income/exchange reserve.

Treasury Policy

To ensure adequate financial resources are available for business growth while 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 2025, the Group had capital commitment of approximately HK\$1.9 million (31 March 2025: approximately HK\$8.5 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 2025, certain bank loans of the Group were secured by the Group's property, plant and equipment, investment properties and certain rental income generated therefrom, with a total carrying value of approximately HK\$312.2 million (31 March 2025: approximately HK\$274.8 million).

Financial Guarantee and Contingent Liabilities

The Group has provided guarantees to a bank in connection with facilities granted to China Agri-Products Exchange Limited ("CAP", a fellow subsidiary of the Company, listed on the Stock Exchange with stock code: 0149) up to HK\$370.0 million as at 31 March 2025 and such facilities were utilised to the extent of HK\$120.1 million as at 31 March 2025. These guarantees was released upon the repayment of the relevant loans by CAP in July 2025.

The Group did not have any material contingent liabilities as at 30 September 2025.

Other Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries, Associate and Joint Venture 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 2025, the Group did not have any concrete plan for material investments or capital assets nor acquisition or disposal of subsidiaries, associates or joint ventures.

Events After Reporting Period

There is no material subsequent event undertaken by the Company or by the Group after 30 September 2025 and up to the date of this announcement.

RELATIONSHIP WITH EMPLOYEES, SUPPLIERS AND CUSTOMERS

The Group recognises our employees as a key element contributing to the Group's success. As at 30 September 2025, the Group had 726 (31 March 2025: 759) employees, of whom approximately 86.5% (31 March 2025: approximately 84.5%) were located in Hong Kong and Macau and the rest were located in Mainland China. The Group remunerates its employees based on industry practices, individual performance and experience. In addition to 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 contributions. 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 eligible employees in Hong Kong and pays retirement contributions in accordance with the statutory requirements for staff in Macau and Mainland China. Additional benefits include medical and retirement plans and structured training programs. Meanwhile, the Group endeavors to provide a safe workplace to our employees. The Board believes that the Group maintains excellent relations with its employees.

The Group also understands the importance of maintaining good relationships with stakeholders, including business partners, suppliers, customers, shareholders, investors and bankers to support long-term business growth and sustainable development. With the aim of enhancing the competitiveness of its brands, the Group endeavors to offer consistently high quality and wide range of products to its customers; while building and maintaining trustworthy and long-term relationships with its suppliers.

PROSPECTS

Chinese Pharmaceutical and Health Food Products and Relevant Services

Whilst celebrating our 128th anniversary since Wai Yuen Tong was founded in 1897 in Guangzhou, the Group is committed to providing high quality professional health solutions to Chinese consumers. With headquarters situated in Hong Kong, Wai Yuen Tong boasts a proficient team and a comprehensive network that extends throughout China and internationally. The strategic positioning enables Wai Yuen Tong to lead the TCM sector. The Group intends to harness government support and technological advancements to spearhead the future development of TCM industry within the Greater Bay Area. Furthermore, Wai Yuen Tong aims to promote the standardization and advancement of professional TCM services on a global scale, capitalizing on Hong Kong's unique heritage and advantageous position.

Western Pharmaceuticals and Health Food Products

Following the COVID-19 pandemic, there has been growing public concern on health and well-being, which presents considerable opportunities for Madam Pearl's to solidify the leadership of the Group in the respiratory health market and expand its presence in adjacent relevant segments through various ongoing innovation initiatives underway. Specifically in the Chinese market, the Group has successfully established a strategic partnership and expanded the distribution of Madame Pearl's cough syrup amongst leading pharmacy chains & hospitals. The Group is confident that these developments will lead to significant business growth in the forthcoming years.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities (including sale of treasury share) of the Company during the six months ended 30 September 2025. The Company and its subsidiaries did not hold any treasury shares as at 30 September 2025.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining high standards of corporate governance within a practical framework with a strong emphasis on transparency, accountability, integrity and independence. This commitment aims to enhance the Company's competitiveness and operational efficiency, ensure sustainable development and increase shareholder value.

The Board has reviewed the corporate governance practices of the Company and is satisfied that the Company has applied the principles and complied with the code provisions set out in the Corporate Governance Code (the "**CG Code**") 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 stipulates 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 deviates from code provision C.2.1 of the CG Code. Mr. Tang brings extensive management experience in corporate management and is responsible for overall corporate planning, strategic policy making for the Group. This arrangement significantly enhances efficiency in adapting to a dynamic business environment. Furthermore, daily operations are managed by 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 for securities transactions by 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 information of the Group for the six months ended 30 September 2025. The Audit Committee comprises three independent non-executive Directors, namely Mr. Li, Ka Fai, David, Professor Sit Wing Hang and Professor 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 (www.hkexnews.hk) and the Company (www.wyth.net). The 2025 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, 24 November 2025

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.