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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 FINAL RESULTS
FOR THE YEAR ENDED 31 MARCH 2026

ANNUAL FINANCIAL HIGHLIGHTS			
<i>HK\$ million</i>	FY2026	FY2025	YoY change
Revenue	683.4	745.3	(8.3%)
Gross profit	361.9	376.5	(3.9%)
Profit for the year	4.1	7.1	(42.3%)
Profit attributable to owners of the parent	4.0	7.1	(43.7%)
Earnings per share (<i>HK cent</i>)			
— Basic and diluted	0.35	0.63	(44.4%)
	As at	As at	
	31 March	31 March	
	2026	2025	
Net asset value	1,180.5	1,179.6	0.1%
Cash and cash equivalents	133.3	132.3	0.8%
Gearing ratio	12.4%	17.9%	(5.5pp)

* For identification purpose only

RESULTS

The board of directors (the “**Board**” or the “**Directors**”) of Wai Yuen Tong Medicine Holdings Limited (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 March 2026, together with the comparative figures for the previous financial year, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 March 2026

	<i>Notes</i>	2026 HK\$'000	2025 HK\$'000
REVENUE	4	683,443	745,298
Cost of sales		<u>(321,512)</u>	<u>(368,845)</u>
Gross profit		361,931	376,453
Other income and gains, net	4	47,068	72,052
Selling and distribution expenses		(276,554)	(299,030)
Administrative expenses		(102,479)	(109,273)
Reversal of impairment losses/(impairment losses) on financial assets, net		1,169	(15,021)
Other expenses, net	5	(11,183)	1,434
Finance costs	7	(17,593)	(28,158)
Fair value losses on financial assets at fair value through profit or loss, net		(14)	(6,500)
Fair value gains/(losses) on investment properties, net		(287)	11,073
Share of profits and losses of associates		<u>1,573</u>	<u>1,045</u>
PROFIT BEFORE TAX	6	3,631	4,075
Income tax credit	8	<u>445</u>	<u>3,017</u>
PROFIT FOR THE YEAR		<u>4,076</u>	<u>7,092</u>

	<i>Notes</i>	2026 HK\$'000	2025 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		(68)	11
Reclassification adjustments for gains included in profit or loss:			
— Reversal of impairment losses	6	—	(1,239)
— Gain on disposal/redemption, net	4	(90)	(426)
Subtotal		(158)	(1,654)
Translation reserve:			
Translation of foreign operations		1,430	(1,080)
Subtotal		1,430	(1,080)
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods		1,272	(2,734)
<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		(507)	699
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		765	(2,035)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		4,841	5,057

	<i>Note</i>	2026 HK\$'000	2025 <i>HK\$'000</i>
Profit/(loss) attributable to:			
Owners of the parent		3,992	7,100
Non-controlling interests		84	(8)
		<hr/>	<hr/>
Total		4,076	7,092
		<hr/> <hr/>	<hr/> <hr/>
Total comprehensive income/(loss) attributable to:			
Owners of the parent		4,569	5,065
Non-controlling interests		272	(8)
		<hr/>	<hr/>
Total		4,841	5,057
		<hr/> <hr/>	<hr/> <hr/>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	<i>10</i>		
Basic and diluted		HK 0.35 cent	HK 0.63 cent
		<hr/> <hr/>	<hr/> <hr/>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2026

	<i>Notes</i>	2026 HK\$'000	2025 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		564,894	638,547
Investment properties		129,800	129,900
Net investments in subleases		1,392	4,232
Investments in associates		3,451	2,978
Financial assets at fair value through other comprehensive income		3,276	3,699
Loans receivables		295,000	295,000
Prepayments and deposits		9,031	18,823
Deferred tax assets		21,047	21,047
		<hr/>	<hr/>
Total non-current assets		1,027,891	1,114,226
CURRENT ASSETS			
Inventories		226,541	238,098
Trade receivables	<i>11</i>	55,308	67,346
Loans and interest receivables		87,374	112,453
Prepayments, deposits and other receivables		81,198	56,543
Net investments in subleases		3,943	3,856
Financial assets at fair value through other comprehensive income		203	455
Financial assets at fair value through profit or loss		10,013	9,927
Tax recoverable		809	29
Cash and cash equivalents		133,276	132,316
		<hr/>	<hr/>
Total current assets		598,665	621,023
CURRENT LIABILITIES			
Trade payables	<i>12</i>	21,276	18,271
Other payables and accruals		119,917	139,089
Contract liabilities		4,123	9,364
Interest-bearing bank borrowings		279,286	187,345
Tax payable		3,944	4,864
		<hr/>	<hr/>
Total current liabilities		428,546	358,933
NET CURRENT ASSETS		<hr/> 170,119	<hr/> 262,090
TOTAL ASSETS LESS CURRENT LIABILITIES		<hr/> 1,198,010	<hr/> 1,376,316

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
TOTAL ASSETS LESS CURRENT LIABILITIES	1,198,010	1,376,316
NON-CURRENT LIABILITIES		
Other payables	17,164	40,476
Interest-bearing bank borrowings	—	155,950
Deferred tax liabilities	303	320
Total non-current liabilities	17,467	196,746
Net assets	1,180,543	1,179,570
EQUITY		
Equity attributable to owners of the parent		
Issued capital	11,251	11,251
Treasury shares	(3,868)	—
Reserves	1,174,386	1,169,817
Subtotal	1,181,769	1,181,068
Non-controlling interests	(1,226)	(1,498)
Total equity	1,180,543	1,179,570

NOTES TO FINANCIAL INFORMATION

31 March 2026

1 BASIS OF PREPARATION

This financial information has been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have 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 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 amendments to HKAS 21 *Lack of Exchangeability* for the first time for the current year’s financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

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 in and the functional currencies of overseas subsidiaries for translation into the Group’s presentation currency were exchangeable, the amendments did not have any impact on the Group’s financial statements.

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 Chinese mainland 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/loss before tax except that bank interest income, finance costs, fair value 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

Year ended 31 March

	Chinese Pharmaceutical Segment		Western Pharmaceutical Segment		Property investment		Eliminations		Total	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	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	607,151	651,693	73,585	90,281	2,707	3,324	—	—	683,443	745,298
Intersegment sales	18	12	440	1,292	3,763	5,848	(4,221)	(7,152)	—	—
Total segment revenue (note 4)	607,169	651,705	74,025	91,573	6,470	9,172	(4,221)	(7,152)	683,443	745,298
Other income and gains, net	1,891	5,476	(1,473)	520	31	16,448	—	—	449	22,444
Total	<u>609,060</u>	<u>657,181</u>	<u>72,552</u>	<u>92,093</u>	<u>6,501</u>	<u>25,620</u>	<u>(4,221)</u>	<u>(7,152)</u>	<u>683,892</u>	<u>767,742</u>
Segment results	<u>(15,552)</u>	<u>(31,752)</u>	<u>7,944</u>	<u>(2,504)</u>	<u>(6,605)</u>	<u>36,113</u>	<u>—</u>	<u>—</u>	<u>(14,213)</u>	<u>1,857</u>
<i>Reconciliation:</i>										
Bank interest income									310	1,439
Finance costs									(17,593)	(28,158)
Fair value losses on financial assets at FVTPL, net									(14)	(6,500)
Corporate and other unallocated income and expenses, net									35,141	35,437
Profit before tax									3,631	4,075
Income tax credit									445	3,017
Profit for the year									<u>4,076</u>	<u>7,092</u>

4. REVENUE, OTHER INCOME AND GAINS, NET

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

	2026 HK\$'000	2025 HK\$'000
Revenue from contracts with customers	680,736	741,974
Revenue from other sources		
Gross rental income from investment property operating leases	2,707	3,324
Total	<u>683,443</u>	<u>745,298</u>

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

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
<u>Other income</u>		
Interest income on loans receivable from China Agri-Products Exchange Limited ("CAP")	29,434	38,758
Interest income on loans receivable from Wang On Group Limited ("Wang On")	9,830	4,681
Interest income on financial assets at FVTOCI	3	544
Interest income on bank deposits	310	1,439
Finance income on net investments in subleases	325	431
Dividend income from financial assets at FVTPL and FVTOCI	—	361
Rental income from other properties	4,186	4,897
Government subsidies (<i>note</i>)	216	150
Others	2,017	2,133
	<hr/>	<hr/>
Total other income	46,321	53,394
<u>Gains, net</u>		
Gain on disposal/redemption of debt investments at FVTOCI	90	426
Gain on disposal of items of property, plant and equipment, net	31	16,368
Gain on modification of lease contracts, net	—	1,864
Gain on sublease	46	—
Exchange gains, net	580	—
	<hr/>	<hr/>
Total gains, net	747	18,658
	<hr/>	<hr/>
Total other income and gains, net	47,068	72,052
	<hr/> <hr/>	<hr/> <hr/>

Note: Government subsidies during the year ended 31 March 2026 represented subsidies granted to support business promotion, market expansion, research activities, and long service payments. (2025: subsidies granted to support business promotion and market expansion). The Group has complied with all attached conditions before 31 March 2026 and 2025.

5. OTHER EXPENSES, NET

An analysis of the Group's other expenses, net, is as follows:

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Loss on disposal of investment properties	—	1,201
Impairment losses/(reversal of impairment losses) on property, plant and equipment, net	11,183	(3,130)
Exchange losses, net	—	495
	<hr/>	<hr/>
Total other expenses, net	11,183	(1,434)
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6. PROFIT BEFORE TAX

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

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Cost of inventories recognised as expense (including allowance for obsolete inventories of HK\$1,366,000 (2025: HK\$4,015,000))	293,691	340,265
Cost of services provided	27,821	28,580
Research and development costs	1,863	1,124
Lease payments not included in the measurement of lease liabilities	4,774	7,553
Auditor's remuneration	3,420	3,800
Depreciation of owned assets	33,525	33,349
Depreciation of right-of-use assets	50,622	57,134
Total	84,147	90,483
Employee benefit expense (excluding directors' remuneration):		
Wages and salaries and other benefits	215,186	232,443
Pension scheme contributions*	8,818	10,124
Total	224,004	242,567
Foreign exchange differences, net	(580)	495
Impairment losses/(reversal of impairment losses) on financial assets, net:		
Debt investments at FVTOCI	—	(1,239)
Trade receivables	(1,169)	15,059
Other receivables	—	1,201
Total	(1,169)	15,021
Gross rental income	(6,893)	(8,221)
Less: Direct outgoing expenses	624	135
Net rental income	(6,269)	(8,086)

* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Interest on bank borrowings	13,365	22,624
Interest on lease liabilities	4,228	5,534
	<hr/>	<hr/>
Total	17,593	28,158
	<hr/> <hr/>	<hr/> <hr/>

8. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2025: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Current — Hong Kong profits tax		
Charge for the year	—	1,637
Overprovision in prior years	(428)	(250)
Deferred taxation	(17)	(4,404)
	<hr/>	<hr/>
Total tax credit for the year	(445)	(3,017)
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9. DIVIDENDS

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Cash dividend 2025 final — Nil (2025: 2024 final — HK3.0 cents) per ordinary share	—	33,753
Special dividend 2025 final — Nil (2025: 2024 final — HK14.7 cents) per ordinary share	—	165,390
	<u>—</u>	<u>199,143</u>

The board of directors of the Company does not recommend the payment of any final dividend in respect of the year ended 31 March 2026 (2025: Nil).

10. 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 year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares outstanding during the year as adjusted to reflect the number of treasury shares held.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 March 2026 and 2025 as the Group had no potentially dilutive ordinary shares outstanding during the years.

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

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
<u>Earnings</u>		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation	<u>3,992</u>	<u>7,100</u>
	Number of shares	
	2026	2025
<u>Shares</u>		
Weighted average number of ordinary shares outstanding during the year used in the basic and diluted earnings per share calculation	<u>1,124,902,011</u>	<u>1,125,837,135</u>

11. TRADE RECEIVABLES

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Trade receivables	58,939	74,584
Less: Impairment allowance	(3,631)	(7,238)
Net carrying amount	55,308	67,346

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. 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.

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:

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Within 1 month	38,058	51,515
Over 1 month but within 3 months	16,054	14,500
Over 3 months but within 6 months	957	716
Over 6 months	239	615
Total	55,308	67,346

12. TRADE PAYABLES

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

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Within 1 month	13,537	10,982
Over 1 month but within 3 months	2,915	2,102
Over 3 months but within 6 months	718	334
Over 6 months	4,106	4,853
Total	21,276	18,271

The trade payables are non-interest-bearing. The trade payables have average terms of 30 to 60 days. The Group has financial risk management policies in place to ensure that all payables are within the credit time frame.

MANAGEMENT DISCUSSION AND ANALYSIS

CONSOLIDATED RESULTS

For the financial year ended 31 March 2026 (the “Year”), total revenue of the Group decreased by approximately 8.3% to approximately HK\$683.4 million, which was mainly attributable to the weakened sales performance of both Chinese and Western pharmaceutical and health food products.

During the Year, the Group recorded a profit attributable to owners of the parent of approximately HK\$4.0 million (2025: approximately HK\$7.1 million). The decrease of profit was mainly attributable to the combined effect of (i) increase in impairment loss on property, plant and equipment; (ii) change from fair value gains to fair value losses on investment properties; and (iii) decrease in gain on disposal of items of property, plant and equipment, as the above partially offset by the decrease in selling and distribution expenses and finance costs.

DIVIDEND

The Board does not recommend the payment of any dividend in respect of the year ended 31 March 2026 (2025: Nil). No interim dividend was declared for the six months ended 30 September 2025 (30 September 2024: Nil).

BUSINESS REVIEW

Chinese Pharmaceutical and Health Food Products

Leveraging its pharmaceutical credibility of over a century, Wai Yuen Tong continued to optimise its product portfolio and service quality in response to dynamic market demands. During the year under review, we opened two new stores at Paradise Mall in Hong Kong and Hotel Central in Macau, consolidating the local market while further expanding our service coverage. At the same time, in response to changes in the economic climate in Chinese mainland, our Group proactively integrated the physical retail store market in the Mainland, moderately downsized its stores, and sold the property at Yen Chow Street, Sham Shui Po, to optimise resource allocation and move towards an asset-light model. We continued to strengthen collaborations with leading retailers and e-commerce platforms in both Hong Kong and Chinese mainland, broadening the sales channels for our products.

Our Group continued to expand its cross-border e-commerce, deepening collaborations with platforms such as Douyin, Xiaohongshu, Tmall and JD.com’s direct-operated stores. Through influencer live-streaming and content promotion, we successfully recommended Wai Yuen Tong products to consumers across various provinces and cities in the Mainland, significantly increasing the brand’s penetration and awareness in the Mainland market.

In terms of product innovation, “Nano Bone Enhancer (骨盈素)”, developed in collaboration with the Hong Kong Polytechnic University, uses patented technology and pioneers the concept of “simultaneous repair of cartilage and bone (軟骨、硬骨同步修補)”, which became the year’s talked-about scientific health supplement. The upgraded formula series includes Wall-Broken Ganoderma Lucidum Spores (破壁靈芝孢子), Sweet Dream Essence (安睡

寧), and Liver Guardian (護肝康) (20 times concentrated Milk Thistle), targeting immunity enhancement, insomnia and stress, as well as liver health respectively. The newly launched “Ultimate Brightening Integrates” effectively reduces pigmentation and ultraviolet damage, responding to the oral beauty trend. These new products complemented the strong performance of our flagship product series: “Hou Tsao Powder (猴棗除痰散)”, “Young Yum Pill (養陰丸)”, and “Angong Niu Huang Wan (安宮牛黃丸)”. Our pet wellness brand, “ProVet (位您寵)”, also launched a lung care formula and an anti-aging formula, expanding its footprint in the pet traditional Chinese medicine market.

Regarding the Greater Bay Area policy, the National Medical Products Administration implemented a simplified approval procedure for traditional oral Chinese patent medicines already listed in Hong Kong, under which a total of 26 Wai Yuen Tong products are eligible. In late 2025, “Hou Tsao Powder” was the first to complete registration, becoming the first Hong Kong oral Chinese patent medicine to be approved for listing in the Mainland under the simplified procedure, which fully demonstrates the regulatory authorities’ high recognition of our Group’s product quality.

Western Pharmaceutical and Personal Care Products

It is undeniable that Hong Kong pharmaceutical market was very challenging and competitive during the year under review. Basically, we did complete the annual core business objectives. Customer scale steadily expanded, and the remarkable brand of Madame Pearl’s cough syrup was still the number one in sales across Hong Kong for 16 years consecutively. The annual operation was stable with room for improvement in strategic breakthroughs and we must strengthen the collaboration with distributor. One of the accomplishments for Madame Pearl’s cough syrup we did in the last year was that we conducted a large scale display program, such as large size window display, light box, display board beside the cashier in the drug stores and so on. We totally selected more than 50 drug stores joining in our display program in open trade market. Finally, in order to widely expand the market for Luxembourg’s pharmaceutical products in Hong Kong, we would plan and study for new business development in which we would create a new brand and produce some kinds of new OTC products in the year ahead.

For China market, we have successfully expanded the distribution of Madame Pearl’s cough syrup to over 30,000 outlets, including top chain drugstores as well as leading hospitals in China. We will continue to expand the breadth and depth of distribution of Madame Pearl’s products in China, with the aim of improving the respiratory health of consumers in China.

As for the aspect of Personal Care, in order that we could significantly promote the brand awareness of Pearl’s in Hong Kong, we launched various kinds of sales and marketing programs such as eye-catching display of Pearl’s mosquito products in about 100 community dispensaries in the last year. To make our sales packs of Pearl’s mosquito products much popular and of higher demand, we continued to collaborate with Pokémon on seasonal promotion packs. We also had a very satisfactory sales achievement of Pearl’s mosquito products after having implemented the Summer’s promotions in key chains (i.e. Mannings & Watson’s) in last year.

Property Investment

As at 31 March 2026, 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 models. The net fair value losses on investment properties for the Year amounted to approximately HK\$0.3 million (2025: net fair value gains of approximately HK\$11.1 million) as a result of the fluctuation of the property market.

During the Year, the Group completed the disposal of a property which is situated at Shop on G/F with the cockloft, 60A Yen Chow Street, Kowloon, Hong Kong at a consideration of HK\$19.5 million, completion of which took place on 5 June 2025.

FINANCIAL REVIEW

Revenue

The total revenue of the Group decreased by approximately 8.3% to approximately HK\$683.4 million, which was mainly attributable to the weakened sales performance of both Chinese and Western pharmaceutical and health food products.

Gross profit

The Group's gross profit decreased by approximately HK\$14.6 million or approximately 3.9% to approximately HK\$361.9 million for the Year as compared to approximately HK\$376.5 million for the year ended 31 March 2025. The decrease was in line with the decrease in sales revenue and the gross profit margin slightly increased by 2.5% point to 53.0% (2025: 50.5%). The increase mainly due to change of sales mix.

Other income and gains, net

Net other income and gains of the Group decreased by approximately HK\$25.0 million or approximately 34.7% from approximately HK\$72.1 million for the year ended 31 March 2025 to approximately HK\$47.1 million for the Year. The decrease was mostly because of the reduction in gains arising from the disposal of self use properties.

Selling and distribution expenses

Selling and distribution expenses decreased by approximately HK\$22.4 million or approximately 7.5% from approximately HK\$299.0 million for the year ended 31 March 2025 to approximately HK\$276.6 million for the Year. The decrease was mainly owing to the decrease in staff cost and commission expenses during the Year.

Administrative expenses

Administrative expenses decreased by approximately HK\$6.8 million or approximately 6.2% from approximately HK\$109.3 million for the year ended 31 March 2025 to approximately HK\$102.5 million for the Year. The decrease was mainly due to efficient cost control during the Year.

Other expenses, net

Net other expenses increased by approximately HK\$12.6 million from a net income of approximately HK\$1.4 million for the year ended 31 March 2025 to a net expenses of approximately HK\$11.2 million for the Year. The increase was mostly attributable to the increase in impairment loss on items of property, plant and equipment, net.

Finance costs

Finance costs decreased by approximately HK\$10.6 million or approximately 37.5% from approximately HK\$28.2 million for the year ended 31 March 2025 to approximately HK\$17.6 million for the Year. The decrease was mainly due to the decrease in interest rate, the reduction in outstanding loan amount which was resulted from the scheduled repayment and repayment upon disposals of properties during the Year.

Profit for the Year attributable to owners of the parent

During the Year, the Group recorded a profit attributable to owners of the parent of approximately HK\$4.0 million (2025: approximately HK\$7.1 million). The decrease of profit was mainly attributable to the combined effect of (i) increase in impairment loss on property, plant and equipment; (ii) change from fair value gains to fair value losses on investment properties; and (iii) decrease in gain on disposal of items of property, plant and equipment, as the above partially offset by the decrease in selling and distribution expenses and finance costs.

Liquidity and Gearing and Financial Resources

As at 31 March 2026, the Group had total assets of approximately HK\$1,626.6 million (2025: approximately HK\$1,735.2 million) which were financed by current liabilities of approximately HK\$428.5 million (2025: approximately HK\$358.9 million), non-current liabilities of approximately HK\$17.5 million (2025: approximately HK\$196.7 million) and shareholders' equity of approximately HK\$1,180.5 million (2025: approximately HK\$1,179.6 million).

As at 31 March 2026, the Group's total of cash and cash equivalents were approximately HK\$133.3 million, of which approximately HK\$116.0 million was denominated in HKD, approximately HK\$7.7 million was denominated in RMB, and approximately HK\$9.6 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 31 March 2026, the Group's total interest-bearing debts amounted to approximately HK\$279.3 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 4.3% per annum for the Year (31 March 2025: approximately 6.1% per annum).

As at 31 March 2026, the Group's borrowings from financial institution will mature during the period from May 2026 to February 2027 and subsequently extend to May 2029.

The current ratio, being a ratio of total current assets to total current liabilities, was approximately 1.4 (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 12.4% (2025: approximately 17.9%). The Group always adopts a conservative approach in its financial management.

As at 31 March 2026 and 31 March 2025, the Company's issued share capital was approximately HK\$11.3 million 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 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 Chinese mainland. The RMB exposure of the Group is mainly derived from currency translation risk arising from the net assets of our Chinese 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\$1.4 million (2025: loss of approximately HK\$1.1 million). The re-translation gain was recognized 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 equity securities and debt investments to maximize assets efficiency.

Capital Commitment

As at 31 March 2026, the Group had capital commitment of approximately HK\$2.6 million (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 consolidated financial information.

Pledge of Assets

As at 31 March 2026, certain bank loans of the Group were secured by the Group's property, plant and equipment, investment properties and certain rental income generated therefrom and the equity interests in certain subsidiaries of the Company, with a total carrying value of approximately HK\$298.6 million (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 31 March 2026.

SIGNIFICANT INVESTMENTS HELD, AND MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

Save as disclosed above, during the Reporting Period, the Group did not have any other significant investments held, and material acquisitions and disposals of subsidiaries, joint ventures or associates.

EVENTS AFTER REPORTING PERIOD

There is no material subsequent event undertaken by the Company or by the Group after 31 March 2026 and up to the date of this announcement.

RELATIONSHIP WITH EMPLOYEES, SUPPLIERS AND CUSTOMERS

The Group recognizes our employees as the key element that contributes to the Group’s success. As at 31 March 2026, the Group had 691 employees (2025: 759), of whom approximately 88.1% (2025: approximately 84.5%) were located in Hong Kong and Macau and the rest were located in Chinese mainland. 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 long-term 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.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group examined the principal risks facing the Group through our risk management and internal control system and we considered that the major risks and uncertainties that may affect the Group included:

- (i) industrial policy risk: with the deepening of medical system reform and the issuance of a number of industry policies and laws in respect of medical charge control and control of medicines and certification for traditional Chinese medicine, there could be significant impact on the future development of the pharmaceutical industry;
- (ii) environmental protection policies: environmental impact caused by waste and wastewater generated during the pharmaceutical manufacturing process and the construction and operations of agricultural produce exchange markets, efficiency and security of key infrastructure;
- (iii) cost control: the Group may not always be able to implement cost control measures to effectively counter rising product cost and/or decrease in income;
- (iv) allowance for obsolete inventories: allowance for obsolete inventories due to weather, expiry date of unsold products and other damages;
- (v) supply chain disruption: raw material shortage or price inflation due to industry issues, risks of supplier control and flexibilities, to deal with competitive pricing;
- (vi) inability to penetrate emerging markets: the Group may not be able to effectively penetrate traditional industries and traditional products into emerging markets;
- (vii) respond to customer behavior: the Group may not be able to respond effectively to economy recession, reduction in consumer spending and change of impulsive shopping behavior;
- (viii) sourcing: less globalized sourcing and lower cost competitiveness;
- (ix) volatility in retail rental: continuously increasing in retail rental may reduce our profitability if we are unable to pass on the effect of such increases to our customers; and
- (x) foreign exchange: unfavorable fluctuations in the exchange rate may adversely affect the Group's cash flow and profits.

In response to the above mentioned possible risks, the Group has been closely monitoring the changes in the policies in Hong Kong and Chinese mainland, and would strengthen our interpretation and analysis of policies and adjust strategies in advance to cope with the ever-changing operating environment. In particular, the Group will strengthen its marketing efforts to cope with changes in consumer behavior and needs, closely control inventories, establish our own sales policies and product development, safety management and environmental protection level, and push forward the construction of lean management and risk control system. For possible risks, the Company would actively propose solutions to lower their impacts on the business of the Company.

PROSPECTS

Chinese Pharmaceutical Business

Looking ahead, the Traditional Chinese Medicine (TCM) sector is ushering in unprecedented opportunities for development. Driven by the trend of an accelerating aging population, growing public awareness of preventive medicine, and the official implementation of simplified approval policies for TCM in the Greater Bay Area, the Group is at the forefront of the best sector for TCM modernization and regional integration, leveraging the Group's century-old brand reputation, a pipeline of 26 eligible products, and the first-mover advantage of having successfully secured approval for our "Hou Tsao Powder". We will continue to capitalize on favorable policies and actively bring more renowned traditional formulas into the Mainland market, thereby consolidating our position as a benchmark for Hong Kong's TCM brands.

The coming year is of particular significance as it marks the major milestone of the 130th anniversary for the foundation of the Group. We will allocate greater resources to launch thematic promotional programs throughout the year, roll out anniversary-edition products, and pursue cross-industry collaborations to raise brand vitality across the board. Concurrently, we will deepen our distribution network by adopting a provincial and municipal agency model, combined with our advantages in synergies of Western medicine business channels, to systematically promote our products across three key terminal channels – pharmacies, hospitals, and clinics, thereby further unlocking the growth potential of our OTC products in the Mainland market. As innovation remains the core driver of our sustained development, we will continue to promote the roll-out of "Smart TCM" across more stores and increase our investment in cross-border e-commerce and social media platforms. Through data-driven product R&D as well as precision marketing, we will lay a solid foundation for our sustainable growth for the next decade.

Western Pharmaceutical Business

Looking ahead to the coming year, the Group will strengthen its collaboration with distributors and continue to deepen partnerships with major pharmacy chains and community pharmacies in Hong Kong and Macau, thereby enhancing in-store brand visibility and consumer reach. Meanwhile, we plan to explore the creation of new brands and the development of new over-the-counter (OTC) products, in order to expand the market presence of Luxembourg Medicine's products in Hong Kong and the Chinese mainland. As for the aspect of Personal Care, we will continue to leverage collaborations with popular IP characters to launch seasonal promotion packaging, maintaining the competitiveness and brand awareness of Pearl's mosquito products in the market. We will give full play to the channel advantages of our western pharmaceutical business to forge stronger synergies with our Chinese pharmaceutical business, driving the Group's overall sustainable and healthy growth.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Environmental Policies and Performance

The Group is committed to enhancing and strengthening efforts on environmental friendliness, so as to facilitate industrial upgrading. We proactively implement environmental protection policies, gradually adjust its portfolio, conduct energy-saving, using recycled paper, emission reduction and pollution prevention strategies. The Group continues to upgrade its industrial facilities to become more environmental friendly, including the use of solar energy and implementation of energy saving policy.

Corporate Social Responsibility

While the Group endeavours to promote business development and strives for greater rewards for our stakeholders, we acknowledge our corporate social responsibility to share some burden in building the society where our business has been established and thrived. The Group has not only improved the quality management system but also strengthened the audit quality to ensure the quality and safety of Chinese and Western pharmaceutical project control. The Group is also conscious of its role as a socially responsible group of companies. It makes donations for community wellbeing from time to time, and supports the communities. The Group built up a team of staff volunteers to get involved in volunteer work and encourages its employees to participate in any charitable events and caring services.

Details of the Environmental, Social and Governance performance of the Group would be disclosed in the Environmental, Social and Governance Report of the Company to be published on the websites of the Company and the Stock Exchange in due course.

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 Year, 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 Year, 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.

Further details of the Company’s corporate governance practices will be set out in the corporate governance report to be contained in the Company’s 2026 annual report.

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 Company confirmed that all Directors had complied with the required standard set out in the Model Code throughout the year under review and up to the date hereof. No incident of non-compliance by the Directors was noted by the Company during the Year.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Year, the Company repurchased a total of 10,720,000 shares of HK\$0.01 each of the Company on the Stock Exchange. All the repurchased shares were subsequently cancelled by the Company on 23 April 2026.

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

Month of repurchase	Number of share repurchased	Purchase price per share		Aggregate amount HK\$’000
		Highest HK\$	Lowest HK\$	
March 2026	10,720,000	0.365	0.345	3,868
	<u>10,720,000</u>			<u>3,868</u>

The repurchases of the Company’s shares during the Year were made pursuant to the mandate granted by the shareholders of the Company (the “**Shareholder(s)**”) at the 2025 annual general meeting of the Company held on 19 August 2025, 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 the date of this announcement, the 10,720,000 Shares repurchased in March 2026 have been cancelled. As at 31 March 2026 and up to the date of this announcement, the total number of shares of the Company in issue was 1,125,102,888 and 1,114,382,888 shares respectively.

Save as disclosed above, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (the "**Treasury Shares**") within the meaning under the Listing Rules).

As at 31 March 2026 and up to the date of this announcement, the Company did not hold any Treasury Shares.

AUDIT COMMITTEE

The Company has established its audit committee (the "**Audit Committee**") with specific terms of reference (as amended from time to time) in accordance with the requirements of the Listing Rules. The Audit Committee comprises Mr. Li Ka Fai, David, Professor Sit Wing Hang and Professor Chan Wing Kwong, all of whom are the independent non-executive Directors, and Mr. Li Ka Fai, David is the chairman of the Audit Committee.

During the Year, the Audit Committee held two regular meetings with management and the external auditor. The Audit Committee reviewed and considered, among other things, the accounting principles and practices adopted by the Group, the financial reporting matters (including the review of interim and final results), the audit plan, the statutory compliance, internal controls and risk management, continuing connected transactions and the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function as well as their training programmes and budget.

The Audit Committee has reviewed with the Company's management and approved the accounting policies and principles adopted and the Group's consolidated financial statements for the financial year ended 31 March 2026.

SCOPE OF WORK OF ERNST & YOUNG

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2026 as set out in this announcement have been agreed by the Company's independent auditor, Ernst & Young ("**EY**"), to the amounts set out in the Group's draft consolidated financial statements for the year ended 31 March 2026. The work performed by EY in this respect did not constitute an assurance engagement and consequently, no opinion or assurance conclusion has been expressed by EY on this announcement.

ANNUAL GENERAL MEETING

The 2026 annual general meeting of the shareholders of the Company will be held at Event Room 1-5, LG/F., New World Millennium Hong Kong Hotel, 72 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Wednesday, 19 August 2026 at 11:30 a.m. and the notice convening such meeting will be published and despatched to the shareholders of the Company in the manner as required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 14 August 2026 to Wednesday, 19 August 2026 (both days inclusive) for determining eligibility to attend and vote at the 2026 annual general meeting. In order to be eligible to attend and vote at the 2026 annual general meeting, all transfer of share(s), accompanied by the relevant share certificate(s) with the properly completed transfer form(s) either overleaf or separately, must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m., Thursday, 13 August 2026.

PUBLICATION OF FINAL RESULTS AND DESPATCH OF ANNUAL REPORT

This final results announcement is published on the websites of the Company (www.wyth.net) and the Stock Exchange (www.hkexnews.hk). The 2026 annual report containing all the information required by the Listing Rules will be despatched to the Company's shareholders (where appropriate) 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 Executive Director

Hong Kong, 25 June 2026

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.