健倍苗苗
JBM (Healthcare) Limited

JBM (Healthcare) Limited

Incorporated in the Cayman Islands with limited liability
Stock Code: 2161

2025/2026 Environmental, Social and Governance Report

CONTENTS

ABOUT THIS REPORT 01

About JBM

JBM (Healthcare) Limited (hereinafter referred to as "**JBM**" or the "**Company**", or together with its subsidiaries, the "**Group**" or "**we**") is a leading Hong Kong-based company specialised in the marketing and distribution of branded healthcare products across Greater China, Southeast Asia and other select countries. Our portfolio includes a wide range of quality branded healthcare products spanning two core categories: (i) consumer healthcare, consisting of branded medicines, which are proprietary medicines primarily distributed over-the-counter, and health and wellness products; and (ii) proprietary Chinese medicines, encompassing over-the-counter proprietary formulations and Concentrated Chinese Medicine Granules ("**CCMG**") products. Professionalism has been at the core of our corporate culture and our reputation is upheld through our persistence in product safety, efficacy and quality.

We pride ourselves as a brand incubator and manager, with a proven track record of introducing well established overseas branded products to our local markets, as well as rejuvenating heritage household brands to stimulate market demand and broaden their market appeal. We operate a vertically integrated business spanning the development and manufacturing of our own brand products, sourcing and representation of third-party brand products, brand management and marketing, and sales and distribution.

Reporting Framework

This Environmental, Social and Governance Report (the "**ESG Report**") is prepared by JBM and together with its subsidiaries in accordance with the Environmental, Social and Governance Reporting Code (the "**ESG Reporting Code**") under Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") issued by The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), meeting the mandatory disclosure requirements and the "comply or explain" provision of the ESG Reporting Code. The ESG Report summarises the initiatives, quantitative data, and approaches that the Group undertakes to manage its material Environmental, Social and Governance ("**ESG**") issues, as well as discloses environmental quantitative information related to its sustainability performance and involvement, which aims to provide transparency and accountability of the Group's actions to stakeholders.

An index that cross-references the disclosures set out in the ESG Reporting Code and the relevant information contained in the ESG Report is provided in Appendix A.

Reporting Principles

The ESG Report complies with four key principles: materiality, quantitative, balance, and consistency. These principles ensure the report's quality and usefulness for stakeholders.

Materiality:

The ESG Report focuses on key ESG issues identified in the materiality assessment. By covering all material issues that stakeholders care about, the report provides targeted and important information.

Quantitative:

We disclose quantitative environmental and social key performance indicators ("**KPI**"s) in the ESG Report. Along with these KPIs, we also present the relevant standards, methodologies, references, and sources of key factors. This quantitative data allows stakeholders to objectively evaluate our ESG performance.

Balance:

The ESG Report presents an unbiased view, including both positive and negative information. This approach enables stakeholders to have a comprehensive and accurate understanding of our ESG efforts and results.

Consistency:

To ensure comparability over time, we use consistent reporting and calculation methods. When changes occur in these methods or standards, we explain them in the ESG Report. This helps stakeholders easily understand the information and track our ESG performance trends.

Reporting Period

The ESG Report covers the Group's ESG management approach and performance for the period from 1 April 2025 to 31 March 2026 (hereinafter referred to as the "**Year**" or the "**Reporting Period**")

Scope of this Report

The scope of the ESG Report primarily covers our core business and includes the warehouses, laboratories, offices, and manufacturing facilities located in Hong Kong. The Group's manufacturing facilities comprise a Pharmaceutical Inspection Co-operation Scheme ("**PIC/S**") Good Manufacturing Practice ("**GMP**") - accredited manufacturing facility for the production of our Ho Chai Kung branded products, two GMP accredited manufacturing facilities mainly for the production of Po Chai Pills, Shiling Oil and Flying Eagle Woodlok Oil, and certain other proprietary Chinese medicines, a long-established proprietary Chinese medicine manufacturing operation and a network of traditional Chinese medicine clinics providing diagnostic and healthcare services. The scope is determined based on whether the Group has operational control over the entity, and whether the entity has a material influence

Endorsement and Approval

The board of directors of the Company (the "**Directors**") (the "**Board**") is responsible for overseeing statutory compliance, stakeholder engagement, ESG performance and risk management. The ESG Report was approved by the Board on 22 June 2026.

Feedback for the ESG Report

We value your feedback as we set the direction for our development and seek to address your concerns wherever possible. Comments and suggestions regarding the Group's ESG performance are also welcome and can be sent to the company secretary of the Company. Feedback on the ESG Report could also be submitted online at https://www.jbmhealthcare.com.hk/contact.html.

02 BOARD ESG GOVERNANCE

The Group believes that sound ESG principles and practices, including climate-related considerations, enhance investment value and deliver long-term returns to stakeholders. The Board oversees ESG and climate-related matters, and has delegated the management and execution of ESG and climate risks to the chief executive officer and senior management. They review ESG and climate strategies and update the Board on performance through board meetings. The Board also reviews the annual ESG report to ensure alignment with its requirements, the Group's strategies, and the latest climate-related disclosure expectations.

In addition, the Board has engaged a third-party consultant to conduct a materiality assessment that identifies potential ESG issues. Material issues are prioritised, and the Board regularly reviews them, ensuring appropriate ESG and climate policies are in place to manage related risks effectively.

To drive better ESG performance, the Board continues to track the latest Hong Kong ESG reporting developments, notably the new climate-related requirements introduced by the Stock Exchange, and sets goals for ESG and climate performance. Based on these goals, the chief executive officer and senior management regularly review work plans and execution progress, and monitor the coordination of ESG and climate-related matters.

Stakeholder Engagement

The Group highly values communication with stakeholders and takes their opinions as the basis for its formulation and implementation of short-term and long-term sustainability strategies. During the Reporting Period, stakeholder engagement and materiality assessment were carried out, enabling us to understand the expectations of stakeholders and identify our material ESG topics.

Communication with Stakeholders

The Group has established various communication channels to understand and take corresponding measures to meet stakeholders' requirements and expectations in order to improve our ESG performance and strategies. The following table sets out our key stakeholders, their expectations of the Group's ESG performance, and the corresponding response and communication channels:

STAKEHOLDERS	REQUIREMENTS AND EXPECTATIONS	MEANS OF COMMUNICATION AND RESPONSE
Government and Regulators	• Compliance with national policies, laws and regulations • Pay taxes in full and on time • Ensure production safety	• Meet with regulators • Examinations and inspections
Investors and Shareholders	• Financial returns • Transparency in information and effective communication	• Announcements • Annual and interim reports • Annual general meetings • Email, telephone communication and company website
Business Partners	• Operate with integrity • Performance of contracts	• Business communications • Exchanges and discussions • Engagement and cooperation
Customers	• Outstanding products and customer services • Logistic efficiency • Product quality • Supply stability and stock level	• Calling for feedback • Customer service centre and hotlines • E-commerce platforms • Social media platforms
Environmental Regulatory Authorities	• Compliant emission • Rational use of water	• Communicate with the local environmental department • Investigations and inspections • Reporting
Employees	• Remuneration and benefits • Career development • Protection of rights	• Business meetings • Briefings • Performance appraisal meetings • Employee mailbox • Training and workshop • Employee activity
Community and the Public	• Improve community environment • Participation in charity • Information transparency	• Company website • Announcements

Materiality Assessment

In order to thoroughly identify ESG issues that are material to the Group's business and its stakeholders, the Group has commissioned third-party ESG professionals to conduct a materiality assessment. The assessment is based on stakeholder surveys, materiality maps provided by well-known external institutions[1], as well as professional opinions from third-party ESG professionals. Through the assessment processes, the Group has identified 14 material ESG issues, which are fully discussed in the report:

Environment

- Environmental Compliance
- Hazardous Waste Management
- Responding to Climate Change

Employment and Labour Practices

- Employment Compliance
- Remuneration and Benefits
- Diversity and Equal Opportunity
- Training and Development

Operation Practices

- Operational Compliance
- Supply Chain Management
- Quality Management
- Customer Health and Safety
- Responsible Sales and Marketing
- Customer Service Management
- Anti-corruption

1. The materiality maps referenced in the materiality assessment are the ESG industry Materiality Map from Morgan Stanley Capital International ("MSCI") and the SASB Materiality Map from the Sustainability Accounting Standards Board ("SASB").

03

CLIMATE CHANGE

The Group recognises that climate-related issues can materially impact our business operations and long-term value. As a healthcare product manufacturer and distributor, we are committed to integrating climate change considerations into our core strategy and enhancing climate-related risk assessments to fully evaluate the material impacts on our business operations, patient care services and supply chain. The Group discloses climate-related information based on a four-pillar framework (Governance, Strategy, Risk Management, and Metrics and Targets) in compliance with Appendix C2 of the Listing Rules of The Stock Exchange of Hong Kong Limited ("**HKEx**").

Governance

The Group has integrated climate-related risks and opportunities into a three-tier governance structure: "Board Oversight - Senior Management Coordination - Business Unit Execution". As the highest governing body, the Board oversees the Group's sustainable development policies and strategies, taking the lead on deliberation, decision-making, management, and supervision.

To ensure climate matters are systematically addressed, the Board integrates them into the agenda of regular meetings at least once a year. These meetings focus on discussing the Group's climate-related risks and opportunities, as well as assessing whether the Group has implemented effective measures to mitigate climate change impacts. In carrying out this oversight role, the Board refers to the Group's Sustainability Policy, which sets out the Group's commitment to managing environmental impact and climate-related risks. Besides, the Board reviews and monitors progress toward climate targets annually, making revisions as needed to keep strategies on track. The Board also considers climate-related risks and opportunities when overseeing strategy, major transactions, and risk management processes and related policies, and evaluates their potential impacts on the Group's business operations.

To ensure the Board has the expertise to fulfil its oversight role, the Group supports the Directors in enhancing their climate-related knowledge and capabilities. Initiatives include providing access to specialised learning resources, organising targeted internal training sessions, and facilitating participation in climate-focused programmes and seminars delivered by external professional institutions. We also organise regular staff climate awareness training to strengthen the organisation's ability to navigate complex climate challenges. These efforts strengthen the Board's ability to navigate complex climate challenges and stay abreast of the latest developments in climate risks and opportunities relevant to the industry.

Building on the strategic oversight, the Board has delegated day-to-day climate governance responsibilities to the senior management team. The senior management team's core responsibilities include executing strategic goals, coordinating cross-departmental climate actions, and monitoring the implementation of the Group's climate-related actions and plans in line with the strategy, as well as reporting on the progress of climate-related assessments to enhance the Group's resilience.

Strategy

The Group aims to enhance our business resilience to climate change and build an environmentally responsible healthcare enterprise. We have refined our risk assessment procedures to analyse the potential impacts on our businesses and value chain, thereby evaluating and formulating optimal mitigation measures.

To operationalise these goals and address the limitations of traditional risk assessment procedures in capturing long-term climate impacts, the Group conducted its first comprehensive climate scenario analysis during the Reporting Period. This analysis covered both physical risks and transition risks, as well as opportunities, with detailed screening and assessment performed for each risk and opportunity category.

To conduct a comprehensive analysis of climate-related risks and opportunities that may arise throughout our business development, the Group needs to take into account factors such as global temperature rise pathways, changes in climate policies, and time horizons of impact. Therefore, we selected scenario assumption models and relevant parameters from the Sixth Assessment Report ("**AR6**") of the Intergovernmental Panel on Climate Change ("**IPCC**") and the Phase 5 public release of the Network for Greening the Financial System ("**NGFS**"). The scenarios selected align with the nature of the Group's industry and strategic goals, and are consistent with China's "Dual Carbon" strategy and the Hong Kong government's target of "achieving carbon neutrality by 2050". Moreover, the Group expects the anticipated impact range of risks and opportunities to have a material impact over the short, medium and long term, covering up to 2030, 2040 and 2050. These time horizons are defined by taking into account the Group's operational budgeting cycle and strategic business planning cycle.

In the scenario analysis, we assume that there will be no changes to our mitigation policies and reporting scope within the anticipated impact range of risks. The following table presents the selected climate scenario models covering both low-emission and high-emission scenarios to better understand the impacts of climate change on the Group.

Scope	**Same as the reporting boundary of the ESG Report.**
Scenario Used	**IPCC for physical risks analysis:** • **SSP 1-2.6:** Global warming reaches 2.0°C. Governments' social, economic and clean energy transitions align with historical trends. Stringent policies amplify transition risks for enterprises, while physical risks remain notable. • **SSP 5-8.5:** Global warming exceeds 4°C. Delayed government climate action, stalled emission reduction/adaptation and insufficient policies drive extreme climate impacts, increasing enterprises' immediate and long-term physical risks. **NGFS for transition risks analysis :** • **Net Zero 2050:** Early adoption of stringent climate policies. By reducing energy demand and advancing low-carbon technologies, it aims to limit global warming to well below 1.5°C and achieve global net-zero carbon dioxide emissions around 2050. • **Current Policies:** Only currently implemented climate policies remain in place, leading to continued growth in greenhouse gas ("**GHG**") emissions. Global warming is projected to exceed 3°C, resulting in severe physical risks.

The Group recognises that integrating quantitative and qualitative analysis delivers a more comprehensive assessment of climate-related risks and opportunities. While we have identified the core financial implications of key climate risks and opportunities, we cannot reliably provide quantitative data on their current and anticipated financial impacts at this stage. The Group is actively enhancing its internal data collection, integration systems, and scenario-modelling capabilities to improve the granularity and reliability of future quantitative disclosures. This is primarily because we cannot reliably compile various cross-industry metrics for these climate issues in a reasonable and cost-effective manner, as relevant operational data is fragmented across our operational facilities and industry-accepted measurement methodologies for such metrics remain highly uncertain. In addition, the Group's climate-related actions are fully embedded within day-to-day business operations, with no separately identifiable funds earmarked specifically for addressing climate-related risks and opportunities.

We are actively enhancing internal data integration systems and scenario-modelling capabilities to gradually improve the granularity of quantitative climate disclosures, and commit to promptly disclosing material quantitative impacts on our financial position, operating performance and cash flows as they become available. Based on our assessment under the selected high/low carbon scenarios and time horizon (2030-2050), we have identified 6 climate-related risks and opportunities, with detailed qualitative assessment results presented in the tables below.

Types of Risk and Opportunity	Key Affected Area	Materiality Level[2]			Impact on Business & Value Chain	Impact on Financial Performance
		Short term	Medium Term	Long Term		
PHYSICAL RISKS						
Acute - Extreme Weather Events	The Group's production and operation sites				• Disruption to warehouse operations and damage to stored pharmaceutical products • Delays in regional logistics and product delivery • Interruption to raw material supply from suppliers in climate-vulnerable areas • Temporary closure of office and production facilities	• Inventory write-offs due to water damage or spoilage • Increased logistics and transportation costs for rerouting and expedited delivery • Revenue loss from delayed order fulfilment • Capital expenditure for facility reinforcement and disaster recovery
Chronic - Rising Temperatures	Product storage and transportation				• Increased demand for temperature-controlled logistics for heat-sensitive pharmaceutical products • Higher energy consumption for warehouse cooling systems • Potential impact on product quality and shelf life if temperature controls are compromised	• Increased energy costs for cold chain operations • Capital expenditure for upgrading temperature control infrastructure • Potential costs associated with product recalls or quality issues

Types of Risk and Opportunity	Key Affected Area	Materiality Level[2]			Impact on Business & Value Chain	Impact on Financial Performance
		Short term	Medium Term	Long Term		
TRANSITION RISKS						
Policy and Regulation Tightening	The Group's compliance operations				• Increased compliance burden to meet mandatory carbon disclosure and emission reporting requirements • Potential introduction of carbon taxes or emission trading schemes • Green procurement requirements imposed by large customers and retailers	• Increased compliance costs for data collection, reporting and external assurance • Potential carbon tax liabilities • Potential loss of business if unable to meet customer green requirements
Investor and Capital Market Preference Shift	Corporate financing, valuation and brand reputation				• Growing investor demand for transparent climate-related disclosures and robust risk management • Increased scrutiny of companies with poor climate performance by institutional investors • Potential exclusion from ESG-focused investment portfolios	• Higher cost of capital and limited access to green financing • Potential stock price volatility • Additional costs associated with enhancing climate-related governance and stakeholder communication

Types of Risk and Opportunity	Key Affected Area	Materiality Level[2]			Impact on Business & Value Chain	Impact on Financial Performance
		Short term	Medium Term	Long Term		
OPPORTUNITIES						
Operational Energy Efficiency Optimisation	The Group's production and operation sites	Light	Regular	Dark	- Implementation of energy-saving measures in lighting, heating, ventilation and air conditioning, and production equipment - Adoption of renewable energy sources where feasible - Improved resource efficiency in water and waste management	- Reduced utility costs, improving operating margins - Lower long-term energy price risk - Potential government incentives for green investments
Climate-Responsive Health Product Development	Product development and marketing	Light	Regular	Dark	- Development of products addressing climate-related health needs - Optimisation of production processes to reduce product carbon footprints - Enhanced brand reputation as a responsible healthcare provider	- Increased revenue from growing demand for climate-relevant health products - Improved operational efficiency through low-carbon production upgrades - Strengthened customer loyalty and market competitiveness

2. Materiality Definitions:
Light colour: Handled through standard existing processes; Regular colour: Needs to be monitored consistently;
Dark colour: Require management strategy planning and implementation tracking.

Mitigation and Adaptation Measures of Risks and Opportunities Assessment Result:

TYPES OF RISKS	MITIGATION MEASURES
Extreme Weather Events	Strengthen business continuity management systems Enhance facility resilience and disaster preparedness Diversify logistics and supply chain routes
Rising Temperatures	Optimise temperature control systems across the value chain Improve product storage standards and temperature monitoring Monitor and manage product quality risks proactively
Policy & Regulation Tightening	Closely track evolving climate-related regulations Integrate compliance requirements into operational processes Enhance internal capabilities for climate reporting and management
Investor and Capital Market Preference Shift	Enhance transparency of climate-related disclosures Maintain regular communication with investors on ESG matters Integrate climate considerations into corporate strategy and decision-making

TYPES OF OPPORTUNITIES	RESPONSE MEASURES
Operational Energy Efficiency Optimisation	Systematically identify and implement energy-saving opportunities Promote resource conservation and circular economy practices Raise employee awareness of environmental protection
Climate-Responsive Health Product Development	Monitor climate-related health trends and market demand Explore low-carbon production technologies and processes Communicate the Group's sustainable healthcare initiatives to stakeholders

While the Group has not yet developed a formal climate-related transition plan, we have already implemented the abovementioned mitigation and response measures, which are funded and executed through the Group's internal capital and existing human resources. The Group has also explicitly identified the material Scope 3 categories relevant to the Group, as well as established climate-related targets during the Reporting Period to fully advance its decarbonisation and climate resilience efforts.

During the Reporting Period, no separately identifiable capital expenditure was allocated exclusively to climate-related risks and opportunities; such efforts are integrated into capital expenditure, financing or investment. In addition, we have implemented the mitigation and response measures disclosed in the previous reporting period across all operating locations.

Despite these proactive actions, the Group faces key uncertainties that may constrain the effective implementation of our future climate resilience plans. These include the uncertain pace of global and regional climate policy updates, evolving consumer health needs related to climate change, the evolving pace and severity of physical climate change impacts, and the unclear timing and stringency of future climate-related regulatory requirements applicable to the healthcare sector. Nevertheless, the Group believes we have a robust capacity to adjust and adapt our strategy and business model to address climate change across the short, medium and long term. This adaptive capacity is embedded in the Group's ongoing strategic planning and operational management, enabling timely adjustments to healthcare services, operational processes and supply chain collaboration in response to evolving climate risks, regulatory changes and market dynamics.

Going forward, the Group will regularly monitor climate-related risks and opportunities, evaluate mitigation effectiveness, adjust strategies based on operational performance, and track the progress of all climate-related target achievement through daily monitoring. The Group will adjust climate-related targets in a timely manner based on operational performance and external climate trends, to ensure the targets are both feasible and ambitious. We will also optimise mitigation and response measures as needed, in line with target progress and the results of effectiveness evaluations. These clear goals will guide the orderly advancement of all climate response initiatives, effectively support the Group in meeting its established climate-related targets, and further strengthen the Group's adaptive resilience to climate change challenges.

Risk Management

The Group has integrated the processes for identifying, assessing, prioritising, and managing climate-related risks and opportunities into the overall risk management framework and system to embed climate risk management into day-to-day operations. We also ensure that the Group effectively addresses the challenges posed by climate change. This integration aligns with our existing risk management structure and no significant changes were made to our risk management process during the Reporting Period. Throughout the processes, the Group considers parameters such as operational facility location and type, historical exposure to extreme weather and energy consumption patterns. Climate data from the publicly available scenario sources, as well as internal data such as inventory quality and loss data. Below is the summary of the climate risk and opportunity management process of the Group:

1

Identification

The Group conducts research on climate change trends, domestic and international healthcare industry developments, and technological changes, carries out peer benchmarking, and collects stakeholders' opinions. We also perform climate-related scenario analysis, taking into account our operational conditions and business characteristics. These efforts enable the comprehensive and objective gathering of insights on potential climate risks and opportunities, ensuring the resulting list of climate risks and opportunities covers key links throughout the entire healthcare service delivery process.

2

Evaluation

The Group conducts a comprehensive assessment, analysing the potential impacts of climate-related risks and opportunities on our business model, value chain, and financial performance, as well as assessing their likelihood of occurrence and corresponding magnitude of impact.

3

Prioritisation

Based on the assessment results of climate-related risks and opportunities, the Group prioritises the identified items based on the likelihood of occurrence and significance of impact. This prioritisation process aligns with our overall risk management framework and business objectives of providing high-quality, accessible healthcare services.

4

Monitoring

The senior management team regularly evaluates and monitors the identified climate-related risks and opportunities, as well as the effectiveness of corresponding mitigation and response measures. Meanwhile, the senior management team periodically reports the results of identifying, assessing, and managing climate-related risks and opportunities to the Board. This strengthens the Board's oversight of risk and opportunities management and ensures the effective implementation of risk response measures and opportunity capture initiatives.

Metrics and Targets

We have made enhancing climate resilience and promoting sustainable business models a core strategic priority, and have consistently worked to ensure that its sustainable development goals and related action plans align with global sustainability standards. The Group prioritises alignment with China's "Dual Carbon" strategy and Hong Kong's carbon peak and carbon neutrality targets, which also serve as key pillars for China's fulfilment of its obligations under the "Paris Agreement". To align with these climate frameworks, the Group continuously assesses its ESG key performance indicators and has established emission reduction and management targets that correspond to the requirements of national and regional climate and sustainability frameworks. Specifically, the Group has set two quantitative targets covering its entire reporting boundary: taking FY2026 as the base year, to reduce both GHG emissions (including Scope 1 and Scope 2) intensity and energy use intensity by 5% by FY2030. Although these targets have not yet been verified by an independent third party and were not developed using industry decarbonisation pathways, the Board will monitor progress and performance toward these targets annually and assess whether revisions are necessary. Furthermore, the Board will continue to refine the mechanisms for setting, evaluating, and verifying these targets to ensure the transparency and credibility of the Group's decarbonisation efforts.

To translate these governance targets into tangible emissions reductions, the Group is focused on achieving substantive decarbonisation through energy efficiency improvements and operational process optimisation. At this stage, the Group has no plans to use carbon credits for emissions offsetting, but will closely monitor developments in the carbon credit market and relevant policies so that it can utilise such tools as supplementary support for achieving its long-term carbon neutrality goals at the appropriate time.

Under the coordination of the senior management team, the Group conducted GHG identification, assessment, and inventory activities during the Reporting Period to effectively manage our GHG emissions. These activities covered the Group's operations in Hong Kong, with our Scope 1 and Scope 2 emissions accounting completed in accordance with the requirements of the "Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)". In line with the "Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)", the Group has structured its Scope 3 emissions disclosure using the standard category framework for consistency and transparency. Based on an evaluation of our core operations, emission sources, data accessibility, and peer benchmarking, we have identified and disclosed Category 5 (Waste Generated in Operation) and Category 6 (Business Travel) as material Scope 3 categories for the Reporting Period. During the Reporting Period, the summary of GHG emissions of the Group is illustrated below:

TYPES OF GHG EMISSIONS

TYPES OF GHG EMISSIONS	YEAR ENDED 31 MARCH 2026	2025
Total GHG emissions (tonnes CO_2e)[3]	**2,012**	1,883
Scope 1 – Direct emissions (tonnes CO_2e)[4]		
Self-owned vehicles	**14**	14
Scope 2 – Energy indirect emissions (tonnes CO_2e)[5]		
Purchased electricity	**1,967**	1,828
Scope 3 – Other indirect emissions (tonnes CO_2e)[6]		
Category 5: Waste generated in operations	**24**	32
Category 6: Business travel	**7**	9
Intensity of GHG emissions tonnes CO_2e/million HKD of revenue)[7]	**2.42**	2.41

The Group's strategic focus is on optimising core business performance and creating long-term value, which aligns with its current risk management approach. The Group has not yet implemented an internal carbon pricing mechanism, nor has it incorporated climate-related factors into its compensation policies or governance framework. This is primarily because these factors have not yet been demonstrated to have a direct and material connection to the Group's industry, current operational priorities, or financial decision-making requirements. The Group will continue to monitor developments in climate-related metrics, industry best practices, and the application of internal carbon pricing, and will proactively assess the feasibility of incorporating these factors into its governance framework and compensation policies when conditions are mature.

3. The Group uses an operational control approach for GHG emission accounting. This methodology defines the accounting scope based on the Group's authority to enforce operational policies across its business activities, which more accurately reflects its actual responsibilities in carbon emission management, helps strengthen GHG emission monitoring and governance, and ensures that accounting outcomes align with its sustainability goals. The calculation methodology of GHG emissions is align to "Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)". Emission factors used for calculation are reference from "Appendix 2: Reporting Guidance on Environmental KPIs" issued by HKEx, and the "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong" published by the Environmental Protection Department and the Electrical and Mechanical Services Department. The Group's GHG emissions include carbon dioxide, methane and nitrous oxide, and is presented in tonnes of carbon dioxide equivalent (tCO_2e) for better readability.

4. Scope 1 refers to direct GHG emissions, which include fuel consumption by vehicles. The emission factors for different types of vehicles are provided by the "Energy Statistics Manual" published by the International Energy Agency ("IEA"). The emission factors for Global Warming Potential is provided by the "Sixth Assessment Report" provided by the IPCC.

5. Scope 2 refers to indirect GHG emissions, which include electricity purchased from power companies. The emission factors used for calculating GHG emission of purchased electricity are based on the data provided by China Light & Power Company Limited.

6. Scope 3 other indirect emissions include emissions from Category 5 (Waste Generated in Operations) and Category 6 (Business Travel) in accordance with the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011). Emission calculation is based on the Carbon Emissions Calculator of the International Civil Aviation Organisation ("ICAO") and "Appendix 2: Reporting Guidance on Environmental KPIs" published by the HKEx.

7. Intensity figures are calculated by using the Group's revenue of HK$ 834.6 million and HK$782.3 million in FY2026 and FY2025 respectively.

04 Environmental Protection

The Group attaches great importance to environmental protection and strictly abides by all applicable local environmental laws and regulations. We are committed to minimising our environmental footprint through systematic environmental management, and have established a formal environmental policy guiding our efforts in energy conservation, waste reduction and recycling. Due to the Group's business nature, we operate manufacturing facilities for the production of certain of our branded medicines and proprietary Chinese medicines, which are subject to various environmental regulations in Hong Kong. So, we keep a close watch on relevant laws and regulations concerning the discharge of effluent water, general waste disposal and the controlled use, storage, handling and disposal of hazardous materials and chemicals, including but not limited to the Water Pollution Control Ordinance (Cap. 358 of the Laws of Hong Kong), Waste Disposal Ordinance (Cap. 354 of the Laws of Hong Kong), Waste Disposal (Chemical Waste) (General) Regulation (Cap. 354C of the Laws of Hong Kong) and Dangerous Goods Ordinance (Cap. 295 of the Laws of Hong Kong).

During the Reporting Period, the Group was neither involved in any significant regulatory non-compliance related to applicable environmental laws and regulations, nor was it involved in any material environmental claims, lawsuits, penalties or administrative sanctions.

Air Pollutant Management

The air emissions of the Group come from the use of diesel vehicles by our in-house logistics team that distributes its products to various locations, including but not limited to retail outlets and trading companies in Hong Kong. The vehicles we used were mostly EURO V diesel trucks, and the amount of air pollutants emitted was less than that of other types of trucks. The impact of it is immaterial compared to other ESG aspects, but the Group will prohibit prolonged idling of vehicles with running engines to minimise the emissions of exhaust gas.

Use of Energy

The Group aims to reduce energy consumption as far as practicable by advocating environmental protection and energy conservation in our business and operations. We strive to cultivate energy conservation awareness among our employees to reduce energy use and the associated costs in our daily operations. In the office, employees are encouraged to turn off their computers and monitors after working hours. Also, employees are encouraged to switch off the light when the room or the area is not in use, as independent lighting switches have divided the office area into different light zones. Our printers automatically switch to energy-saving mode when not in use to reduce energy usage. Across its premises, the Group has placed green tips at prominent locations to remind staff members to turn off lights, air-conditioning and all electrical appliances when not in use and to set the room temperature at 25°C.

The major energy source the Group relies on for production is electricity. The Group's clean rooms are under stringent and continual temperature and humidity controls, which are the most energy-intensive aspects of its facilities. The Group has adopted various strategies for energy conservation. For example, in some manufacturing sites, we adjust the temperature set points and damper controls on the air-side systems, install monitoring devices to keep track of electricity consumption, and collect data on different ESG aspects for analysis.

Other energy consumption includes fuel used in the diesel vehicles of JBM's in-house logistics team. Compared to other types of trucks, the EURO V diesel trucks enhance fuel consumption efficiency and reduce GHG emissions. In addition, the Group also implements best routing practices by identifying the most efficient routes for delivery to minimise fuel consumption and delivery time. We believe that good routing practices can save fuel costs, reduce GHG emissions, reduce labour overtime, and minimise manpower and resources.

USE OF ENERGY

Total Energy Consumption (MWh)

5,232 (2026)

4,741 (2025)

Use of Electricity (MWh)[8]

5,177 (2026)

4,686 (2025)

Use of Fuel (Diesel) (MWh)[9]

55 (2026)

55 (2025)

Intensity of Energy Consumption (MWh/million HKD of revenue)[10]

6.28 (2026)

6.06 (2025)

***Year ended 31 March*

8. The calculation is based on the actual electricity consumption record of the Group.

9. The calculation is based on the "Appendix 2: Reporting Guidance on Environmental KPIs" issued by HKEx.

10. Intensity figures are calculated by using the Group's revenue of HK$834.6 million and HK$782.3 million in FY2026 and FY2025 respectively.

Water Resource Management

Since water is a valuable resource on Earth, our goal is to reduce water wastage as much as practicable by promoting water conservation and responsible water consumption throughout our operations. Water is an essential element in the Group's production process and its quality is critical. Water is used widely during production, such as formulation, rinsing, sanitising and cleaning. The Group has stringent requirements on water quality and purifying water using a water purification system. We maintain a monitoring system to ensure the water quality meets relevant standards. JBM has not encountered any issues in the sourcing of water that is fit for purpose. In addition, we have various monitoring devices to ensure the rigorous water quality requirements are met. Besides, water-saving reminder labels are put up in pantries to remind the employees of the importance of water conservation. In the future, we will continue to practise feasible water conservation measures to reduce water wastage in our operations.

The Group has complied with laws and regulations related to water discharge, including the Water Pollution Control Ordinance (Cap.358 of the Laws of Hong Kong). Wastewater produced at our production facilities in Hong Kong is treated properly at our wastewater treatment facilities to meet the wastewater emissions requirements before discharging into the designated sewage network pipelines operated by the Drainage Services Department.

WATER CONSUMPTION

Water Consumption (m^3)[11]

21,609 (2026)

25,304 (2025)

Intensity of Water Consumption (m^3/million HKD of revenue)[12]

25.95 (2026)

32.35 (2025)

***Year ended 31 March*

11. The calculation is based on the actual water consumption record of the Group.

12. Intensity figures are calculated by using the Group's revenue of HK$834.6 million and HK$782.3 million in FY2026 and FY2025 respectively.

Waste Management

Waste from the Production Process

In the course of manufacturing, our collection and disposal of chemical waste is regulated by laws and regulations such as Hong Kong's Waste Disposal Ordinance (Cap. 354 of the Laws of Hong Kong), Waste Disposal (Chemical Waste) (General) Regulation (Cap. 354C of the Laws of Hong Kong), Dangerous Goods Ordinance (Cap. 295 of the Laws of Hong Kong) and Public Cleansing and Prevention of Nuisances Regulation related to the disposal of hazardous waste. The majority of waste generated was from the production and preparation of pharmaceutical products, as well as waste drugs and a small amount of chemical waste generated from the quality control testing of pharmaceutical products. The procedures for properly handling, storing and recording hazardous wastes on-site are detailed in our Goods Destruction Policy's standard operating procedures ("**SOP**"s), which are implemented throughout the manufacturing process.

To avoid hazards and protect the health and safety of our employees, all hazardous waste must be disposed of, collected and stored in safe, isolated areas with restricted access and only authorised persons are allowed to enter. Those designated personnel handling waste are also equipped with masks and gloves. The quality assurance department of each business unit is responsible for the handling and disposal of hazardous wastes of its business unit. When a reasonable amount of waste has been accumulated, licensed waste collectors are appointed (as appropriate) for its collection, treatment and disposal. In addition, for any 'Part A' chemical wastes, including waste types like Dangerous Drugs, Poison (Part 1) and Antibiotics, a checklist of waste to be disposed of and a notification under Section 17 for 'Part A' chemical wastes shall be filed and endorsed by the Environmental Protection Department (the "**EPD**") according to the Waste Disposal Ordinance (Chapter 354) prior to the disposal by the licensed waste collectors.

Recognising the detrimental impact on the environment brought by the improper handling of hazardous waste, our target is to achieve proper waste collection, handling and disposal by strictly following the Group's waste management policy and appointing licensed waste collection service providers.

General Waste

The Group promotes the recycling of waste to achieve waste reduction. Our general waste mainly consists of office wastepaper and used packaging materials of raw materials purchased, the environmental impact of which is immaterial compared to other ESG aspects. In order to reduce paper consumption, printers are set to default duplex and economical modes and notices are placed next to printers to remind employees of the use of double-sided photocopying. Employees are also encouraged to reuse paper, envelopes, folders and other stationery wherever possible. Non-hazardous wastes are collected by an authorised collection service provider for proper processing and disposal according to the Waste Disposal Ordinance (Cap. 354 of the Laws of Hong Kong).

During the Reporting Period, all of our general waste and chemical waste generated during our manufacturing process were collected by licensed waste collecting service providers listed by the EPD.

WASTE DISPOSAL

Hazardous Waste Disposed of (kg)[13]

3,319 (2026)

5,765 (2025)

Intensity of Hazardous Waste Disposed (kg/million HKD of revenue)[14]

3.99 (2026)

7.37 (2025)

Non-hazardous Waste Disposed of (kg)[15]

13,133 (2026)

11,091 (2025)

Intensity of Non-Hazardous Waste Disposed (kg/million HKD of revenue)[16]

15.77 (2026)

14.18 (2025)

***Year ended 31 March*

Environment and Natural Resources

The Group adheres to the production guideline of not using wild endangered species in the production of proprietary medicines. The Group uses artificially propagated Saussurea costus as an ingredient for the manufacturing of one of its proprietary medicines, which is listed in Schedule 1 to the Protection of Endangered Species of Animals and Plants Ordinance (Cap. 586). The Group has also complied with all licensing requirements in accordance with the Protection of Endangered Species of Animals and Plants Ordinance (Cap. 586 of the Laws of Hong Kong) and the Import and Export Ordinance (Cap. 60 of the Laws of Hong Kong).

13. The calculation is based on the actual hazardous waste disposal record of the Group, including chemical wastes as well as electronic devices, components and accessories, such as batteries and computers, etc.

14. Intensity figures are calculated by using the Group's revenue of HK$834.6 million and HK$782.3 million in FY2026 and FY2025 respectively.

15. The calculation is based on the actual non-hazardous waste disposal record of the Group, including paper, plastic, metals, and general waste (i.e., common office garbage). During the Year, we refined our non-hazardous waste statistics and restated FY2025 generation after incorporating additional data to improve accuracy.

16. Intensity figures are calculated by using the Group's revenue of HK$834.6 million and HK$782.3 million in FY2026 and FY2025 respectively.

SOCIAL RESPONSIBILITY

05

Employment and Labour Practices

The Group relies on our dedicated employees to execute corporate strategies and deliver high-quality healthcare products and related services. We are committed to providing equal opportunities in employment, leveraging the diverse talents, skills, experience and cultural perspectives of our workforce to foster an inclusive workplace where all employees are respected, valued and able to achieve their full potential, regardless of gender, marital status, family status, disability or race. Our Policy on Equal Opportunities sets out the standard of conduct expected of all employees, the prevention of discrimination behaviour and its handling procedures with regard to any inappropriate discrimination behaviour at a workplace. Employment-related decisions such as recruitment, compensation, promotion, and performance evaluation are conducted solely based on employees' competence and qualifications.

We strictly adhere to all relevant local legislation, including the Employment Ordinance (Cap. 57 of the Laws of Hong Kong). Our Employee Handbook comprehensively covers policies on compensation and benefits, recruitment and employment, working hours, leave entitlements, training and development and equal opportunities. Our responsible and people-centric employment practices have been formally recognised by leading industry bodies during the Reporting Period. The Group was honoured with the 2024-25 Good MPF Employer Award, together with the e-Contribution Award and MPF Support Award from the Mandatory Provident Fund Schemes Authority, in recognition of our exemplary administration and support for employees' retirement planning. We also received three distinctions under the 2025 Partner Employer Award Scheme organised by the Hong Kong General Chamber of Small and Medium Business: the Staff Expansion Award, Existing Employee Retention Award and 5-Year Commendation Award, acknowledging our efforts in job creation, employee retention and supporting disadvantaged groups through internship opportunities and inclusive hiring.

To continuously enhance our human resources management, we conduct structured exit interviews with departing employees to gather feedback on reasons for leaving, job satisfaction and management practices. Analysis of these insights helps us identify key drivers of staff turnover, address management shortcomings and refine our human resource processes, policies and workplace culture to create a more supportive working environment.

During the Reporting Period, the Group recorded no material non-compliance with any regulatory requirements relating to remuneration, dismissal, recruitment, promotion, working hours, leave and holidays, equal opportunities, anti-discrimination or other employee benefit matters.

EMPLOYMENT

	YEAR ENDED 31 MARCH	
	2026	2025
Total number of employees	**404**	279
By employment type		
Contracted and full-time employees	**379**	274
Non-contracted and part-time employees	**25**	5
By gender		
Male	**133**	107
Female	**271**	172
By age		
18-30	**59**	23
31-50	**159**	99
Above 50	**186**	157
By geographical location		
Hong Kong	**404**	279
By employment category		
Management	**35**	46
Non-management	**369**	233

EMPLOYMENT

	YEAR ENDED 31 MARCH	
	2026	2025
Turnover rate (%)[17]	**26**	21
By gender		
Male	**26**	14
Female	**26**	25
By age		
18-30	**61**	38
31-50	**35**	22
Above 50	**10**	17
By geographical location		
Hong Kong	**26**	21

Labour Standards

The Group upholds high labour standards and protects employees' rights and interests, with a zero-tolerance policy towards child labour and forced labour. During recruitment, the Human Resources Department verifies applicants' ages and identities through document checks to ensure all employees are above the legal working age. We also prohibit forced labour by ensuring reasonable working hours, sufficient rest periods, advance notification of work schedules and proper compensation for overtime work in accordance with the Group's policy.

As stipulated in the Employee Handbook, employees are required to report any suspected violations of labour standards (including child and forced labour) to the appropriate personnel immediately, and the Group will conduct prompt investigations and review relevant policies to prevent recurrence. During the Reporting Period, the Group had no non-compliance incidents related to child labour, forced labour or other labour standards.

17. The formula for employee turnover rate is: Number of employees who left during the year / (Employees at the beginning of the year + Employees at the end of the year) / 2 *100%.

Remuneration and Benefits

Our employees enjoy a wide range of benefits, including paid leave, maternity and paternity leave, marriage leave, compassionate leave, group medical insurance and group travel insurance. The Group offers competitive remuneration packages comparable to those of others in the same industry. It regularly reviews the internal remuneration packages at all levels and collects external remuneration information from the labour market. The Group strives to create a fair, reasonable and competitive remuneration system based on position, individual skills and competencies, as well as work performance. Share incentive schemes are also available to employees who make significant contributions to the Group.

Beyond core remuneration and statutory benefits, the Group provides diverse employee care and engagement initiatives to foster a supportive workplace culture. During the Reporting Period, the Group organised a series of festive celebrations, staff gatherings and engagement activities, including annual dinners, seasonal festivals, holiday gatherings and themed staff events, enhancing employee communication, teamwork and overall workplace experience.

Occupational Health and Safety

The well-being of employees is of paramount importance to the Group, and ensuring their health and safety at the workplace is our core priority. We strictly comply with all applicable safety laws and regulations in Hong Kong, including the Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong), and ensure the design, manufacture, installation, use, inspection and maintenance of all manufacturing facilities and equipment conform to relevant national and industry standards. During the Reporting Period, the Group recorded no material non-compliance incidents related to occupational health and safety.

We have implemented comprehensive safety measures across our manufacturing facilities to minimise injury risks. All production and laboratory personnel are provided with appropriate personal protective equipment, including safety helmets, gloves, eye protectors, respiratory protective equipment, ear protectors and safety shoes. All employees are required to familiarise themselves with site safety measures and emergency procedures, and to report any potential safety hazards to responsible personnel immediately.

To enhance safety awareness and hazard prevention capabilities, we provide targeted manufacturing safety education and training for all employees. This includes mandatory laboratory safety training for new joiners, as well as ongoing training covering safety regulations, the Group's safety policies, SOPs, chemical storage and waste management, general laboratory housekeeping procedures and emergency response protocols. We also conduct periodic facility inspections to ensure ongoing regulatory compliance and maintain a formal system for recording and handling work-related accidents, with immediate corrective actions implemented to eliminate potential causes and prevent recurrence.

OCCUPATIONAL HEALTH AND SAFETY

Number of Work-related Fatalities (Cases)

0 (2026)

0 (2025) | 0 (2024)

Number of Lost Days (Days)

28 (2026)

304 (2025) | 97 (2024)

Number of Injuries (Cases)

6 (2026)

4 (2025) | 2 (2024)

***Year ended 31 March*

Training and Development

The Group believes that investing in employee training and development is fundamental to building and retaining a high-caliber professional talent pool and driving the Group's sustainable growth. We have established a comprehensive and systematic training framework covering a wide range of core areas aligned with our healthcare product operations, which runs through the entire employee lifecycle to continuously enhance employees' professional competence, operational capabilities and compliance awareness.

All new joiners will participate in a structured orientation programme covering employee benefits, internal regulations and standard office practices, and receive targeted on-the-job coaching from experienced staff until they can independently and correctly complete their core work with supervisor approval. For on-the-job employees, we provide tailored training programmes covering manufacturing skills, equipment operation, quality management, occupational health and safety, GMP and PIC/S compliance, as well as regular special training on critical topics such as personal data protection, integrity management, energy conservation and environmental protection.

Beyond internal training resources, the Group encourages employees at all levels to pursue job-relevant professional advancement and provides sponsorship for eligible external training or education in accordance with the Group Sponsorship for External Studies/Training Policy.

We also closely link talent development with performance management and career planning. Through regular performance reviews and annual comprehensive appraisals, we accurately identify individual and organisational training needs to design targeted programmes, and use performance discussions as a platform for employees to communicate their career aspirations with supervisors. To support well-rounded development and long-term growth of our employees, we offer cross-departmental and cross-business-unit job rotation opportunities for high-potential employees, aligning personal career goals with the Group's strategic development needs.

TRAINING AND DEVELOPMENT

NUMBER OF EMPLOYEES TRAINED (PERCENTAGE OF EMPLOYEES TRAINED)

By Gender

Male

91 (68%) (2026)

60 (56%) (2025)

Female

128 (47%) (2026)

87 (51%) (2025)

By Employment Category

Management

23 (66%) (2026)

22 (48%) (2025)

Non-management

196 (53%) (2026)

125 (54%) (2025)

TOTAL TRAINING HOURS (AVERAGE TRAINING HOURS PER EMPLOYEE)

By Gender

Male

789 (5.9) (2026)

767 (7.2) (2025)

Female

923 (3.4) (2026)

990 (5.8) (2025)

By Employment Category

Management

183 (5.2) (2026)

188 (4.1) (2025)

Non-management

1,529 (4.1) (2026)

1,569 (6.7) (2025)

***Year ended 31 March*

Product Responsibility

Quality Management

High-quality products and services are the key to business success. For JBM, ensuring the production of effective medicines while minimising product quality risks to safeguard public health and consumer safety is of paramount importance. Our approach to upholding product responsibility enables us to comply with relevant laws and regulations, including but not limited to the Public Health and Municipal Services Ordinance (Chapter 132 of the Laws of Hong Kong), Dangerous Drugs Regulations (Cap. 134 of the Laws of Hong Kong), Pharmacy and Poisons Ordinance (Cap. 138 of the Laws of Hong Kong), and Undesirable Medical Advertisements Ordinance (Cap. 231 of the Laws of Hong Kong). Additionally, the Group has ensured that all products subject to registration requirements are duly registered with the Department of Health ("**DH**") and the Chinese Medicine Council of Hong Kong ("**CMCHK**"), demonstrating full compliance with regulatory obligations.

The Group has established a quality control system in accordance with ISO 9001. When we receive active pharmaceutical ingredients ("**API**"), the API manufacturers must include a certificate of analysis confirming that the materials comply with the prescribed specifications. Each lot of raw materials, packaging materials, work-in-progress and finished products are quarantined until they have been sampled, tested and released for use by our quality control personnel. The final release of products from the quarantine area is carried out only when all documents pertaining to the production have been reviewed by the heads of the related departments and approved by the authorised person. Our quality control team is responsible for arranging or carrying out all necessary and relevant tests on raw materials, work in progress, finished products, verification of manufacturing processes, environmental and water monitoring, method and process validation and equipment calibration. We have adopted manufacturing quality control policies that are strictly in accordance with Hong Kong and international standards. These policies are implemented throughout our manufacturing process, including supplier qualification, raw material inspection, manufacturing process control, packaging and product inspections.

As for the finished products, all finished batches are sampled for quality control testing according to finished product specifications after final packaging and are quarantined. Products are released for sale only after confirming compliance with product specifications. The head of the production team reviews and counter-checks the production batch records, packaging records and other related documents.

During the Reporting Period, no products were subject to recall due to safety or health concerns.

Customer Complaint Management

The Group has developed a customer complaint handling procedure. Once a complaint is received, the complaint receiver registers it and sends the details to the quality assurance department. This department assesses the complaint's validity. If it is suspected to be product quality-related, a thorough investigation is launched with relevant departments. Based on the investigation, complaints are classified by severity. Corrective and preventive actions are implemented for most complaints. Other actions like product isolation, sales suspension, or recalls may be taken as needed, and the DH will be informed in case of serious issues. The Group keeps the complainant updated during the process. After all actions are done, the complaint file is closed. The quality assurance department reviews complaints annually to spot trends and prevent future problems. We have also established relevant product recall procedures with reference to relevant requirements, including the GMP. Once we identify a branded medicine or proprietary Chinese medicine that is known or suspected to be harmful to users due to defective quality, safety, efficacy, or regulatory status in the market, we will initiate our recall procedure under the recall guidelines issued by the DH. A pharmaceutical product problem report form (including details of products and the nature of the problem) will be submitted to the DH as notification. Once the DH approves the recall, a recall letter and a recall reply form will be sent to all affected parties (which may include retailers, distributors, trading companies, corporate clients, or consumers, depending on the level of recall) according to our distribution records, requesting the return of unused stock. Distributors and trading companies shall arrange a systematic recall from their retailers and then return all unused stock to us. All recalled products will be returned to us, and a final report form of recall shall be prepared and submitted to the DH. The report shall record the reconciliation between the delivered and recovered quantities of the product. For regulatory recalls not due to quality issues and recall of our health and wellness products, we will initiate recall procedures internally. Similar procedures will be followed, except for filling out and submitting the pharmaceutical product problem report form and the final report form of recall to the DH, which is unnecessary.

During the Reporting Period, none of our products received material customer complaints that would have caused a significant negative impact on our business.

Procurement of Raw Materials

The primary raw materials for our self-manufactured products are menthol, paracetamol, Chinese herbs, chemicals and excipients. The active materials (by type) used in our GMP-accredited manufacturing facilities during the Reporting Period were generally manufactured by GMP-accredited manufacturers, notwithstanding that we uniformly apply our quality management procedures and quality control standards for our active materials procured in compliance with our adopted PIC/S or GMP standards (as the case may be), regardless of whether the relevant manufacturers are themselves GMP-accredited. For instance, all product quality-related suppliers for our PIC/S or GMP-accredited manufacturing facilities must undergo our vendor approval process, comprising an on-site audit or audit by questionnaire and other relevant continuous monitoring measures, such as requiring relevant active materials to be accompanied by a certificate of analysis and conducting relevant analytical activities, including chemical and physical analysis, to confirm that they comply with our prescribed specifications.

Third-Party Manufacturing

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

The third-party manufacturer is generally required to carry out all necessary quality control measures and keep the manufacturing records well in order to meet our product quality standards and relevant manufacturing requirements. A certificate of analysis is typically attached to the products delivered to us, confirming that the products comply with the specifications and quality standards as required by us or endorsed by the relevant regulatory requirements. We only accept products that meet the prescribed specifications.

Supply Chain Management

The Group has established a comprehensive internal system for supplier management. We actively engage with our suppliers, clearly communicating our standards regarding business ethics, environment, and health and safety in our cooperation agreements. We also require suppliers to undergo regular training to ensure they are well versed in and compliant with these standards.

In terms of the supply chain, our operations adhere to various laws, rules, regulations, and policies in each jurisdiction. Specifically, we have incorporated the requirements of laws such as the Dangerous Goods (General) Regulations (Cap. 295B of the laws of Hong Kong), Import and Export Ordinance (Cap. 60 of the laws of Hong Kong), and related regulations into our supplier management processes. For example, during the supplier audit, we check whether they meet the legal requirements regarding product quality, import and export procedures, etc.

When selecting suppliers of raw materials, including active pharmaceutical ingredients, we follow strict procedures. We collect their certificates, accreditations, and organisation charts, and use our "Active Pharmaceutical Ingredient Vendor Approval Questionnaire" and "Raw Material Vendor Assessment Form" to comprehensively assess their regulatory compliance, premises and facility conditions, quality assurance and control capabilities, and personnel qualifications. In addition to product quality, we also focus on environmental and social risks. For environmental risks, we evaluate their performance in environmental monitoring programs and facility sanitisation, and for social risks, we assess the existence of supplier auditing programs, corrective and preventive actions, and employee training programs. We conduct on-site audits of suppliers when necessary. During the audit, in addition to traditional quality-related checks, we also pay attention to environmental protection facilities and employee welfare conditions. Supplier performance is regularly reviewed. We routinely monitor suppliers for any incidents or regulatory warnings related to their product quality, environmental protection, and social responsibility. Those who fail to meet the standard and show no improvement after remedial actions are communicated will be terminated.

Our Procurement SOP not only defines the framework, responsibilities, and processes for purchasing goods and services to ensure compliance with relevant regulatory requirements but also includes specific provisions for purchasing environmentally friendly office equipment. For example, we prioritise products with energy-efficiency labels and specific environmental certifications during procurement. To reduce our carbon footprint derived from the logistics operations of our supply chains, we have added a geographical factor to our supplier selection criteria. We predominantly source raw materials from suppliers who are located close to our facilities, provided that their product quality and service levels meet our requirements.

During the Reporting Period, the Group sourced raw materials from 79 suppliers, most of whom were located in Asia. The supplier breakdown by geographical regions is as follows.

NUMBER OF SUPPLIERS BY GEOGRAPHICAL REGIONS

East Asia	54 (2026)	52 (2025)
Europe	13 (2026)	13 (2025)
South Asia	7 (2026)	7 (2025)
North America	4 (2026)	4 (2025)
Australia	1 (2026)	0 (2025)

***Year ended 31 March*

Responsible Sales and Marketing

The sales and marketing of branded healthcare products require more stringent promotional information than ordinary commodities. In light of this, the Group strictly complies with the laws and regulations relating to advertising and promotion, including but not limited to Trade Descriptions Ordinance (Cap. 362 of the Laws of Hong Kong) and Undesirable Medical Advertisements Ordinance (Cap. 231 of the Laws of Hong Kong), Advertising Law of the People's Republic of China and Law of the People's Republic of China on the Protection of Consumer Rights and Interests, in order to regulate the distribution and promotion of branded healthcare products. We ensure that the product advertisement is in an objective manner without making exaggerated statements or misrepresentations regarding its quality and functions. Our engaged advertising and promotion vendors are selected based on their reputation and work performance. Advertisements are released only after comprehensive reviews by different departments and vendors' compliance teams to ensure objectivity and avoid any non-compliance with laws and regulations. With the aim to achieve a consistent level of professionalism among staff and provide our customers with the highest quality services, we provide our frontline sales staff with various trainings on how to promote the products appropriately. Personnel involved are trained to understand the method of usage, functions and ingredients of the products to provide customers with accurate information. They are also trained to answer customers' enquiries and provide them with professional feedback.

Intellectual Property Rights

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

Although the Group does not possess any patents on our own-brand healthcare products, we have implemented different measures to protect our intellectual property rights. First of all, trademark registration of our own brands is the most critical protection of our own-brand healthcare products. Due to the proprietary or branded nature of branded healthcare brands and consumer recognition of branded healthcare products by their brands, the most valuable intellectual property protection associated with these products is their widely recognisable brand names, product names and logos, which are protected by trademarks. Besides, our confidential proprietary technologies, processes and know-how are protected by intellectual property, confidentiality, or non-competition clauses in the employment contracts of relevant employees and distribution agreements. We have also applied certain anti-counterfeit protection to the packaging of our products to differentiate them from fake or counterfeit products, such as anti-counterfeit ultraviolet marks to our Po Chai Pills (including Puji Pills for sale in China) and Flying Eagle Woodlok Oil and unique identification numbers to certain Ho Chai Kung branded products that correspond with our internal record of product batch list. In addition, our sales team regularly visits retail outlets in Hong Kong that carry our products to observe their general end-market responses and incidents of fake or counterfeit products.

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

During the Reporting Period, the Group complied with the laws and regulations that have a significant impact on it relating to advertising, labelling, and privacy matters relating to products and services provided and methods of redress.

Data Protection

We use information systems in our daily business operations. Our information systems record various operational data, including but not limited to sales information, payment records and inventory records, which allow us to analyse our business performance and make timely business and financial decisions. We also collect employees' personal data and information for employment-related or business-related matters.

Anti-Corruption

The Group regards honesty, integrity and fairness as core values that all employees must always uphold. The Group's Policy on Bribery Prevention is in place, which sets out the basic standard of conduct expected of all staff, regulates the acceptance of advantages, and requires mandatory declaration of conflict of interest when conducting the Group's business. All staff members must strictly comply with the Prevention of Bribery Ordinance of Hong Kong in all business activities.

Our Code of Conduct also establishes clear whistle-blowing channels for employees to report any sub-standard behaviour or fraudulent activity. Any employee who has information or knowledge of any potential, suspected, or actual violation of the Policy on Bribery Prevention must promptly report such matter to the Department Manager, the Vice President of Human Resources, or the Vice President of Administration. Upon receipt of the report, the Group will deploy internal and/or external resources to conduct a prompt investigation while ensuring maximum practicable confidentiality.

To foster a strong corporate integrity culture, the Group launched a comprehensive Anti-corruption Programme and collaborated with the Hong Kong Business Ethics Development Centre under the Independent Commission Against Corruption ("**ICAC**") of Hong Kong to organise two-tiered integrity training workshops. The workshops were tailored for managerial staff and frontline practitioners respectively, covering employees from different subsidiaries and functional departments within the Group. The primary objective of the workshops was to raise staff awareness of corruption vulnerabilities and risks in the workplace, deepen their understanding of relevant legal requirements, and equip them with the necessary skills to effectively address ethical dilemmas. We firmly believe that these targeted training sessions have significantly enhanced our employees' ethical decision-making abilities and further consolidated a culture of integrity throughout our organisation.

During the Reporting Period, the Group did not record any misconduct, regulatory non-compliance, or lawsuit related to bribery, extortion, fraud and money laundering.

Community Investment

The Group is deeply committed to fulfilling its social responsibilities within the communities we operate in. Employee volunteering remains a crucial part of our community service efforts, with employees actively engaging in various initiatives to make a positive impact. The Group continues to collaborate with non-profit organisations on diverse sponsorship and donation programs, focusing on enhancing the well-being of different groups.

Elderly Care and Underprivileged Group Support

Focusing on the most vulnerable segments of society, the Group prioritised elderly care and assistance to low-income families as the cornerstone of its community work. We rolled out a series of targeted care programmes aligned with traditional festivals, including the Dragon Boat Festival, Mid-Autumn Festival and Chinese New Year, donating our signature healthcare products such as Flying Eagle Woodlok Oil, Tong Tai Chung Ointment and Po Chai Pills to meet the daily health needs of beneficiaries. We collaborated with leading charitable organisations, including A Drop of Life, Lam Kwun King Memorial Fund, More Good Foundation and the TVB, Staff and Artistes Fund for Charities, as well as multiple local churches and social service centres. Key initiatives included:

- A Drop of Life Mid-Autumn Festival Charity Goodie Bags Event and A Drop of Life Chinese New Year Charity Goodie Bags Event 2026, reaching elderly people living alone, dual-elderly households, children with special needs and people with disabilities.
- "Dragon Boat Festival: Join Hands Together, Care at Doorstep" organised by the Lam Kwun King Memorial Fund.
- "Warmth Delivery 2026" by the TVB, Staff and Artistes Fund for Charities.
- Specialised health initiatives such as the "Fall Prevention Seminar" and "New Elderly Skills Challenge", addressing both physical health and social well-being of the elderly.

Education and Youth Development

The Group is committed to nurturing future talents and supporting the all-round development of young people. We provided financial support and donated our healthcare products as educational souvenirs and activity gifts for various student-focused initiatives:

- Sponsored the Hong Kong Metropolitan University Foundation Dinner 2025 - "Inspiring Dreams Beyond Limits" to contribute to the advancement of higher education.
- Supported the DL Media Ltd music school tour covering 13 secondary schools across Hong Kong, enriching students' extracurricular cultural experiences.
- Collaborated with the Lions Club of Hong Kong Traditional Chinese Medicine to launch the "Xinglin Herb Garden" project, helping students gain hands-on knowledge of traditional Chinese medicine culture and health practices.
- Participated in the 2026 Student Fair - The Education University of Hong Kong Lunar New Year Market, supporting student entrepreneurship and innovative learning activities.

Sports and Healthy Lifestyle Promotion

Adhering to the vision of "health for all", the Group actively promoted sports participation and healthy lifestyles across all age groups. We supplied our pain-relief healthcare products to support participants' physical recovery and well-being in various sporting events:

- Served as a key sponsor of the Hong Kong Streetathon 2025, one of Hong Kong's most influential large-scale running events that promotes inclusive sports and community fitness.

- Sponsored the 3rd Hong Kong Intergeneration Baseball League Tournament, encouraging intergenerational interaction through sports.

- Launched the "Flying Eagle Cup 2025" miniature football tournament with dedicated 50+ and 60+ age groups, promoting local small-sided football culture and encouraging active participation of senior citizens in community sports.

Cultural and Community Building

The Group actively contributed to cultural exchange and community cohesion by supporting a wide range of local cultural and social activities. We donated our healthcare products as event gifts, raffle prizes and guest souvenirs:

- Sponsored multiple charity gala dinners organised by Lions Clubs International chapters in Hong Kong, including the Lions Club of Hong Kong Oriental Auspicious Dragon Inauguration Ceremony & Charity Gala Dinner and the Lions Club of Hong Kong Traditional Chinese Medicine Inauguration Ceremony & Charity Gala Dinner, helping raise funds for diverse charitable causes.

- Supported the innovative cultural event "Trick or Ink 2025 @Airside", exploring new ways to connect traditional Chinese medicine brands with youth culture.

- Backed various community gatherings and festive celebrations organised by local churches and community organisations, strengthening social bonds and fostering a harmonious community atmosphere.

Appendix A: HKEx ESG Reporting Code Index

	ASPECT	CORRESPONDING CONTENT
A.	**ENVIRONMENTAL**	
A1	**Emissions** Policies relating to air and greenhouse gas emissions, discharges into water and land and generation of hazardous and non-hazardous waste. Compliance with relevant laws and regulations that have a significant impact on the issuer.	Climate Change Air Pollutant Management
A1.1	The types of emissions and respective emissions data.	Our in-house logistics EURO V diesel vehicles are the main contributor to air emissions during the Reporting Period. Data for air emissions was not collected since its impact is immaterial compared to other ESG aspects.
A1.2	[Repealed 1 January 2025]	
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management
A1.5	Description of emissions target(s) set and steps taken to achieve them.	Climate Change
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of the reduction target(s) set and steps taken to achieve them.	Waste Management

	ASPECT	CORRESPONDING CONTENT
A2	**Use of Resources** Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Energy Water Resource Management Environment and Natural Resource
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in' 000s) and intensity (e.g. per unit of production volume, per facility).	Use of Energy
A2.2	Water consumption in total and intensity (e.g. unit of production volume, per facility).	Water Resource Management
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Energy
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Water Resource Management
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Data for packaging material was not collected since callout its impact of it is immaterial compared to other ESG aspects.
A3	**The Environment and Natural Resources** Policies on minimising the issuer's significant impact on the environment and natural resources.	Environment and Natural Resources
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environment and Natural Resources
A4	**Climate Change** [Repealed 1 January 2025]	
A4.1	[Repealed 1 January 2025]	

	ASPECT	CORRESPONDING CONTENT
B.	**Social**	
B1	**Employment** Policies on employment and compliance with local laws and regulations that have a significant impact on the issuer regarding the following: • Compensation and dismissal • Recruitment and promotion • Working hours and rest periods • Equal opportunity and anti-discrimination • Diversity • Other benefits and welfare	Employment and Labour Practices
B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Employment and Labour Practices
B1.2	Employee turnover rate by gender, age group and geographical region.	Employment and Labour Practices
B2	**Health and Safety** Policies on providing a safe working environment and protecting employees from occupational hazards and compliance with relevant laws and regulations.	Occupational Health and Safety
B2.1	The number and rate of work-related fatalities occurred in each of the past three years, including the reporting year.	Occupational Health and Safety
B2.2	Lost days due to work injury.	Occupational Health and Safety
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Occupational Health and Safety

	ASPECT	CORRESPONDING CONTENT
B3	**Development and Training** Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Training and Development
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Training and Development
B3.2	The average training hours completed per employee by gender and employee category.	Training and Development
B4	**Labour Standards** Policies and compliance with laws and regulations on preventing child and forced labour.	Labour Standards
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards
B5	**Supply Chain Management** Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
B5.1	Number of suppliers by geographical region.	Supply Chain Management
B5.2	Description of practices relating to engaging suppliers, the number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management

	ASPECT	CORRESPONDING CONTENT
B6	**Product Responsibility** Policies and compliance with relevant laws and regulations on health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility Intellectual Property Rights Data Protection
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility
B6.2	Number of products and service-related complaints received and how they are dealt with.	Product Responsibility
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual Property Rights
B6.4	Description of quality assurance process and recall procedures.	Product Responsibility
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Data Protection
B7	**Anti-corruption** Policies and compliance with relevant laws and regulations relating to bribery, extortion, fraud and money laundering.	Anti-Corruption
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	Anti-Corruption
B7.2	Description of preventive measures and whistle-blowing procedures and how they are implemented and monitored.	Anti-Corruption
B7.3	Description of anti-corruption training provided to the Directors and staff.	Anti-Corruption

	ASPECT	CORRESPONDING CONTENT
B8	**Community Investment** Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment
B8.1	Focus areas or contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment
Part D	**Climate-related Disclosures**	
(I)	Governance	Climate Change
(II)	Strategy	Climate Change
(III)	Risk Management	Climate Change
(IV)	Metrics and Targets	Climate Change