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PuraPharm

PURAPHARM CORPORATION LIMITED

培力農本方有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1498)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

FINANCIAL HIGHLIGHTS

| | Year ended 31 December | | | | | |
|--|-------------------------|--------------------|-------------------------|--------------------|-----------------------------|-----------------------|
| | 2025 <i>HK\$'000</i> | % of total | 2024 <i>HK\$'000</i> | % of total | Change <i>HK\$'000</i> % | |
| Revenue | | | | | | |
| – Hong Kong concentrated | | | | | | |
| Chinese medicine granule | 192,317 | 57.2% | 207,591 | 54.3% | (15,274) | (7.4%) |
| – Chinese healthcare products | 92,557 | 27.5% | 84,302 | 22.1% | 8,255 | 9.8% |
| – Nong's® (農本方) | | | | | | |
| Chinese medicine clinics | 51,238 | 15.2% | 56,313 | 14.7% | (5,075) | (9.0%) |
| – China concentrated | | | | | | |
| Chinese medicine granule and plantation | 1 | 0.1% | 33,884 | 8.9% | (33,883) | (100%) |
| | <u>336,113</u> | <u>100%</u> | <u>382,090</u> | <u>100%</u> | <u>(45,977)</u> | <u>(12.0%)</u> |
| Gross profit | 180,156 | | 205,142 | | (24,986) | (12.2%) |
| Net loss for the year | (35,223) | | (35,439) | | 216 | 0.6% |

The board (the “**Board**”) of directors (the “**Directors**”) of PuraPharm Corporation Limited (the “**Company**”) hereby presents the consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2025 (the “**Reporting Period**”) with the comparative audited figures for the year ended 31 December 2024 as follows.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2025

| | <i>Notes</i> | 2025 HK\$'000 | 2024 <i>HK\$'000</i> |
|---|--------------|--------------------------------|-------------------------|
| Revenue | 4 | 336,113 | 382,090 |
| Cost of sales | | <u>(155,957)</u> | <u>(176,948)</u> |
| Gross profit | | 180,156 | 205,142 |
| Other income and gains | 4 | 5,465 | 17,391 |
| Selling and distribution expenses | | (52,484) | (64,912) |
| Administrative expenses | | (152,051) | (159,474) |
| Share of loss of a joint venture | | (88) | (312) |
| Impairment loss on property, plant and equipment | | – | (1,726) |
| Impairment loss on right-of-use assets | | (1,291) | (697) |
| Reversal of impairment loss on financial assets, net | | 8,157 | 997 |
| Other expenses | | (1,552) | (1,839) |
| Finance costs | | <u>(20,722)</u> | <u>(23,714)</u> |
| LOSS BEFORE TAX | 5 | (34,410) | (29,144) |
| Income tax expense | 6 | <u>(813)</u> | <u>(6,295)</u> |
| LOSS FOR THE YEAR | | <u>(35,223)</u> | <u>(35,439)</u> |
| Attributable to: | | | |
| Owners of the parent | | <u>(35,223)</u> | <u>(35,439)</u> |
| LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT | 8 | | |
| Basic and diluted | | | |
| – For loss for the year (expressed in HK cents per share) | | <u>(8.41)</u> | <u>(8.97)</u> |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2025

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| LOSS FOR THE YEAR | <u>(35,223)</u> | <u>(35,439)</u> |
| OTHER COMPREHENSIVE INCOME | | |
| Other comprehensive income that may be reclassified to profit or loss in subsequent periods: | | |
| Exchange differences on translation of foreign operations | <u>(5,692)</u> | <u>(8,049)</u> |
| OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX | <u>(5,692)</u> | <u>(8,049)</u> |
| TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR | <u>(40,915)</u> | <u>(43,488)</u> |
| Attributable to: | | |
| Owners of the parent | <u>(40,915)</u> | <u>(43,488)</u> |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

| | <i>Notes</i> | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|--|--------------|--------------------------------|-------------------------|
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | | 265,492 | 267,605 |
| Investment properties | | 3,969 | 3,871 |
| Right-of-use assets | | 87,229 | 87,781 |
| Goodwill | | 17,944 | 17,944 |
| Other intangible assets | | 67,000 | 31,560 |
| Investments in a joint venture | | 865 | 953 |
| Financial assets at fair value through profit or loss | | 12,283 | 19,119 |
| Financial assets at fair value through other comprehensive income | | 2,746 | 2,747 |
| Prepayments for non-current assets | | 2,276 | 8,003 |
| Deferred tax assets | | 6,868 | 7,701 |
| | | <hr/> | <hr/> |
| Total non-current assets | | 466,672 | 447,284 |
| CURRENT ASSETS | | | |
| Inventories | | 99,188 | 123,557 |
| Trade and bills receivables | <i>9</i> | 56,405 | 57,497 |
| Prepayments, other receivables and other assets | | 50,318 | 49,113 |
| Restricted cash and pledged deposits | | 5,005 | 25,480 |
| Cash and cash equivalents | | 16,170 | 12,794 |
| | | <hr/> | <hr/> |
| Total current assets | | 227,086 | 268,441 |
| CURRENT LIABILITIES | | | |
| Trade and bills payables | <i>10</i> | 85,231 | 132,214 |
| Other payables and accruals | | 106,377 | 86,797 |
| Interest-bearing bank and other borrowings | <i>11</i> | 268,311 | 250,548 |
| Lease liabilities | | 15,811 | 13,633 |
| Tax payable | | 3,515 | 7,710 |
| Government grants | | 170 | 165 |
| | | <hr/> | <hr/> |
| Total current liabilities | | 479,415 | 491,067 |
| | | <hr/> | <hr/> |
| NET CURRENT LIABILITIES | | (252,329) | (222,626) |

| | | 2025 | 2024 |
|--|--------------|-----------------------|-----------------------|
| | <i>Notes</i> | HK\$'000 | HK\$'000 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>214,343</u> | <u>224,658</u> |
| NON-CURRENT LIABILITIES | | | |
| Other payables and accruals | | 11,957 | 11,015 |
| Interest-bearing bank and other borrowings | <i>11</i> | 55,505 | 89,162 |
| Lease liabilities | | 11,515 | 10,416 |
| Government grants | | 2,687 | 1,897 |
| Deferred tax liabilities | | <u>2,195</u> | <u>970</u> |
| Total non-current liabilities | | <u>83,859</u> | <u>113,460</u> |
| Net assets | | <u>130,484</u> | <u>111,198</u> |
| EQUITY | | | |
| Equity attributable to owners of the parent | | | |
| Share capital | | 4,153 | 306,820 |
| Shares held for share award scheme | | (2,859) | (2,859) |
| Reserves | | <u>129,190</u> | <u>(192,763)</u> |
| Total equity | | <u>130,484</u> | <u>111,198</u> |

NOTES TO FINANCIAL STATEMENTS

1. CORPORATE AND GROUP INFORMATION

The Company was incorporated as an exempted company with limited liability under the Companies Law, Cap, 22 of the Cayman Islands on 2 December 2011. The registered office address is P.O. Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands.

The Company is an investment holding company. During the year ended 31 December 2025, the Company and its subsidiaries (the “**Group**”) have been principally engaged in the research and development, production and sale of concentrated Chinese medicine granule (“**CCMG**”) products and Chinese healthcare products, plantation and trading of raw Chinese herbs, and manufacture and sale of Traditional Chinese Medicine (“**TCM**”) decoction pieces (“**中藥飲片**”), as well as rendering of Chinese medical diagnostic services.

In the opinion of the Board, the ultimate holding company of the Company is Fullgold Development Limited, which was incorporated in the British Virgin Islands (the “**BVI**”) and is wholly-owned by Mr. Chan Yu Ling, Abraham (“**Mr. Abraham Chan**”), the founder of the Group.

2. BASIC OF PREPARATION AND CHANGES IN MATERIAL ACCOUNTING POLICIES

2.1 Statement of Compliance and Going concern assumption

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”), Hong Kong Accounting Standards (“**HKASs**”) and Interpretations collectively (“**HKFRS Accounting Standards**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the disclosure requirements under the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

During the year ended 31 December 2025, the Group recorded a loss attributable to the owners of the Company of HK\$35.2 million, and had net current liabilities of HK\$252.3 million as at that date.

As at 31 December 2025, the Group's current portion of interest-bearing bank and other borrowings was HK\$268.3 million, while its cash and cash equivalent amounted to only HK\$16.2 million. In addition, the Group has breached certain covenants of bank loans of HK\$25.2 million and defaulted in repayment of certain bank and other borrowings of HK\$24.4 million, respectively as at 31 December 2025. Consequently, borrowings with principal amount of HK\$49.6 million, may be subject to immediate repayment at the discretion of lenders.

In view of these circumstances, the Directors have given consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern. In order to improve the Group's liquidity and cash flows to sustain the Group as a going concern, the Directors implemented or is in the process of implementing the following measures:

- (a) The Group strives to drive revenue growth and continues to implement cost control measures so as to attain profitable and maintain positive cash flow from operations;
- (b) As at 31 December 2025, default in repayment was noted for the Group's term loan of HK\$25.2 million. During the year ended 31 December 2025, the Group successfully deferred the repayment schedule of certain term loans with a bank. The Directors are actively negotiating with remaining bank and lenders to defer the repayment terms; and
- (c) As at 31 December 2025, breach of covenants were noted for some of the revolving loan, invoice financing loan and overdraft facilities of HK\$9.0 million, HK\$12.4 million and HK\$3.0 million respectively, based on historical experiences, the respective banks continue to allow the Group to utilise their facilities, while the Group has drawn loans of HK\$15.2 million under these facilities subsequent to the end of reporting period. The Directors are also actively negotiating with the banks to revise the facility covenants and reasonably expect to continue drawing down the unutilised bank facilities of HK\$28.5 million as at 31 December 2025 to rollover the Group's revolving loans, invoice financing loans and overdraft facilities for another year;

- (d) The Group had non-pledged long-term assets of HK\$153.2 million in The People's Republic of China (the "PRC") as at 31 December 2025 which are available for the Group to obtain new borrowings.
- (e) The Group will consider disposing of certain properties to strengthen its liquidity position, if necessary; and
- (f) The Group will pursue opportunities to develop its business with potential investors.

The Directors have prepared a cash flow forecast for the Group covering a period of twelve months from the end of the reporting period. They are of the opinion that, taking into account the abovementioned plans and measures, coupled with the Group's internally generated funds and unutilised bank facilities, the Group will have sufficient working capital to finance its operations and meet its obligations as and when they fall due in the foreseeable future. Accordingly, the Directors are of the opinion that it is appropriate to prepare the consolidated financial statements of the Group for the year ended 31 December 2025 on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the Group is able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the following:

- (a) the successful renewal of the existing bank and other borrowings and continue to utilise their bank facilities to draw down new loans for repaying the respective due loans, or successful negotiation with the lenders for the extension for repayment terms of the Group's bank and other borrowings, or successful obtaining of additional new sources of financing in the foreseeable future as and when needed;
- (b) the successful implementation of the Group's business plans and cost control measures to achieve profitability and maintain positive operating cash flows;
- (c) the disposal of the Group's assets to raise fund when necessary; and
- (d) the successful negotiation with potential investors to develop its business.

The above conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

Should the Group be unable to achieve the above-mentioned plans and measures on a timely basis, it may not be able to continue to operate as a going concern, and adjustments would have to be made to write down the carrying values of the Group's assets to their realisable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

Basis of consolidation

The consolidated financial statements include the financial statements of Group for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 Changes in accounting policies and disclosures

The Group has adopted the following amended HKFRS Accounting Standards for the first time for the current year's financial statements.

Amendments to HKAS 21 *The effects of changes in foreign exchange rates "Lack of exchangeability"* effective for the financial year ended 31 December 2025 do not have any impact to the Group.

2.3 New/amended HKFRS Accounting Standards issued but not yet effective and not early adopted

The Group has not applied the following new/amended HKFRS Accounting Standards which were issued but not yet effective and not early adopted:

| | |
|---|--|
| Amendments to HKFRS 7 and HKFRS 9 | <i>Amendments to the Classification and Measurement of Financial Instruments¹</i> |
| Annual Improvements to HKFRS Accounting Standards – Volume 11 | <i>Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS7¹</i> |
| HKFRS 18 | <i>Presentation and Disclosure in Financial Statements²</i> |
| Amendments to HKAS 21 | <i>Translation to a Hyperinflationary Presentation Currency²</i> |

¹ Effective for accounting periods beginning on or after 1 January 2026

² Effective for accounting periods beginning on or after 1 January 2027

Except for the impact of HKFRS 18 further elaborated below, the adoption of remaining amended HKFRS Accounting Standards would not have any material impact on the Group. HKFRS 18 will replace HKAS 1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of financial performance of similar entities and provide more relevant information and transparency to users. These include:

- (i) all income and expenses in the consolidated income statement are required to be classified into one of the five categories, namely operating, investing, financing, income taxes, and discontinued operations;
- (ii) two newly-defined subtotals “operating profit” and “profit before financing and income taxes” are required to be presented in the consolidated income statement to increase comparability; management-defined performance measures (MPMs), which are often non-HKFRS measures (e.g., EBITDA), are required to be disclosed in a single note in the consolidated financial statements;
- (iii) enhanced guidance on the principles of aggregation and disaggregation of information is provided; and
- (iv) operating profit subtotal is required to be used as the starting point for the consolidated statement of cash flows when presenting operating cash flows under the indirect method, and each of interest income, interest expense and dividend income should be classified under a single category.

The adoption of HKFRS 18 would not have any impact on the Group’s profit attributable to shareholders of the Company (the “**Shareholders**”), but is expected to trigger certain changes in the presentation of consolidated income statement. The Group is still in the process of assessing the impact of HKFRS 18 on the Group’s consolidated financial statements, particularly with respect to the categorisation of income and expenses in the Group’s consolidated income statement, the structure of the Group’s consolidated income statement and consolidated statement of cash flows, and the additional disclosure required for MPMs.

3. OPERATING SEGMENT INFORMATION

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

- (a) the Hong Kong CCMG segment mainly engages in the sale of CCMG products, excluding the sales through self-operated clinics in Hong Kong;
- (b) the Chinese healthcare products segment mainly engages in the production and sale of healthcare products in Hong Kong, the USA and Japan;
- (c) the clinics segment mainly engages in the provision of Chinese medical diagnostic services and sale of CCMG products through self-operated clinics;
- (d) the China CCMG segment mainly engages in the production and sale of CCMG products in Chinese Mainland; and
- (e) the plantation segment mainly engages in the plantation and trading of raw Chinese herbs, and the manufacture and sale of TCM decoction pieces.

Management monitors the results of the Group's operating segments respectively for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss after tax. The adjusted profit or loss after tax is measured consistently with the Group's profit or loss after tax except interest income, net foreign exchange difference, equity-settled share award and share option expenses, non-lease-related finance costs, corporate and other unallocated expenses and income tax expense.

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

The following tables present revenue, profit and other segment information for the Group's operating segments for the years ended 31 December 2025 and 2024.

For the year ended 31 December 2025

| | Hong Kong CCMG HK\$'000 | Chinese healthcare products HK\$'000 | Clinics HK\$'000 | China CCMG, and plantation HK\$'000 | Elimination HK\$'000 | Total HK\$'000 |
|---|-------------------------------|---|---------------------|--|-------------------------|------------------------|
| Segment revenue (note 4): | | | | | | |
| Sales to external customers | 192,317 | 92,557 | 51,238 | 1 | - | 336,113 |
| Intersegment sales | 12,636 | 4,410 | - | 175,964 | (193,010) | - |
| Total segment revenue | <u>204,953</u> | <u>96,967</u> | <u>51,238</u> | <u>175,965</u> | <u>(193,010)</u> | <u>336,113</u> |
| Segment results | 47,181 | 1,660 | (9,627) | 20,240 | - | 59,454 |
| <i>Reconciliations:</i> | | | | | | |
| Interest income | | | | | | 39 |
| Foreign exchange difference, net | | | | | | (465) |
| Finance costs (other than interest on lease liabilities) | | | | | | (19,711) |
| Corporate and other unallocated expenses | | | | | | <u>(73,727)</u> |
| Loss before tax | | | | | | (34,410) |
| Income tax expense | | | | | | <u>(813)</u> |
| Net loss | | | | | | <u><u>(35,223)</u></u> |

For the year ended 31 December 2024

| | Hong Kong CCMG HK\$'000 | Chinese healthcare products HK\$'000 | Clinics HK\$'000 | China CCMG, and plantation HK\$'000 | Elimination HK\$'000 | Total HK\$'000 |
|---|-------------------------------|---|---------------------|--|-------------------------|------------------------|
| Segment revenue (note 4): | | | | | | |
| Sales to external customers | 207,591 | 84,302 | 56,313 | 33,884 | – | 382,090 |
| Intersegment sales | <u>4,897</u> | <u>1,604</u> | <u>–</u> | <u>150,091</u> | <u>(156,592)</u> | <u>–</u> |
| Total segment revenue | <u>212,488</u> | <u>85,906</u> | <u>56,313</u> | <u>183,975</u> | <u>(156,592)</u> | <u>382,090</u> |
| Segment results | 68,690 | 9,596 | 114 | (8,363) | – | 70,037 |
| <i>Reconciliations:</i> | | | | | | |
| Interest income | | | | | | 349 |
| Foreign exchange difference, net | | | | | | (872) |
| Equity-settled share option expenses | | | | | | (1,450) |
| Finance costs (other than interest on lease liabilities) | | | | | | (22,501) |
| Corporate and other unallocated expenses | | | | | | <u>(74,707)</u> |
| Loss before tax | | | | | | (29,144) |
| Income tax expense | | | | | | <u>(6,295)</u> |
| Net loss | | | | | | <u><u>(35,439)</u></u> |

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| <i>Revenue from contracts with customers</i> | | |
| Sale of CCMG products and raw Chinese herbs | 230,673 | 284,706 |
| Sale of Chinese healthcare products | 92,557 | 82,017 |
| Rendering of diagnostic services | 12,883 | 15,367 |
| | <u>336,113</u> | <u>382,090</u> |
| Total revenue | <u><u>336,113</u></u> | <u><u>382,090</u></u> |

Revenue from contracts with customers

(i) Segment information

For the year ended 31 December 2025

| Segments | Sale of goods <i>HK\$'000</i> | Diagnostic services <i>HK\$'000</i> | Total <i>HK\$'000</i> |
|--|----------------------------------|---|--------------------------|
| Types of goods or services | | | |
| Sale of goods | 323,230 | – | 323,230 |
| Rendering of services | – | 12,883 | 12,883 |
| | <u>323,230</u> | <u>12,883</u> | <u>336,113</u> |
| Total revenue from contracts with customers | <u><u>323,230</u></u> | <u><u>12,883</u></u> | <u><u>336,113</u></u> |
| Geographical markets | | | |
| Hong Kong | 279,937 | 11,878 | 291,815 |
| Chinese Mainland | 1,606 | 1,005 | 2,611 |
| Other countries/regions | 41,687 | – | 41,687 |
| | <u>323,230</u> | <u>12,883</u> | <u>336,113</u> |
| Total revenue from contracts with customers | <u><u>323,230</u></u> | <u><u>12,883</u></u> | <u><u>336,113</u></u> |

For the year ended 31 December 2024

| Segments | Sale of goods <i>HK\$'000</i> | Diagnostic services <i>HK\$'000</i> | Total <i>HK\$'000</i> |
|--|----------------------------------|---|---------------------------|
| Types of goods or services | | | |
| Sale of goods | 366,723 | – | 366,723 |
| Rendering of services | <u>–</u> | <u>15,367</u> | <u>15,367</u> |
| Total revenue from contracts with customers | <u><u>366,723</u></u> | <u><u>15,367</u></u> | <u><u>382,090</u></u> |
| Geographical markets | | | |
| Hong Kong | 290,799 | 14,725 | 305,524 |
| Chinese Mainland | 34,681 | 642 | 35,323 |
| Other countries/regions | <u>41,243</u> | <u>–</u> | <u>41,243</u> |
| Total revenue from contracts with customers | <u><u>366,723</u></u> | <u><u>15,367</u></u> | <u><u>382,090</u></u> |

5. LOSS BEFORE TAX

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Cost of inventories sold | 152,784 | 170,020 |
| Cost of services provided*** | 3,173 | 6,928 |
| Depreciation of property, plant and equipment | 19,217 | 31,078 |
| Depreciation of right-of-use assets | 18,800 | 18,993 |
| Amortisation of intangible assets | 6,509 | 4,515 |
| Fair value loss on investment properties* | – | 351 |
| Fair value loss/(gain) on financial assets at fair value through profit or loss* | 572 | (1,440) |
| (Loss)/gain on disposal of right-of-use assets* | 3,850 | (485) |
| Write-down/(reversal of) of inventories to net realisable value** | 2,297 | (618) |
| Reversal of impairment loss on trade and bills receivables | (8,157) | (997) |
| Reversal of impairment loss on other receivables and other assets | (1,200) | – |
| Impairment loss on property, plant and equipment | – | 1,726 |
| Impairment loss on right-of-use assets | 1,291 | 696 |
| Lease payments not included in the measurement of lease liabilities | 4,458 | 6,423 |
| Auditor's remuneration | 2,000 | 2,000 |
| Employee benefit expense (excluding Directors' remuneration): | | |
| Wages and salaries | 86,148 | 88,153 |
| Pension scheme contributions (defined contribution scheme)**** | 10,580 | 13,303 |
| Total | <u>96,728</u> | <u>104,456</u> |
| Research and development costs*** | 13,763 | 11,168 |
| Foreign exchange difference, net | <u>558</u> | <u>872</u> |

* Fair value (loss)/gain on financial assets at fair value through profit or loss, (loss)/gain on disposal of right-of-use assets and gain on disposal of property, plant and equipment were included in the "Others" of "Other income and gains" in the consolidated statement of profit or loss for the years ended 31 December 2025 and 2024. The fair value loss on investment properties, financial assets at fair value through profit or loss, loss on disposal of property, plant and equipment and right-of-use assets were included in "Other expenses" in the consolidated statement of profit or loss for the years ended 31 December 2025 and 2024.

** The write-down/(reversal of) of inventories to net realisable value was included in the "Cost of sales" in the consolidated statement of profit or loss for the years ended 31 December 2025 and 2024.

*** Depreciation of HK\$2,447,000 (2024: HK\$3,634,000) and HK\$1,094,000 (2024: HK\$1,275,000) were included in "Cost of inventories sold" and "Research and development costs", respectively. Employee benefit expenses of HK\$4,155,000 (2024: HK\$6,199,000) was included in "Research and development costs".

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

6. INCOME TAX

The Group is subject to income tax on an entity basis on profit arising in or derived from the jurisdictions in which subsidiaries of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and BVI, the subsidiaries of the Group which are incorporated in the Cayman Islands and BVI are not subject to any income tax.

Hong Kong Profits Tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (2024: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

U.S. profits taxes have been provided at the federal rate of 21.0% and the state rate of 8.8% as well as Japan profits tax has been provided at the rate of 23.2% on the estimated assessable profits arising in the respective jurisdictions, during the years ended 31 December 2025 and 2024.

The statutory tax rate of the Group in respect of its operation in Chinese Mainland is 25% (2024: 25%). The Group's PRC subsidiary, Purapharm (Nanning) Pharmaceuticals Co., Limited ("PuraPharm Nanning"), is qualified as a High and New Technology Enterprise and was entitled to a preferential income tax rate of 15% (2024: 15%). According to prevailing PRC income tax law, the income obtained from activities in agricultural, forestry, animal husbandry and fishery projects shall be entitled to income tax reduction or exemption, among which, projects of cultivation of Chinese medicine herbs and service projects related to agriculture such as agri-product preliminary processing are exempted from income tax. PuraPharm (Guizhou) Chinese Medicine Co., Ltd. and Gold Sparkle (Guizhou) HZ Plantation Co., Ltd. have obtained the documentation acknowledged by the tax authority in charge for the corporate income tax exemption for years ended 31 December 2025 and 2024 and the preferential income tax rate was 0%.

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Current – Hong Kong | | |
| (Credited)/charge for the year | (1,480) | 5,387 |
| Current – Elsewhere | 287 | 204 |
| Underprovision/(overprovision) in prior years | (66) | 433 |
| Deferred | <u>2,072</u> | <u>271</u> |
| Total | <u><u>813</u></u> | <u><u>6,295</u></u> |

7. DIVIDENDS

No dividends were proposed for the years ended 31 December 2025 and 2024.

8. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

| | 2025 | 2024 |
|--|---------------|---------------|
| Loss per share attributable to ordinary equity holders of the parent | | |
| – Basic and diluted (<i>HK cents</i>) | <u>(8.41)</u> | <u>(8.97)</u> |

(a) Basic

Basic loss per share is calculated by dividing the loss attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the years ended 31 December 2025 and 2024 excluding ordinary shares purchased by the Group and held for the share award scheme.

| | 2025 | 2024 |
|--|--------------------|--------------------|
| Loss attributable to ordinary equity holders of the parent (<i>HK\$'000</i>) | (35,223) | (35,439) |
| Weighted average number of ordinary shares in issue | <u>418,768,851</u> | <u>395,052,941</u> |
| Basic loss per share (<i>expressed in HK cents per share</i>) | <u>(8.41)</u> | <u>(8.97)</u> |

(b) Diluted

The Group had no potentially dilutive ordinary shares in issue for share options and share award scheme during the years ended 31 December 2025 and 2024 as they had an anti-dilutive effect on the basic loss per share amounts presented.

9. TRADE AND BILLS RECEIVABLES

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Trade receivables | 94,658 | 103,260 |
| Bills receivable (<i>Note</i>) | — | 4,535 |
| | <u>94,658</u> | <u>107,795</u> |
| Less: Impairment of trade and bills receivables | <u>(38,253)</u> | <u>(50,298)</u> |
| Net carrying amount | <u><u>56,405</u></u> | <u><u>57,497</u></u> |

Note: During the year ended 31 December 2024, the Group entered into a series of bills discounted arrangements (the “**Arrangements**”) to transfer bills receivable (the “**Discounted Bills**”) to PRC banks or third-party company with a carrying amount in aggregate of HK\$1,296,000. Under the Arrangements, the Group may be required to reimburse the PRC banks or third-party company for loss of principal and interest if any trade debtors have default payment. In the opinion of the Directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Discounted Bills, and accordingly, it continued to recognise the full carrying amounts of the Discounted Bills and other borrowings. Due to the cash flow of bills receivable are not SPPI, the total amount of bills receivables are accounted as financial assets at fair value through other comprehensive income as at 31 December 2025 and in the opinion of the Directors, the carrying amounts of the Discounted Bills are approximate their fair values.

The Group’s trading terms with its customers are mainly on credit, except for new customers, where payments in advance is normally required. The credit period is generally one to six months, extending up to longer periods for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control policy to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade and bills receivable balances. Trade and bills receivables are non-interest-bearing.

An ageing analysis of the trade and bills receivables as at 31 December 2025 and 2024, based on the invoice date and net of loss allowance, is as follows:

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|--------------------|-------------------------|-------------------------|
| Within 1 month | 47,656 | 36,121 |
| 1 to 3 months | 844 | 2,899 |
| 3 to 6 months | 2,026 | 2,733 |
| 6 months to 1 year | 3,194 | 9,730 |
| Over 1 year | <u>2,685</u> | <u>6,014</u> |
| Total | <u><u>56,405</u></u> | <u><u>57,497</u></u> |

At 31 December 2025, trade receivables of HK\$3,130,000 (2024: HK\$27,915,000) were pledged as security for the Group's bank loans (note 11).

10. TRADE AND BILLS PAYABLES

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|----------------|--------------------------------|-------------------------|
| Trade payables | 85,231 | 81,029 |
| Bills payables | <u>–</u> | <u>51,185</u> |
| Total | <u>85,231</u> | <u>132,214</u> |

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

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|----------------|--------------------------------|-------------------------|
| Within 1 month | 18,844 | 20,498 |
| 1 to 2 months | 16,650 | 23,561 |
| 2 to 3 months | 14,283 | 29,965 |
| Over 3 months | <u>35,454</u> | <u>58,190</u> |
| Total | <u>85,231</u> | <u>132,214</u> |

The trade and bills payables are interest-free and are normally settled on terms of one to six months, extending to longer periods for those long-standing suppliers.

11. INTEREST-BEARING BANK AND OTHER BORROWINGS

| | 2025 | | | 2024 | | |
|---------------------------------------|--------------------------|-----------|-----------------------|--------------------------|-----------|-----------------------|
| | Effective interest rate% | Maturity | HK\$'000 | Effective interest rate% | Maturity | HK\$'000 |
| Current | | | | | | |
| Bank overdraft ^(a) | 4.25-5.25 | On demand | 3,000 | 4.25-5.25 | On demand | 3,000 |
| Bank loans – secured | 4.25-6.5 | On demand | 55,464 | 4.5-5.6 | On demand | 107,436 |
| Bank loans – secured ^(a) | 3.13-7.13 | 2026 | 155,058 | 3.1-7.1 | 2025 | 74,057 |
| Bank loans – unsecured ^(a) | 4.5 | On demand | – | 4.5 | On demand | 14,958 |
| Bank loans – unsecured | 0.85-3.35 | 2026 | 19,670 | 0.85-3.35 | 2025 | 10,980 |
| Other borrowings – secured | 5.4-5.5 | On demand | 1,827 | 7-8 | On demand | 8,282 |
| Other borrowings – unsecured | – | – | – | 8 | On demand | 1,080 |
| Other borrowings – secured | 5 | 2026 | 4,539 | 7 | 2025 | 9,158 |
| Other borrowings – unsecured | 10 | 2026 | 28,753 | 10 | 2025 | 21,597 |
| Total – current | | | <u>268,311</u> | | | <u>250,548</u> |
| Non-current | | | | | | |
| Bank loans – secured | 0.85-6.5 | 2027-2030 | 52,717 | 0.85-6.5 | 2026-2030 | 88,498 |
| Bank loans – unsecured | 1.2 | 2030 | 2,788 | 1.2 | 2030 | 664 |
| Total – non-current | | | <u>55,505</u> | | | <u>89,162</u> |
| Total | | | <u><u>323,816</u></u> | | | <u><u>339,710</u></u> |

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--|-----------------------|-----------------------|
| The carrying amount of bank loans and other borrowings repayable is set out below: | | |
| Within one year or on demand | 268,311 | 250,548 |
| In the second year | 20,999 | 20,547 |
| In the third to fifth years, inclusive | 34,506 | 52,546 |
| Beyond five years | – | 16,069 |
| Total | <u><u>323,816</u></u> | <u><u>339,710</u></u> |

The borrowings were principally denominated in Hong Kong Dollar and RMB and were at floating interest rates mainly with reference to Hong Kong Interbank Offered Rate (“**HIBOR**”) or PRC loan prime rate (“**LPR**”), respectively.

- (a) HK Interpretation 5 “Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause” requires that a loan which includes a clause that gives the lender the unconditional right to call in the loan at any time (“**repayment on demand clause**”) shall be classified in total by the borrower as current in the consolidated statement of financial position. Interest-bearing bank loans of the Group in the amount of HK\$55,497,000 (2024: HK\$78,141,000) include a repayment on demand clause under the relevant loan agreements, among which a balance of HK\$19,830,000 (2024: HK\$30,511,000) that is repayable after one year from the end of 2025 has been classified as a current liability. For the purpose of the above analysis, such loans are included within current secured bank loans and analysed into bank loans repayable within one year. The aforesaid amount did not include the default loans without on demand clause.
- (b) As at 31 December 2025, the Group was not in compliance with certain loan covenants and repayment terms as stipulated in the agreements of the bank and other borrowings amounting to approximately HK\$49,608,000 (2024: HK\$88,379,000). Bank loans amounting to HK\$44,381,000 (2024: HK\$68,431,000), out of the HK\$49,608,000 (2024: HK\$88,379,000), are repayable on demand or within 12 months and have already been accounted for as current liabilities. As at 31 December 2025, the remaining balance of HK\$2,227,000 (2024: HK\$33,836,000) which are repayable beyond 12 months, have already been accounted for as current liabilities. The Directors are also actively negotiating with the banks to revise the facilities covenants and consider reasonably expected that they could renew the bank facilities subsequent to the financial statements date.

- (d) The following assets were pledged as securities for interest-bearing bank borrowings:

| | <i>Note</i> | Carrying value | |
|--|-------------|------------------------|-----------------|
| | | 2025 | 2024 |
| | | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Property, plant and equipment | | 141,208 | 152,285 |
| Investment properties | | 3,969 | 3,871 |
| Right-of-use assets | | 35,179 | 34,678 |
| Financial assets at fair value through profit or loss | | 12,283 | 19,119 |
| Inventories | | 7,738 | 10,558 |
| Trade and bills receivables | 9 | 3,130 | 27,915 |
| Pledged deposits | | 5,000 | 5,000 |
| | | 208,507 | 253,426 |
| | | 208,507 | 253,426 |

- (e) As at 31 December 2025, the Group's bank loans of HK\$30,474,000 (2024: HK\$39,607,000) were under the SME Financing Guarantee Scheme (the "Scheme"), and the relevant balances were guaranteed by the Government of Hong Kong Special Administrative Region and a personal guarantee by Mr. Abraham Chan, as required under the Scheme.

12. LITIGATIONS

There were no material contingent liabilities of the Group as at 31 December 2025.

The Group involves in certain lawsuits with an aggregate dispute amount of approximately HK\$8 million arising from the ordinary course of business. The Directors, having obtained the legal opinion from the legal adviser, considered that the ultimate outcome and potential obligation of the lawsuits cannot be reliably estimated and determined that no provision in respect of the lawsuits were made for the year ended 31 December 2025.

EXTRACT OF INDEPENDENT AUDITOR’S REPORT

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) issued by the HKICPA. Our responsibilities under those standards are further described in the “Auditor’s responsibilities for the audit of the consolidated financial statements” section of our report. We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (the “**Code**”), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 2.1 to the consolidated financial statements, which indicates that the Group incurred a net loss of HK\$35.2 million for the year ended 31 December 2025, and as of 31 December 2025, the Group recorded a net current liabilities of HK\$252.3 million. As at 31 December 2025, the Group’s current portion of interest-bearing bank and other borrowings was HK\$268.3 million, while its cash and equivalents amounted to only HK\$16.2 million. As stated in note 2.1, these conditions, along with the other matters as set forth in note 2.1, that indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

MANAGEMENT DISCUSSION AND ANALYSIS

Prospects

1. *Challenges, Opportunities and Outlook for Concentrated Chinese Medicine Granules in Chinese Mainland*

Although the number of national standards for concentrated Chinese medicine granules (CCMG) increased to 396 by the end of 2025, this number remains below the approximately 500 varieties typically required by hospitals. This shortfall has constrained prescriptions, prompting a return to traditional herbal decoctions and adversely affecting CCMG sales in Chinese Mainland. Nevertheless, we anticipate additional national standard varieties will be released throughout the year, and we remain optimistic about CCMG's market potential. We are proactively working to expand our market share in the private sector, including through the establishment of Nong's® clinics within the Greater Bay Area (GBA) and through private hospitals nationwide.

2. *Increase Focus and Investment into Crossborder Online Sales of Healthcare Products into Chinese Mainland*

The Group is expected to invest more resources in marketing in the coming year to expand the crossborder online business of healthcare products. This would expect to become a new growth driver for the Group in Chinese Mainland in addition to the initiative of expanding our clinics network in GBA (see below).

3. *Greater Bay Area Integration*

Our integration efforts in the Greater Bay Area are progressing effectively. By the end of 2025, we had successfully established 4 clinics in Shenzhen. Additionally, cross-border sales of our healthcare products have shown significant growth. Looking ahead, we plan to further expand our clinic network in the Greater Bay Area through a franchise model and boost our cross-border sales initiatives over the coming year.

4. *Product Development and International Market Expansion*

We remain committed to strengthening our presence in international markets, including Canada, the USA, Japan, South East Asia, Australia, and Korea. Leveraging our existing production facilities in the USA and Japan, we aim to expand our global reach. These efforts will be complemented by the launch of innovative, high-quality products designed to drive growth and deliver enhanced Shareholder value.

FINANCIAL REVIEW

Hong Kong and Overseas CCMG

According to a market research performed in 2025, the Group continued to maintain its leading market position in Hong Kong and sold its CCMG products directly to customers comprising hospitals, Chinese medicine clinics, non-profit organisations and private Chinese medicine practitioners. During the year ended 31 December 2025, the direct sales of CCMG products in Hong Kong was HK\$192.3 million, representing a decrease of HK\$15.3 million or 7.4% compared to HK\$207.6 million of last year. For the year ended 31 December 2025, decrease in sales was mainly due to a slowdown of consumption in the Hong Kong economy and intense competition. Nevertheless, with the established brand and product reputation, high quality product and customer service, the segment contributed a healthy and steady profit contribution to the Group.

For the year ended 31 December 2025, the Group continued to be a leading CCMG supplier to the major non-profit organisations in Hong Kong, and kept expanding its customer base in private Chinese medicine practitioners sector.

China CCMG and Plantation

For the year ended 31 December 2025, the sales of CCMG in China and plantation has a significant decrease of HK\$33.9 million or 100.0% compared to HK\$33.9 million in last year. The process of downplaying of the hospital channels in China continued in 2025.

Chinese Healthcare Products

For the year ended 31 December 2025, revenue from sales of Chinese healthcare products in the Hong Kong and Mainland markets, the USA, and Japan was HK\$92.6 million in aggregate, representing an increase of HK\$8.3 million or 9.8% compared to HK\$84.3 million in last year.

Among the Group's Chinese healthcare products segment, the sales in the Hong Kong and Mainland market recorded a healthy increase of 9.8% or HK\$8.3 million. The increase came from the Mainland market through a consistent efforts to expand and develop the e-commerce online platform from more resources in the marketing and advertising of Chinese healthcare products being invested by the Group.

The Group has invested more resources during the year ended 31 December 2025 in marketing and advertising of Chinese healthcare products, the expenses of which are recognized as an expense but should benefit the sales of the Group's various products in near future.

After the COVID-19 pandemic of 2020, the Group believes that consumers' health awareness will be increased and the growth in demand for healthcare products will render further opportunities for the Group's Chinese healthcare products segment. The Group will continue to proactively develop new and innovative healthcare products to enrich the products portfolio, devote more focus to market the Group's healthcare products through the online platform in order to reach the PRC and overseas markets with great growth potential.

Nong's® (農本方®) Chinese Medicine Clinics

For the year ended 31 December 2025, the Group operated 22 clinics in Hong Kong (same as at 31 December 2024) and 4 clinics in Shenzhen, up from 3 clinics as at 31 December 2024. The revenue generated by the Group's Nong's® (農本方®) Chinese medicine clinics through the sales of CCMG products and provision of Chinese medical diagnostic services was HK\$51.2 million for the year ended 31 December 2025, a decrease of HK\$5.1 million or 9.0% from HK\$56.3 million in the last year.

The decrease in revenue of Nong's® clinics segment this year was mainly due to the slowing down in consumption of the Hong Kong economy.

By leveraging the Group's brand awareness in Hong Kong, the Group is seeking to explore the market opportunity in the GBA by continuing opening more clinics there. The Group will continue to review and improve the performance of the existing clinic portfolio and proactively negotiate with the landlords on rental reduction in order to improve clinic profitability.

Profitability

| | Year ended 31 December | | |
|---------------------|-------------------------|-------------------------|----------------|
| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> | Change % |
| Revenue | 336,113 | 382,090 | (12.0%) |
| Cost of sales | (155,957) | (176,948) | (11.9%) |
| Gross profit | <u>180,156</u> | <u>205,142</u> | <u>(12.2%)</u> |
| Gross profit margin | <u>53.6%</u> | <u>53.7%</u> | |

The Group's gross profit margin for the year ended 31 December 2025 was 53.6%, as compared to 53.7% in last year. The Group's gross profit margin was relatively stable during this year as compared to that of last year.

Other Income and Gains

The Group's other income and gains mainly comprised of grants and subsidies, and gain from sale of equipment and accessories. For the year ended 31 December 2025, the Group's other income and gain was HK\$5.5 million, representing a decrease of HK\$11.9 million compared to HK\$17.4 million last year.

The decrease was mainly attributable to the decrease in sale of equipment and accessories for the year ended 31 December 2025.

Selling and Distribution Expenses

The Group's selling and distribution expenses mainly comprised of advertising and promotion expenses, sales and marketing staff costs, delivery and storage costs, depreciation expense, travel and business development expenses and sales and marketing departmental expenses. For the year ended 31 December 2025, the Group's selling and distribution expenses was HK\$52.5 million, representing a decrease of HK\$12.4 million or 19.1% compared to HK\$64.9 million last year. The decrease was mainly attributable to the result of effective control in the marketing expenses.

For the year ended 31 December 2025, selling and distribution expenses as a percentage to revenue decreased to 15.5% from 17.0% in 2024. Without damaging the Group's market position, the Group has controlled some of the variable marketing expenses but some selling and distribution expenses, which are fixed in nature, may not be able to be adjusted accordingly, which are important for the expected sales rebound in the future.

Administrative Expenses

For the year ended 31 December 2025, the Group's administrative expenses was HK\$152.1 million, representing a decrease of HK\$7.4 million or 4.7% compared to HK\$159.5 million of last year. The administrative expenses mainly comprised of staff costs, research and development costs, office and clinics rental expenses, legal and professional fees, clinic management fee, depreciation and amortisation and other general administrative expenses.

Other Expenses

For the year ended 31 December 2025, the Group's other expenses was HK\$1.6 million, representing a slight decrease of HK\$0.2 million or 15.7% compared to HK\$1.8 million of last year.

Finance Costs

For the year ended 31 December 2025, the Group's finance costs amounted to HK\$20.7 million, which decreased by HK\$3.0 million or 12.6% as compared to HK\$23.7 million in last year. The decrease in interest cost was due to less interest payments from continued debt repayment.

Income Tax Expense

The Group's income tax expenses decrease from HK\$6.3 million last year to HK\$0.8 million for the year ended 31 December 2025. Such decrease was mainly attributed to the drop in revenues in Hong Kong CCMG segment which resulted in a reduction of the Group's tax liability in 2025.

Future Plans for Material Investments or Capital Assets

Save for the business plan disclosed in this announcement, the Group did not have any future plans for material investments or capital assets as at 31 December 2025.

Loss for the Year

The Group recorded a net loss of HK\$35.2 million for the year ended 31 December 2025, as compared with the net loss of HK\$35.4 million recorded last year.

The slightly decrease in the audited consolidated net loss in the year ended 31 December 2025 was mainly attributable to the combined effect of (i) the reduction in revenue for the Group as a result from the slowing consumption in Hong Kong, keen competition and the continued downplaying the hospital channels for the China CCMG market; (ii) the cost saving of selling and distribution and administrative expenses; (iii) the decrease in finance cost by 12.6% from HK\$23.7 million in last year to HK\$20.7 million in the year ended 31 December 2025; and (iv) reversal of impairment of financial assets.

LIQUIDITY AND FINANCIAL RESOURCES

Cash position and interest-bearing bank and other borrowings

| | Year ended 31 December | | Change <i>HK\$'000</i> | % |
|---|-------------------------|-------------------------|---------------------------|--------|
| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> | | |
| Net current liabilities | 252,329 | 222,626 | 29,703 | 13.3 |
| Cash and cash equivalent | 16,170 | 12,794 | 3,376 | 26.4 |
| Interest-bearing bank and other borrowings | 323,816 | 339,710 | (15,894) | (4.7) |
| – Current portion | 268,311 | 250,548 | 17,763 | 7.1 |
| – Non-current portion | 55,505 | 89,162 | (33,657) | (37.7) |
| Unused bank and other borrowing facilities | 242,529 | 203,101 | 39,428 | 19.4 |

The Group generally finances its operation with operating cash flows and bank and other borrowing facilities. The Group actively manages the cash and borrowings of the Group to ensure an appropriate level of liquidity and sufficient funds are available to meet the Group's business need. The Directors believe that it is important for the Group to continue to build a strong relationship with existing and prospective banking institutions and to explore different funding alternatives so as to strengthen the Group's funding platform and to diversify its funding sources. The Group operates a comparative set of treasury policies to preserve value of the Group's assets and ensure that no unnecessary risk is taken with respect to the Group's assets.

Liquidity ratio analysis

| | Year ended 31 December | |
|---------------|------------------------|------|
| | 2025 | 2024 |
| Current ratio | 0.5 | 0.5 |
| Gearing ratio | 2.5 | 3.1 |

The Group's current ratio maintained the same level of 0.5 as at 31 December 2025.

The Group's gearing ratio (calculated by dividing total interest-bearing bank and other borrowings by total equity) decreased from 3.1 as at 31 December 2024 to 2.5 as at 31 December 2025. Such decrease was mainly attributable to a decrease in bank borrowings from repayment of bank loans and an increase in equity due to the issuance of new shares by the Company for the acquisition of patent assets and the raising of equity from an investor (see below).

In order to improve the gearing ratio, the Group will consider different funding alternatives that would improve the financial metrics of the Group, including equity financing. The Group will also strengthen the working capital management by closely monitoring the collection of trade and bills receivables and inventory level to increase the operating cash flow and lower the bank and other borrowings level. As at 31 December 2025, the total bank borrowings were decreased by HK\$15.9 million or 4.7% from HK\$339.7 million as at 31 December 2024 to HK\$323.8 million as at 31 December 2025.

EXCHANGE RISK

The Group conducts business primarily in Hong Kong and China with most of its transactions denominated and settled in Hong Kong dollars and Renminbi. Currently, the Group has not entered into any foreign exchange contracts or any hedging transactions or instruments to hedge against the fluctuations in exchange rate between Renminbi and Hong Kong dollar. However, the Group monitors foreign exchange exposure regularly and considers if there is a need to hedge against significant foreign currency exposure from time to time.

HUMAN RESOURCES

As at 31 December 2025, the Group had a total of 441 employees (31 December 2024: 479 employees). During the year ended 31 December 2025, total staff costs excluding Directors' remuneration was HK\$96.7 million (31 December 2024: HK\$101.5 million). The Group offers competitive remuneration packages to its employees, including mandatory retirement funds, insurance and medical coverage. In addition, discretionary bonus, share options and share awards may be granted to eligible employees based on the performance of the Group and individuals. The Group also allocated resources for continuing education and would arrange induction training for new staff members and regular trainings to staff members and management personnel to improve their skills and knowledge.

PLEDGE OF ASSETS

The following assets were pledged as securities for interest-bearing bank and other borrowings:

| | Year ended 31 December | |
|---|------------------------|-----------------------|
| | 2025 | 2024 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Property, plant and equipment | 141,208 | 152,285 |
| Investment properties | 3,969 | 3,871 |
| Right-of-use assets | 35,179 | 34,678 |
| Financial assets at fair value through profit or loss | 12,283 | 19,119 |
| Inventories | 7,738 | 10,558 |
| Trade and bills receivables | 3,130 | 27,915 |
| Pledged bank deposits | 5,000 | 5,000 |
| | <u>208,507</u> | <u>253,426</u> |

CAPITAL COMMITMENT

The Group had the following capital commitment:

| | 2025 | 2024 |
|---------------------|------------------------|-----------------|
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Buildings | 26,703 | 26,289 |
| Plant and machinery | 105 | 32 |
| | <u>26,808</u> | <u>26,321</u> |

The Group would finance the capital commitment by internal resources of the Group.

SIGNIFICANT INVESTMENTS HELD

The Group did not hold any significant investments during the year ended 31 December 2025.

MATERIAL ACQUISITIONS AND DISPOSALS

During the year ended 31 December 2025, the Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save for the business plan disclosed in this announcement, the Group did not have any future plans for material investments or capital assets as at 31 December 2025.

CONTINGENT LIABILITIES

Apart from those disclosed in note 12 to the consolidated result in this announcement, there were no material contingent liabilities of the Group as at 31 December 2025.

USE OF PROCEEDS FROM THE COMPANY’S INITIAL PUBLIC OFFERING

The net proceeds from the initial public offering in July 2015, after deduction of related issuance expenses, amounted to approximately HK\$288.4 million (the “**Net Proceeds**”). The balance of the Net Proceeds brought forward from 31 December 2024 was approximately HK\$6.4 million. As at 31 December 2025, the Group had utilised approximately HK\$282.0 million of the Net Proceeds in accordance with the proposed applications set out in the Company’s listing prospectus, as follows:

| Use of proceeds | Total approximate amount of Net Proceeds (in HK\$ million) | Approximate percentage of Net Proceeds | Approximate amount utilised as at 31 December 2025 (in HK\$ million) | Approximate amount utilised during the year ended 31 December 2025 (in HK\$ million) | Approximate amount unutilised as at 31 December 2025 (in HK\$ million) | Expected timeline for intended use |
|---|---|--|---|---|---|------------------------------------|
| To expand manufacturing facilities and enhance existing production lines | 86.5 | 30% | 86.5 | - | - | - |
| To establish new Nong’s® Chinese medicine clinics in Hong Kong and the PRC | 72.1 | 25% | 72.1 | - | - | - |
| To expand distribution network into new target cities in the PRC | 57.7 | 20% | 57.7 | - | - | - |
| To fund the development and launch of two new proprietary Chinese medicine products | 43.3 | 15% | 36.9 | - | 6.4 | by December 2026 |
| Additional working capital of the Group | 28.8 | 10% | 28.8 | - | - | - |
| | <u>288.4</u> | <u>100%</u> | <u>282.0</u> | <u>-</u> | <u>6.4</u> | |

There was a delay in application in the use of Net Proceeds as to funding the development and launch of two new proprietary Chinese medicine products. The reason for the delay is due to the fact that research and development of new products were still in progress and is expected to take a longer time than previous estimation. The Company will utilise the remaining unutilised balance of the Net Proceeds in accordance with the disclosure in the listing prospectus of the Company.

Among the remaining unutilised portion of the Net Proceeds, HK\$4.3 million has been allocated to the development of pharmaceutical products for treating irritable bowel syndrome, known as “仁術腸樂顆粒” (the “**Product**”). On 8 October 2020, the Group entered into an asset sale agreement (the “**Asset Sale Agreement**”) with BAGI Research Limited, a company indirectly and wholly-owned by Mr. Abraham Chan, an executive Director and controlling Shareholder, to sell the relevant assets of the development of the Product (the “**Asset Disposal**”). As the conditions precedent in the Asset Sale Agreement could not be fully fulfilled, the parties to the Asset Sale Agreement agreed that the Asset Sale Agreement should lapse on 30 September 2021 and the sale of the development of the Product would no longer proceed. As such, the Group will continue to apply the unutilised portion of the Net Proceeds allocated to the development of the Product according to the disclosure of the Company’s listing prospectus. For further information in relation to the Asset Sale Agreement and the transaction contemplated thereunder, please refer to the announcements of the Company dated 8 October 2020, 25 March 2021 and 5 October 2021. There was a delay in the Net Proceeds allocated to the development and launch of two new proprietary Chinese medicine products since the development took longer time to complete than expected.

THE 2025 SUBSCRIPTION

As disclosed in the announcements of the Company dated 25 July 2025 and 24 October 2025 and the circular of the Company dated 3 October 2025, on 25 July 2025, the Company entered into a subscription agreement (the “**Subscription Agreement**”) with Providence Discovery Fund, a sub fund of Providence Strategic Discovery OFC as subscriber (the “**Subscriber**”), which was ultimately owned by Mr. Dong Zimeng, for subscription of 46,512,000 new shares (the “**Subscription Share(s)**”), under specific mandate at the subscription price of HK\$0.43 per Subscription Shares (the “**Subscription**”). The net price per Subscription Share was approximately HK\$0.4257 and the closing price of the Shares on 25 July 2025, being the date on which the Subscription Agreement was signed, was HK\$0.455 per Share. The Subscription Shares have an aggregate nominal value of US\$46,512. The gross proceeds and the net proceeds (after deducting all related expenses incurred in the Subscription) from the Subscription are HK\$20.00 million and approximately HK\$19.80 million, respectively (the “**Subscription Proceeds**”). The market value of the Subscription Shares was approximately HK\$21.16 million on the date on which the Subscription Agreement was signed. An extraordinary general meeting which approved the Subscription Agreement and the Subscription contemplated thereunder was held on 24 October 2025 and the Subscription was completed on 30 October 2025.

The reasons for the Subscription and an analysis of the utilisation of the Subscription Proceeds as at 31 December 2025 is set out below:

| Intended Use of Proceeds | Total planned amount (HKD' million) | Utilised amount during the Year (HKD' million) | Unutilised | Expected timeline for intended use |
|--|--|---|---|------------------------------------|
| | | | net proceeds as at 31 December 2025 (HKD' million) | |
| Phase 1 clinical trial to be conducted in Hong Kong | 0.70 | – | 0.70 | 31 December 2032 |
| Phase 2 clinical trial to be conducted in Hong Kong | 3.20 | – | 3.20 | 31 December 2032 |
| Phase 3 clinical trial to be conducted and New Drug Application in Hong Kong | 4.70 | – | 4.70 | 31 December 2032 |
| Clinical trial sample and registration as Class 3 Natural Health Product in Canada | 5.70 | – | 5.70 | 31 December 2032 |
| Toxicology Testing and Investigational New Drug Submission in U.S. | 3.25 | – | 3.25 | 30 June 2028 |
| General working capital | 2.25 | – | 2.25 | 31 December 2027 |
| Total | 19.80 | – | 19.80 | |

The Company will apply the unutilised portion of the Subscription Proceeds according to the disclosure in the circular of the Company dated 3 October 2025.

SHARE OPTION SCHEME

On 12 June 2015, the share option scheme (the “**Share Option Scheme**”) was adopted by the then Shareholders and will be valid and effective for a period of 10 years from the adoption date on 12 June 2015 and shall expire on the day immediately preceding the tenth anniversary period (which expired on 11 June 2025). The purpose of the Share Option Scheme is to provide incentives and rewards to eligible participants who would contribute to the success of the Group’s operations. Under the terms of the Share Option Scheme, the Board may, at its discretion, grant share options to, among others, any full-time employee and any Director or its subsidiaries, including any executive, non-executive or independent non-executive Directors.

The exercise price for shares options under the Share Option Scheme may be determined by the Board at its absolute discretion but in any event will not be less than the highest of: (i) the closing price of the shares as stated in the daily quotations sheet of the Stock Exchange on the date of grant, which must be a business day; (ii) the average of the closing prices of the shares as stated in the daily quotations sheets of the Stock Exchange for the five business days immediately preceding the date of grant; and (iii) the nominal value of the share on the date of grant. Any share options granted under the Share Option Scheme shall lapse in any event not later than ten years from the date of grant. A nominal value of HK\$1.00 is payable on acceptance of each grant of share options. The period within which payments or calls must or may be made or loans for such purposes must be repaid for the amount payable on acceptance of the option under the rules of the Share Option Scheme is 30 days after the relevant date of grant of the options. The Board shall have the discretion to decide the period within which the shares must be taken up under the share options and the minimum period for which the share option must be held before it can be exercised.

During the year ended 31 December 2025, no options were granted by the Board. No options were exercised and no options were forfeited due to the resignation of employee during the year ended 31 December 2025.

As at 1 January 2025 and 31 December 2025, the total number of share which may be issued upon the exercise of all outstanding options granted under the Share Option Scheme was both 23,962,424 shares. Since as at 1 January 2025 and 31 December 2025 that the number of issued shares of the Company was 395,897,275 shares and 535,897,647 shares, respectively, the total number of share to be issued upon the exercise of all outstanding options under the Share Option Scheme represents approximately 6.05% and 4.47% of the total number of issued shares of the Company.

As at 1 January 2025 and 31 December 2025, the total number of share available for issue under the Share Option Scheme was 31,789,294 and 0 shares, respectively, as the Share Option Scheme lapsed on 11 June 2025. Since as at 1 January 2025 and 31 December 2025 that the total number of issued shares of the Company was 395,897,275 shares and 535,897,647 shares, respectively, the total number of share available for issue under the Share Option Scheme represents approximately 8.03% and 0% of the total number of issued shares of the Company, respectively. There was no service provider sublimit set for the Share Option Scheme.

Details of the options granted under the Share Option Scheme are as follows:

| Grantees | Name of Director | Grant date | Exercise price | Vesting date | As at 1 January 2025 | Number of options granted during the Reporting Period | Exercised during the Reporting Period | Adjustment/ cancelled/ lapsed during the Reporting Period | As at 31 December 2025 |
|--|---|--------------------------|--------------------------|--------------|----------------------|---|---------------------------------------|---|------------------------|
| Directors | Mr. Chan Yu Ling, Abraham | 9 May 2019 | HK\$2.3 <i>(Note)</i> | 10 May 2020 | 1,085,228 | - | - | - | 1,085,228 |
| | | | | 10 May 2021 | 1,085,228 | - | - | - | 1,085,228 |
| | | 24 Jul 2020 | HK\$0.8 | 23 Jul 2021 | 1,740,000 | - | - | - | 1,740,000 |
| | | | | 23 Jul 2022 | 1,740,000 | - | - | - | 1,740,000 |
| | 29 Dec 2022 | HK\$1,292 | 29 Dec 2023 | 1,925,000 | - | - | - | 1,925,000 | |
| | | | 29 Dec 2024 | 1,925,000 | - | - | - | 1,925,000 | |
| | Ms. Man Yee Wai, Viola | 9 May 2019 | HK\$2.3 <i>(Note)</i> | 10 May 2020 | 354,275 | - | - | - | 354,275 |
| | | | | 10 May 2021 | 354,275 | - | - | - | 354,275 |
| | | 24 Jul 2020 | HK\$0.8 | 23 Jul 2021 | 1,740,000 | - | - | - | 1,740,000 |
| | | | | 23 Jul 2022 | 1,740,000 | - | - | - | 1,740,000 |
| | 29 Dec 2022 | HK\$1,292 | 29 Dec 2023 | 1,925,000 | - | - | - | 1,925,000 | |
| | | | 29 Dec 2024 | 1,925,000 | - | - | - | 1,925,000 | |
| Dr. Tsoi Kam Biu, Alvin (appointed on 30 June 2025) | 9 May 2019 | HK\$2.3 <i>(Note)</i> | 10 May 2020 | 354,275 | - | - | - | 354,275 | |
| | | | 10 May 2021 | 354,275 | - | - | - | 354,275 | |
| | 24 Jul 2020 | HK\$0.8 | 23 Jul 2022 | 871,000 | - | - | - | 871,000 | |
| Sub-total for Directors | | | | | 19,118,556 | - | - | - | 19,118,556 |
| Former Directors | Mr. Chan Kin Man, Eddie (retired on 28 May 2021) | 9 May 2019 | HK\$2.3 <i>(Note)</i> | 10 May 2020 | 1,085,228 | - | - | - | 1,085,228 |
| | | | | 10 May 2021 | 1,085,228 | - | - | - | 1,085,228 |
| | | 24 Jul 2020 | HK\$0.8 | 23 Jul 2021 | 871,000 | - | - | - | 871,000 |
| | | | | 23 Jul 2022 | 871,000 | - | - | - | 871,000 |
| | Mr. Norimoto Hisayoshi (retired on 20 November 2023) | 09 May 2019 | HK\$2.3 <i>(Note)</i> | 10 May 2020 | 44,285 | - | - | - | 44,285 |
| | | | | 10 May 2021 | 44,285 | - | - | - | 44,285 |
| | | | | 10 May 2022 | 44,284 | - | - | - | 44,284 |
| | | | | 10 May 2023 | 44,284 | - | - | - | 44,284 |
| | 24 Jul 2020 | HK\$0.8 | 23 Jul 2021 | 66,667 | - | - | - | 66,667 | |
| | | | 23 Jul 2022 | 66,667 | - | - | - | 66,667 | |
| | | | 23 Jul 2023 | 66,666 | - | - | - | 66,666 | |
| | | | | 66,666 | - | - | - | 66,666 | |
| Sub-total for former Directors | | | | | 4,289,594 | - | - | - | 4,289,594 |
| Employees | 9 May 2019 | HK\$2.3 <i>(Note)</i> | 10 May 2020 | 88,570 | - | - | - | 88,570 | |
| | | | 10 May 2021 | 88,568 | - | - | - | 88,568 | |
| | | | 10 May 2022 | 88,568 | - | - | - | 88,568 | |
| | | | 10 May 2023 | 88,568 | - | - | - | 88,568 | |
| | | | | 354,274 | - | - | - | 354,274 | |
| | | | | 354,274 | - | - | - | 354,274 | |
| | 24 July 2020 | HK\$0.8 | 23 July 2021 | - | - | - | - | - | |
| | | | 23 July 2022 | 100,000 | - | - | - | 100,000 | |
| | | | 23 July 2023 | 100,000 | - | - | - | 100,000 | |
| | | | | 200,000 | - | - | - | 200,000 | |
| | | | | 200,000 | - | - | - | 200,000 | |
| | | | | 200,000 | - | - | - | 200,000 | |
| Sub-total for Employees | | | | | 554,274 | - | - | - | 554,274 |
| Total | | | | | 23,962,424 | - | - | - | 23,962,424 |

Note: As a result of the completion of the Rights Issue, assuming no other adjustment events under the terms and conditions of the Share Option Scheme having been triggered and pursuant to (i) the terms and conditions of Share Option Scheme; and (ii) Chapter 17 of the Listing Rules and the supplementary guidance issued by the Stock Exchange on 5 September 2005 regarding adjustment of share options under Rule 17.03(13) of the Listing Rules, the exercise price of the Share Options and the number of Shares which may fall to be issued upon exercise of the subscription rights attaching to the outstanding Share Options granted before the completion of the Rights Issue has been adjusted.

The weighted average closing price per share immediately before the date on which the Options were exercised is HK\$1.440.

CORPORATE GOVERNANCE

The Directors recognise the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability.

The Company has adopted the code provisions stated in the Corporate Governance Code (the “**Code**”) as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) as its own code of corporate governance. During the year ended 31 December 2025, save as disclosed below, the Company has complied with all applicable code provisions set out in the Code.

Pursuant to code provision C.2.1 of the Code, the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual. However, due to the nature and extent of the Group's operations and Mr. Chan Yu Ling, Abraham's in-depth knowledge and experience in Chinese medicine and healthcare products and his familiarity with the operations of the Group, the Board considers that it is not preferable to find an alternative candidate to replace Mr. Chan Yu Ling, Abraham and serve in either of the positions at this stage. As such, the roles of the chairman and chief executive officer of the Company are not being separated pursuant to the requirement under code provision C.2.1 of the Code during the year ended 31 December 2025. Further, the Board believes that the current structure is conducive to strong and consistent leadership, enabling the Company to make and implement decisions promptly and efficiently. Besides, all major decisions have been made in consultation with members of the Board and appropriate committees, as well as the senior management team. There have been three Independent non-executive Directors in the Board during the year ended 31 December 2025 that the independence element was sufficient in the Board.

The Board is therefore of the view that there are adequate balance of power and safeguards in place. Nevertheless, the Board will continue to monitor and review the Company's current structure and to make changes at an appropriate time in the future, if necessary.

REVIEW BY AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in compliance with the Listing Rules and the Code. The Audit Committee comprises three Independent non-executive Directors as follows:

Dr. Hung Ting On, John (*Chairman, Independent non-executive Director*)

Dr. Leung Lim Kin, Simon (*Independent non-executive Director*)

Prof. Tsui Lap Chee (*Independent non-executive Director*)

The chairman of the Audit Committee, Dr. Hung Ting On, John, holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The primary roles and functions of the Audit Committee include, but not limited to: (i) reviewing and monitoring the relationship of the external auditor and the Group, particularly the external auditor's independence and objectivity and effectiveness of the audit process in accordance with applicable standard; (ii) reviewing the Company's financial information; (iii) reviewing the financial controls, internal control and risk management systems of the Group; and (iv) reviewing financial and accounting policies and practices of the Group.

The Audit Committee has, among others, considered and reviewed the accounting principles and practices adopted by the Group and has discussed matters in relation to internal control and financial reporting with the management. The Audit Committee has reviewed the annual financial results for the year ended 31 December 2025 and considers that the annual results are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made. The Audit Committee has also reviewed the effectiveness and performance of the Group's risk management and internal control systems and internal audit plan.

REVIEW OF PRELIMINARY ANNOUNCEMENT OF RESULTS BY THE INDEPENDENT AUDITOR

The figures in respect of the Group's results for the year ended 31 December 2025 as set out in this preliminary announcement of results have been agreed by the Group's independent auditor to the amounts set out in the Group's consolidated financial statements for the year. The work performed by the Group's independent auditors in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently, no assurance has been expressed by the Group's independent auditor on this preliminary announcement of results.

MODEL CODE FOR SECURITIES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 to the Listing Rules as its own code of conduct for securities transactions by Directors. Specific enquiries have been made to all the Directors and the Directors have confirmed that they have complied with the required standards of dealing as set out in the Model Code during the year ended 31 December 2025 and the Board was of the view that the Model Code has been fully complied with during the year ended 31 December 2025.

PURCHASE, REDEMPTION OR SALES OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities (including treasury shares (as defined under the Listing Rules)) during the year ended 31 December 2025. As at 31 December 2025, the Company did not hold any treasury shares (as defined under the Listing Rules).

IMPORTANT EVENTS SINCE THE END OF THE REPORTING PERIOD

The Board is not aware any significant event affecting the Company or any of its subsidiaries after 31 December 2025 and up to the date of this announcement.

DIVIDEND

The Board resolved not to recommend the payment of final dividend for the year ended 31 December 2025 to the Shareholders (2024: nil).

ANNUAL GENERAL MEETING

The annual general meeting (“**AGM**”) will be held on Wednesday, 27 May 2026 and the notice of AGM will be published and issued in the manner as required by the Listing Rules and articles of association of the Company in due course.

CLOSURE OF REGISTER OF MEMBERS

In order to determine the Shareholders' eligibility to attend and vote at the AGM, the register of members of the Company will be closed from Thursday, 21 May 2026 to Wednesday, 27 May 2026, both dates inclusive, during which no transfer of shares will be registered. Only Shareholders whose names appear on the register of members of the Company on Wednesday, 27 May 2026 or their proxies or duly authorised corporate representatives are entitled to attend the AGM. In order to qualify for attending and voting at the AGM, all properly completed transfer documents accompanied with relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration no later than 4:30 pm on Wednesday, 20 May 2026.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement was published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.purapharm.com. The annual report of the Company for the year ended 31 December 2025 will also be issued and made available on the above websites according to the Listing Rules in April 2026.

FORWARD LOOKING STATEMENTS

This announcement contains certain forward looking statements with respect to the financial condition, result of operations and business of the Group. These forward looking statements represent the Company's expectations or beliefs concerning future events and involve known and unknown risks and uncertainty that could cause actual results, performance or events to differ materially from those expressed or implied in such statements.

By Order of the Board
PuraPharm Corporation Limited
Chan Yu Ling, Abraham
Chairman

Hong Kong, 25 March 2026

As at the date of this announcement, the executive Directors are Mr. Chan Yu Ling, Abraham, Ms. Man Yee Wai, Viola and Dr. Tsoi Kam Biu, Alvin; the non-executive Director are Mr. Leung Stephen Kwok Keung and Mr. Dong Zimeng; and the independent non-executive Directors are Dr. Hung Ting On, John, Dr. Leung Lim Kin, Simon and Prof. Tsui Lap Chee.