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**Jacobson Pharma Corporation Limited**

**雅各臣科研製藥有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code : 2633)**

# ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2024

## FINANCIAL HIGHLIGHTS

- The revenue (from continuing operations) for the financial year ended 31 March 2024 amounted to approximately HK$1,467.8 million, representing an increase of about 15.8% as compared to that of approximately HK$1,267.6 million for the corresponding year of 2023.

- Profit from operations (from continuing operations) for the same financial year amounted to approximately HK$333.1 million, representing an increase of about 17.2% as compared to the adjusted profit from operations (from continuing operations) (excluding the one-off Employment Support Scheme subsidy from the Hong Kong Government) for the corresponding year of 2023 of approximately HK$284.3 million.

- Profit for the year amounted to approximately HK$290.8 million, representing an increase of about 14.4% as compared to the adjusted profit (excluding the one-off Employment Support Scheme subsidy from the Hong Kong Government) for the corresponding year of 2023 of approximately HK$254.1 million.

- The Board recommends the payment of a final dividend for the year ended 31 March 2024 of HK3.00 cents per Share for the total amount of approximately HK$60.0 million (2023 final dividend: HK2.38 cents per Share). Including interim dividend of HK2.50 cents per Share (2023 interim dividend: HK2.80 cents per Share) and special dividend of HK29.52 cents per Share, total dividend for the year ended 31 March 2024 amounts to HK35.02 cents per Share (2023: HK5.18 cents per Share).

The Board is pleased to announce the audited consolidated annual results of the Group for the year ended 31 March 2024, together with the comparative figures for the corresponding year of 2023 as follows:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**
*For the year ended 31 March 2024*

| | | Year ended 31 March | |
|---|---|---|---|
| | | **2024** | 2023 (Restated) |
| | *Note* | ***HK$'000*** | *HK$'000* |
| **Continuing operations** | | | |
| **Revenue** | *4* | **1,467,798** | 1,267,598 |
| Cost of sales | | **(847,323)** | (728,680) |
| **Gross profit** | | **620,475** | 538,918 |
| Other net income | *5* | **45,028** | 72,389 |
| Selling and distribution expenses | | **(128,690)** | (119,590) |
| Administrative and other operating expenses | | **(203,687)** | (178,333) |
| **Profit from operations** | | **333,126** | 313,384 |
| Finance costs | *6(A)* | **(78,708)** | (61,412) |
| Share of profits/(losses) of associates | | **165** | (1,627) |
| **Profit before taxation** | *6* | **254,583** | 250,345 |
| Income tax | *7* | **(44,414)** | (42,976) |
| **Profit for the year from continuing operations** | | **210,169** | 207,369 |
| **Discontinued operations** | | | |
| Profit for the year from discontinued operations | *13(A)* | **52,392** | 75,840 |
| Net gain on distribution in specie | *13(C)* | **28,217** | – |
| **Profit for the year** | | **290,778** | 283,209 |

| | Note | Year ended 31 March **2024** *HK$'000* | 2023 (Restated) *HK$'000* |
|---|---|---|---|
| **Other comprehensive income for the year** | | | |
| *Item that will not be reclassified subsequently to profit or loss, net of nil tax:* | | | |
| Revaluation of financial assets at fair value through other comprehensive income | | **(18,747)** | 110,740 |
| *Items that may be reclassified subsequently to profit or loss, net of nil tax:* | | | |
| Exchange differences on translation of financial statements of operations outside Hong Kong | | **(578)** | (2,683) |
| Release of exchange reserve upon disposal of a subsidiary | | **102** | – |
| Release of exchange reserve upon distribution in specie | *13(C)* | **418** | – |
| **Other comprehensive income for the year** | | **(18,805)** | 108,057 |
| **Total comprehensive income for the year** | | **271,973** | 391,266 |
| **Profit attributable to:** | | | |
| Equity shareholders of the Company | | **266,968** | 251,044 |
| Non-controlling interests | | **23,810** | 32,165 |
| **Total profit for the year** | | **290,778** | 283,209 |
| **Profit attributable to equity shareholders of the Company arises from:** | | | |
| – Continuing operations | | **210,236** | 207,513 |
| – Discontinued operations | | **56,732** | 43,531 |
| | | **266,968** | 251,044 |

| | Note | Year ended 31 March 2024 HK$'000 | 2023 (Restated) HK$'000 |
|---|---|---|---|
| **Total comprehensive income attributable to:** | | | |
| Equity shareholders of the Company | | **249,262** | 359,101 |
| Non-controlling interests | | **22,711** | 32,165 |
| **Total comprehensive income for the year** | | **271,973** | 391,266 |
| **Total comprehensive income attributable to equity shareholders of the Company arises from:** | | | |
| – Continuing operations | | **193,815** | 315,570 |
| – Discontinued operations | | **55,447** | 43,531 |
| | | **249,262** | 359,101 |
| | | ***HK cents*** | *HK cents* |
| **Earnings per share:** | *8* | | |
| **Basic and diluted** | | | |
| – Continuing operations | | **10.95** | 10.85 |
| – Discontinued operations | | **2.95** | 2.28 |
| | | **13.90** | 13.13 |

*Note:* The results of branded healthcare segment are classified as discontinued operations of the Group during the year ended 31 March 2024. In this regard, the Group has restated the comparative information for the year ended 31 March 2023.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION
*At 31 March 2024*

| | | As at 31 March | |
|---|---|---|---|
| | | **2024** | 2023 |
| | *Note* | ***HK$'000*** | *HK$'000* |
| **Non-current assets** | | | |
| Investment properties | | **197,790** | 181,172 |
| Property, plant and equipment | | **1,301,425** | 1,502,148 |
| Intangible assets | | **435,849** | 1,320,075 |
| Interests in associates | | **23,537** | 51,821 |
| Interests in joint ventures | | **–** | 3,616 |
| Other non-current assets | | **95,014** | 39,693 |
| Other financial assets | | **457,970** | 514,330 |
| Deferred tax assets | | **10,853** | 10,231 |
| | | **2,522,438** | 3,623,086 |
| **Current assets** | | | |
| Inventories | | **317,857** | 368,003 |
| Trade and other receivables | *10* | **233,363** | 351,360 |
| Current tax recoverable | | **1,259** | 1,632 |
| Cash and cash equivalents | | **411,937** | 1,036,418 |
| | | **964,416** | 1,757,413 |
| **Current liabilities** | | | |
| Trade and other payables and contract liabilities | *11* | **216,467** | 283,653 |
| Bank loans | | **112,800** | 309,554 |
| Lease liabilities | | **26,872** | 34,823 |
| Current tax payable | | **16,704** | 28,405 |
| | | **372,843** | 656,435 |
| **Net current assets** | | **591,573** | 1,100,978 |
| **Total assets less current liabilities** | | **3,114,011** | 4,724,064 |

| | | As at 31 March | |
|---|---|---|---|
| | | **2024** | 2023 |
| | *Note* | ***HK$'000*** | *HK$'000* |
| **Non-current liabilities** | | | |
| Bank loans | | **592,200** | 1,234,153 |
| Lease liabilities | | **17,507** | 20,534 |
| Deferred tax liabilities | | **107,944** | 212,855 |
| | | **717,651** | 1,467,542 |
| **NET ASSETS** | | **2,396,360** | 3,256,522 |
| **CAPITAL AND RESERVES** | | | |
| Share capital | *12* | **19,802** | 19,078 |
| Reserves | | **2,352,339** | 2,717,611 |
| **Total equity attributable to equity shareholders of the Company** | | **2,372,141** | 2,736,689 |
| Non-controlling interests | | **24,219** | 519,833 |
| **TOTAL EQUITY** | | **2,396,360** | 3,256,522 |

# NOTES

## 1 CORPORATE INFORMATION

Jacobson Pharma Corporation Limited is an exempted company with limited liability incorporated in the Cayman Islands. The Company is an investment holding company. The Company and its subsidiaries are principally engaged in the development, production, marketing and sale of generic drugs. The Company's shares were listed on the Main Board on 21 September 2016.

## 2 BASIS OF PREPARATION

The financial results set out in this announcement do not constitute the Group's consolidated financial statements for the year ended 31 March 2024 but are extracted from those consolidated financial statements.

The consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the consolidated financial statements for the year ended 31 March 2023, except for the changes in accounting policies as set out in note 3.

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("**HKFRSs**"), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the disclosure requirements of the Hong Kong Companies Ordinance. The financial statements also comply with the applicable disclosure provisions of the Listing Rules.

The consolidated financial statements of the Group are prepared on the historical cost basis except for investment properties and investments measured as financial assets at fair value through other comprehensive income and at fair value through profit or loss which are stated at fair values.

## 3 CHANGES IN ACCOUNTING POLICIES

### (i) New and amended standards adopted by the Group

The Group has applied the following new and amended HKFRSs issued by the HKICPA to its financial statements for the current accounting period:

- HKFRS 17, *Insurance contracts*
- Amendments to HKAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*
- Amendments to HKAS 1, *Presentation of financial statements* and HKFRS Practice Statement 2, *Making materiality judgements: Disclosure of accounting policies*
- Amendments to HKAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*
- Amendments to HKAS 12, *Income taxes: International tax reform – Pillar Two model rules*

None of the above amendments have had a significant financial effect to the Group. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

**(ii) New HKICPA guidance on the accounting implications of the abolition of the MPF-LSP offsetting mechanism**

In June 2022, the Hong Kong SAR Government (the "**Government**") gazetted the Hong Kong Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "**Amendment Ordinance**"), which will come into effect from 1 May 2025 (the "**Transition Date**"). Once the Amendment Ordinance takes effect, an employer can no longer use any of the accrued benefits derived from its mandatory contributions to mandatory provident fund ("**MPF**") scheme to reduce the long service payment ("**LSP**") in respect of an employee's service from the Transition Date (the abolition of the "**offsetting mechanism**"). In addition, the LSP in respect of the service before the Transition Date will be calculated based on the employee's monthly salary immediately before the Transition Date and the years of service up to that date.

In July 2023, the HKICPA published "Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong" that provides accounting guidance relating to the offsetting mechanism and the abolition of the mechanism. In particular, the guidance indicates that entities may account for the accrued benefits derived from mandatory MPF contributions that are expected to be used to reduce the LSP payable to an employee as deemed contributions by that employee towards the LSP.

However, applying this approach, upon the enactment of the Amendment Ordinance in June 2022, it is no longer permissible to apply the practical expedient in paragraph 93(b) of HKAS 19 that previously allowed such deemed contributions to be recognised as reduction of service cost (negative service cost) in the period the contributions were made; instead these deemed contributions should be attributed to periods of service in the same manner as the gross LSP benefit.

The abolition of the offsetting mechanism did not have a material impact on the financial statements.

## 4 REVENUE AND SEGMENT REPORTING

### (A) Revenue

The principal activities of the Group are development, production, marketing and sale of generic drugs. All the revenue for the years ended 31 March 2024 and 2023 was recognised in accordance with HKFRS 15, *Revenue from contracts with customers*. The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its sales contracts and does not disclose information about remaining performance obligations that have original expected duration of one year or less.

Revenue represents the sales value of goods supplied to customers less returns and sales rebates and is after deduction of any trade discounts.

### (B) Segment reporting

The Group manages its businesses by divisions, which are organised by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Generic drugs: this segment develops, manufactures and/or distributes a host of off-patent medicines for various therapeutic use. Currently the activities in this regard are primarily carried out in Hong Kong.

- Branded healthcare: this segment develops, manufactures and/or distributes branded medicines, proprietary Chinese medicines and health and wellness products. During the period from 1 April 2023 to 24 August 2023, the activities in this regard were primarily carried out in Hong Kong.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit is "adjusted EBITDA" i.e. "adjusted earnings before interest, taxes, depreciation and amortisation", where "interest" is regarded as including interest income from bank deposits and investments and finance costs. To arrive at adjusted EBITDA, the Group's earnings are further adjusted for share of profits/(losses) of associates, share of losses of joint ventures and non-recurring items not attributable to the operations of individual segments.

Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

Segment assets and liabilities of the Group are not reported to the Group's chief operating decision makers regularly. As a result, reportable assets and liabilities have not been presented in this announcement.

As discussed in note 13, the Group no longer engages in branded healthcare operation. The results of this segment have been classified as discontinued operations of the Group during the year ended 31 March 2024. In this regard, the Group has restated the comparative information for the year ended 31 March 2023.

*(i)* ***Segment revenue and results***

Information regarding the Group's reportable segments as provided to the Group's chief operating decision makers for the purposes of resource allocation and assessment of segment performance for the year is set out below:

| | Continuing operations | | Discontinued operations | | | |
|---|---|---|---|---|---|---|
| | Generic drugs | | Branded healthcare | | Total | |
| | Year ended 31 March | | Year ended 31 March | | Year ended 31 March | |
| | **2024** | 2023 (Restated) | **2024** | 2023 (Restated) | **2024** | 2023 (Restated) |
| | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* |
| Revenue from external customers recognised at a point in time | **1,467,798** | 1,267,598 | **242,521** | 517,981 | **1,710,319** | 1,785,579 |
| Inter-segment revenue | **16** | 270 | **1,381** | 2,342 | **1,397** | 2,612 |
| Reportable segment revenue | **1,467,814** | 1,267,868 | **243,902** | 520,323 | **1,711,716** | 1,788,191 |
| Reportable segment profit (adjusted EBITDA) | **453,079** | 444,173 | **82,734** | 124,273 | **535,813** | 568,446 |

*(ii)* ***Reconciliations of reportable segment revenue and profit or loss***

| | Continuing operations | | Discontinued operations | |
|---|---|---|---|---|
| | Year ended 31 March | | Year ended 31 March | |
| | **2024** | 2023 (Restated) | **2024** | 2023 (Restated) |
| | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* |
| **Revenue** | | | | |
| Reportable segment revenue | **1,467,814** | 1,267,868 | **243,902** | 520,323 |
| Elimination of inter-segment revenue | **(16)** | (270) | **(1,381)** | (2,342) |
| Consolidated revenue | **1,467,798** | 1,267,598 | **242,521** | 517,981 |
| **Profit** | | | | |
| Reportable segment profit | **453,079** | 444,173 | **82,734** | 124,273 |
| Elimination of inter-segment profit | **(8)** | (11) | **(211)** | (262) |
| Reportable segment profit derived from the Group's external customers | **453,071** | 444,162 | **82,523** | 124,011 |
| Interest income from bank deposits and investments | **24,006** | 17,875 | **483** | 272 |
| Dividend income from an investment | **3,678** | – | **–** | – |
| Gain on disposal of an associate | **1,623** | – | **–** | – |
| Share of profits/(losses) of associates | **165** | (1,627) | **(600)** | (1,215) |
| Depreciation and amortisation | **(141,823)** | (148,653) | **(14,699)** | (35,807) |
| Finance costs | **(78,708)** | (61,412) | **(3,260)** | (6,033) |
| Fair value loss on investment properties | **(7,429)** | – | **–** | – |
| Share of losses of joint ventures | **–** | – | **(2)** | (718) |
| Gain on deemed disposal of equity interest in a joint venture | **–** | – | **–** | 8,900 |
| Consolidated profit before taxation | **254,583** | 250,345 | **64,445** | 89,410 |

*(iii)* ***Geographic information***

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the goods are distributed to distributors or the ultimate customers by the Group or the consignees.

| | **Continuing operations Year ended 31 March** | | **Discontinued operations Year ended 31 March** | |
|---|---|---|---|---|
| | **2024** | 2023 (Restated) | **2024** | 2023 (Restated) |
| | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* |
| **Revenue from external customers** | | | | |
| Hong Kong (place of domicile) | **1,421,374** | 1,222,725 | **179,022** | 329,547 |
| Mainland China | **33,385** | 21,054 | **39,226** | 135,253 |
| Macau | **12,903** | 21,646 | **11,894** | 26,420 |
| Singapore | **136** | 225 | **4,648** | 9,768 |
| Others | **–** | 1,948 | **7,731** | 16,993 |
| | **1,467,798** | 1,267,598 | **242,521** | 517,981 |

The following table sets out information about the geographical location of the Group's investment properties, property, plant and equipment, intangible assets, other non-current assets and interests in associates and joint ventures ("**specified non-current assets**"). The geographical location of the specified non-current assets is based on the physical location of the assets, in the case of investment properties, property, plant and equipment and non-current prepayments for property, plant and equipment, the location of the operations to which they are allocated, in the case of intangible assets and other non-current prepayments, and the location of operations, in the case of interests in associates and joint ventures.

| | **As at 31 March** | |
|---|---|---|
| | **2024** | 2023 |
| | ***HK$'000*** | *HK$'000* |
| **Specified non-current assets** | | |
| Hong Kong (place of domicile) | **1,938,213** | 2,964,728 |
| Mainland China | **24,988** | 42,278 |
| Macau | **132** | 149 |
| Taiwan | **4,198** | 5,111 |
| Cambodia | **86,084** | 86,259 |
| | **2,053,615** | 3,098,525 |

*(iv)* ***Information about major customers***

For the year ended 31 March 2024, the Group's customer base includes one (2023 (restated): one) customer with whom transactions have exceeded 10% of the Group's revenue. Revenue from sales of generic drugs products to this customer, including sales to entities which are known to the Group to be under common control amounted to approximately HK$679,944,000 (2023 (restated): HK$608,512,000).

## 5 OTHER NET INCOME

| | Continuing operations Year ended 31 March | | Discontinued operations Year ended 31 March | |
|---|---|---|---|---|
| | **2024** | 2023 (Restated) | **2024** | 2023 (Restated) |
| | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* |
| Interest income from bank deposits and investments | **24,006** | 17,875 | **483** | 272 |
| Subcontracting income | **9,864** | 6,198 | **–** | – |
| Rental income | **6,871** | 862 | **–** | – |
| Net distribution and logistic service income | **361** | 18,257 | **–** | – |
| Net foreign exchange (loss)/gain | **(102)** | 363 | **2,440** | 2,426 |
| Net loss on disposals of property, plant and equipment | **(53)** | (1,356) | **(5)** | (63) |
| Government grants *(Note)* | **90** | 29,094 | **–** | 5,091 |
| Dividend income from an investment | **3,678** | – | **–** | – |
| Gain on disposal of an associate | **1,623** | – | **–** | – |
| Fair value loss on investment properties | **(7,429)** | – | **–** | – |
| COVID-19-related rent concessions | **–** | 208 | **–** | – |
| Net loss on disposals of intangible assets | **–** | (2,067) | **–** | (63) |
| Commission income | **–** | – | **1,041** | 2,153 |
| Gain on deemed disposal of equity interest in a joint venture | **–** | – | **–** | 8,900 |
| Others | **6,119** | 2,955 | **1,754** | 553 |
| | **45,028** | 72,389 | **5,713** | 19,269 |

*Note:* During the year ended 31 March 2023, the Group successfully applied for funding support from the Employment Support Scheme under the Anti-epidemic Fund, set up by the Government. The purpose of the funding was to provide financial support to employers to retain their current employees or hire more employees when the business revives. Under the terms of the grant, the Group was required to employ a sufficient number of employees with reference to its proposed employee headcounts in each subsidy month.

## 6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

### (A) Finance costs

| | Continuing operations Year ended 31 March | | Discontinued operations Year ended 31 March | |
|---|---|---|---|---|
| | **2024** | 2023 (Restated) | **2024** | 2023 (Restated) |
| | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* |
| Interest on bank loans and other borrowings | **77,104** | 60,018 | **3,186** | 5,842 |
| Interest on lease liabilities | **1,604** | 1,394 | **74** | 191 |
| | **78,708** | 61,412 | **3,260** | 6,033 |

### (B) Other items

| | Continuing operations Year ended 31 March | | Discontinued operations Year ended 31 March | |
|---|---|---|---|---|
| | **2024** | 2023 (Restated) | **2024** | 2023 (Restated) |
| | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* |
| Depreciation | | | | |
| – owned property, plant and equipment | **84,037** | 86,617 | **5,564** | 12,926 |
| – right-of-use assets | **37,291** | 37,538 | **1,789** | 5,292 |
| | **121,328** | 124,155 | **7,353** | 18,218 |
| Amortisation of intangible assets | **20,495** | 24,498 | **7,346** | 17,589 |
| Auditors' remuneration | | | | |
| – audit services | **5,300** | 4,498 | **943** | 2,180 |
| – other services | **1,856** | 1,959 | **289** | 699 |
| Research and development costs (other than amortisation of capitalised development costs) | **6,450** | 1,166 | **–** | – |
| Rentals received from investment properties less direct outgoings of HK$163,000 (2023 (restated): HK$363,000) | **6,708** | 499 | **–** | – |
| Cost of inventories | **847,323** | 728,680 | **116,603** | 309,727 |

## 7 INCOME TAX

Income tax in the consolidated statement of profit or loss and other comprehensive income represents:

| | Continuing operations Year ended 31 March | | Discontinued operations Year ended 31 March | |
|---|---|---|---|---|
| | **2024** | 2023 (Restated) | **2024** | 2023 (Restated) |
| | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* |
| **Current tax** | | | | |
| Provision for the year | **54,660** | 41,503 | **13,861** | 17,816 |
| (Over)/under-provision in respect of prior years | **(3,355)** | (1,086) | **153** | (205) |
| | **51,305** | 40,417 | **14,014** | 17,611 |
| **Deferred tax** | | | | |
| Reversal and origination of temporary differences | **(6,891)** | 2,559 | **(1,961)** | (4,041) |
| | **44,414** | 42,976 | **12,053** | 13,570 |

The provision for Hong Kong Profits Tax for the year is calculated at 16.5% (2023: 16.5%) of the estimated assessable profits for the year. Income tax for entities incorporated in other jurisdictions is charged at the appropriate rates of taxation ruling in the relevant jurisdictions.

## 8 EARNINGS PER SHARE

### (A) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company for the year ended 31 December 2024 and the weighted average ordinary shares in issue during the year, calculated as follows:

***(i) Weighted average number of ordinary shares:***

| | Year ended 31 March | |
|---|---|---|
| | **2024** | 2023 |
| | ***'000*** | *'000* |
| Ordinary shares of the Company issued at the beginning of the year | **1,907,821** | 1,915,677 |
| Effect of ordinary shares held for Share Award Scheme | **6,244** | (4,316) |
| Effect of placing of new ordinary shares | **6,131** | – |
| Weighted average number of ordinary shares in issue during the year | **1,920,196** | 1,911,361 |

***(ii) Profit attributable to equity shareholders***

| | Year ended 31 March | |
|---|---|---|
| | **2024** | 2023 |
| | ***HK$'000*** | *HK$'000* |
| Profit attributable to equity shareholders | | |
| – Continuing operations | **210,236** | 207,513 |
| – Discontinued operations | **56,732** | 43,531 |
| | **266,968** | 251,044 |

### (B) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to equity shareholders of the Company for the year ended 31 December 2024 and the weighted average ordinary shares, calculated as follows:

***(i) Weighted average number of ordinary shares:***

| | Year ended 31 March | |
|---|---|---|
| | **2024** | 2023 |
| | ***'000*** | *'000* |
| Weighted average number of ordinary shares at 31 March | **1,920,196** | 1,911,361 |
| Effect of share award granted under the Share Award Scheme | **–** | 332 |
| | **1,920,196** | 1,911,693 |

*(ii)* ***Profit attributable to equity shareholders***

| | Year ended 31 March | |
|---|---|---|
| | **2024** | 2023 |
| | ***HK$'000*** | *HK$'000* |
| Profit attributable to equity shareholders | | |
| – Continuing operations | **210,236** | 207,513 |
| – Discontinued operations | **56,732** | 43,531 |
| | **266,968** | 251,044 |

## 9 DIVIDENDS

### (A) Dividends payable to equity shareholders of the Company attributable to the year

*(i)* ***Dividend in the form of cash***

| | Year ended 31 March | |
|---|---|---|
| | **2024** | 2023 |
| | ***HK$'000*** | *HK$'000* |
| Interim dividend declared and paid of HK2.50 cents per Share (2023: HK2.80 cents per Share) | **48,084** | 53,030 |
| Final dividend proposed after the end of the Reporting Period of HK3.00 cents per Share (2023: HK2.38 cents per Share) *(Note)* | **60,007** | 46,034 |
| | **108,091** | 99,064 |

*Note:* The final dividend proposed after the end of the Reporting Period has not been recognised as a liability at the end of the Reporting Period.

*(ii)* ***Special dividend in the form of distribution in specie***

A special dividend was made by the Company on 24 August 2023 in the form of distribution in specie of 492,259,244 JBM Healthcare Shares on the basis of 509 JBM Healthcare Shares for every 2,000 shares held by equity shareholders of the Company whose names appear on the register of members of the Company on 18 August 2023. Based on the published closing price of HK$1.16 per JBM Healthcare Share on 24 August 2023, the special dividend represents a distribution of approximately HK29.52 cents per share. The distribution in specie was completed on 24 August 2023 and the Group ceased to have control of and no longer consolidate JBM Healthcare.

### (B) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

| | Year ended 31 March | |
|---|---|---|
| | **2024** | 2023 |
| | ***HK$'000*** | *HK$'000* |
| Final dividend in respect of the previous financial year, approved and paid during the year, of HK2.38 cents per Share (2023: HK2.68 cents per Share) | **46,034** | 51,837 |
| Less: Dividend of ordinary shares held by Share Award Scheme | **(515)** | (839) |
| | **45,519** | 50,998 |

## 10 TRADE AND OTHER RECEIVABLES

| | As at 31 March | |
|---|---|---|
| | **2024** | 2023 |
| | ***HK$'000*** | *HK$'000* |
| Trade receivables | **172,834** | 288,231 |
| Other receivables | **14,185** | 9,321 |
| Deposits and prepayments | **46,236** | 52,104 |
| Amounts due from associates | **108** | 1,704 |
| | **233,363** | 351,360 |

**Ageing Analysis**

As at the end of the Reporting Period, the ageing analysis of trade receivables (which are included in trade and other receivables) based on the invoice date and net of loss allowance, is as follows:

| | As at 31 March | |
|---|---|---|
| | **2024** | 2023 |
| | ***HK$'000*** | *HK$'000* |
| Less than 1 month | **116,527** | 180,287 |
| 1 to 6 months | **56,263** | 102,991 |
| Over 6 months | **44** | 4,953 |
| | **172,834** | 288,231 |

## 11 TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES

| | As at 31 March | |
|---|---|---|
| | **2024** | 2023 |
| | ***HK$'000*** | *HK$'000* |
| Trade payables | **51,688** | 80,245 |
| Salary and bonus payables | **53,662** | 58,318 |
| Payables and accruals for addition of property, plant and equipment | **54** | 390 |
| Other payables and accruals | **50,187** | 87,815 |
| Contract liabilities | **60,876** | 54,885 |
| Amount due to a joint venture | **–** | 2,000 |
| | **216,467** | 283,653 |

**Ageing Analysis**

As at the end of the Reporting Period, the ageing analysis of trade payables (which are included in trade and other payables and contract liabilities), based on the invoice date, is as follows:

| | As at 31 March | |
|---|---|---|
| | **2024** | 2023 |
| | ***HK$'000*** | *HK$'000* |
| Less than 1 month | **25,065** | 44,398 |
| 1 to 6 months | **26,537** | 35,708 |
| Over 6 months | **86** | 139 |
| | **51,688** | 80,245 |

## 12 SHARE CAPITAL

| | Number of shares *'000* | Amount *HK$'000* |
|---|---|---|
| **Authorised:** | | |
| Ordinary shares of HK$0.01 each at 1 April 2022, 31 March 2023, 1 April 2023 and 31 March 2024 | **5,000,000** | **50,000** |
| **Issued:** | | |
| At 1 April 2022 | **1,915,677** | **19,157** |
| Ordinary shares acquired for Share Award Scheme *(Note)* | **(31,756)** | **(318)** |
| Ordinary shares vested for the Share Award Scheme *(Note)* | **23,900** | **239** |
| At 31 March 2023 and 1 April 2023 | **1,907,821** | **19,078** |
| Placing of new ordinary shares | **66,000** | **660** |
| Ordinary shares acquired for Share Award Scheme *(Note)* | **(12,370)** | **(124)** |
| Ordinary shares vested for the Share Award Scheme *(Note)* | **18,770** | **188** |
| At 31 March 2024 | **1,980,221** | **19,802** |

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

*Note:* On 16 October 2018, the Share Award Scheme was adopted by the Company. Pursuant to the Share Award Scheme, the Directors are authorised, at their discretion to determine individuals, including Directors and employees of any companies in the Group, for granting them the Company's shares. The Share Award Scheme will be valid and effective for a period of 10 years commencing from 16 October 2018.

The Company's shares to be granted under the Share Award Scheme will be purchased and held by a trustee. The maximum of purchases by the trustee in any financial year will be fixed by the Board but such purchases will not result in the trustee holding at any time more than 3% of the total issued shares of the Company.

In addition, unless approved by the Board, no awarded shares will be granted to any individual if the granting of such share award would result in the total number of shares granted to the individual during any 12-month period exceeding 0.5% of the total issued shares of the Company (0.1% of the total issued shares of the Company in case for an independent non-executive Director).

During the year ended 31 March 2024, the trustee of the Share Award Scheme acquired 12,370,000 shares through purchases on the open market. The total amount paid to acquire the shares during the year was approximately HK$7,685,000. During the year ended 31 March 2023, the trustee of the Share Award Scheme acquired 31,756,000 shares through purchases on the open market. The total amount paid to acquire the shares during the year was approximately HK$27,072,000.

During the year ended 31 March 2024, the Company has granted a total of 17,770,000 shares to eligible grantees, including certain Directors and employees of the Group. During the year ended 31 March 2023, the Company has granted a total of 24,900,000 shares to eligible grantees, including certain Directors and employees of the Group.

Details of the shares awarded under the Share Award Scheme during the year ended 31 March 2024 are as follows:

| | Number of Shares | | | | | |
|---|---|---|---|---|---|---|
| **Date of grant** | **As at 1 April 2023** | **Granted during the year** | **Vested during the year** | **Lapsed during the year** | **As at 31 March 2024** | **Vesting date** |
| **1 December 2022** | **1,000,000** | **–** | **(1,000,000)** | **–** | **–** | **1 December 2023** |
| **13 April 2023** | **–** | **4,750,000** | **(4,750,000)** | **–** | **–** | **30 May 2023** |
| **6 October 2023** | **–** | **6,120,000** | **(6,120,000)** | **–** | **–** | **21 November 2023** |
| **4 December 2023** | **–** | **6,900,000** | **(6,900,000)** | **–** | **–** | **19 January 2024** |
| | **1,000,000** | **17,770,000** | **(18,770,000)** | **–** | **–** | |

Details of the shares awarded under the Share Award Scheme during the year ended 31 March 2023 are as follows:

| | Number of Shares | | | | | |
|---|---|---|---|---|---|---|
| Date of grant | As at 1 April 2022 | Granted during the year | Vested during the year | Lapsed during the year | As at 31 March 2023 | Vesting date |
| 11 April 2022 | – | 10,000,000 | (10,000,000) | – | – | 31 May 2022 |
| 1 December 2022 | – | 12,900,000 | (12,900,000) | – | – | 18 January 2023 |
| 1 December 2022 | – | 1,000,000 | (1,000,000) | – | – | 1 March 2023 |
| 1 December 2022 | – | 1,000,000 | – | – | 1,000,000 | 1 December 2023 |
| | – | 24,900,000 | (23,900,000) | – | 1,000,000 | |

## 13 DISCONTINUED OPERATIONS

On 1 August 2023, the Board declared a special dividend that was satisfied by way of distribution in specie of the JBM Healthcare Shares held by the Group to the equity shareholders of the Company.

Upon completion of the distribution in specie, the Group no longer engages in branded healthcare operation. Accordingly, these operations were classified as discontinued operations. The distribution in specie was completed on 24 August 2023.

The summarised financial information of JBM Healthcare presented below represents the amounts after the intra-group elimination.

**(A) Results of discontinued operations**

| | Note | Discontinued operations<br>**For the period from 1 April 2023 to 24 August 2023**<br>***HK$'000*** | <br>For the year ended 31 March 2023<br>*HK$'000* |
|---|---|---|---|
| **Revenue** | *4* | **242,521** | 517,981 |
| Cost of sales | | **(116,603)** | (309,727) |
| **Gross profit** | | **125,918** | 208,254 |
| Other net income | *5* | **5,713** | 19,269 |
| Selling and distribution expenses | | **(48,009)** | (77,133) |
| Administrative and other operating expenses | | **(15,315)** | (53,014) |
| **Profit from operations** | | **68,307** | 97,376 |
| Finance costs | *6(A)* | **(3,260)** | (6,033) |
| Share of losses of associates | | **(600)** | (1,215) |
| Share of losses of joint ventures | | **(2)** | (718) |
| **Profit before taxation** | *6* | **64,445** | 89,410 |
| Income tax | *7* | **(12,053)** | (13,570) |
| **Profit for the period from discontinued operations** | | **52,392** | 75,840 |
| **Attributable to:** | | | |
| Equity shareholders of the Company | | **28,515** | 43,531 |
| Non-controlling interests | | **23,877** | 32,309 |
| **Profit for the period from discontinued operations** | | **52,392** | 75,840 |

**(B) Cash flows from discontinued operations**

| | Discontinued operations<br>**For the period from 1 April 2023 to 24 August 2023**<br>***HK$'000*** | <br>For the year ended 31 March 2023<br>*HK$'000* |
|---|---|---|
| Cash flows generated from operating activities | **59,358** | 145,616 |
| Cash flows used in investing activities | **(2,859)** | (6,783) |
| Cash flows used in financing activities | **(56,418)** | (56,036) |
| Net increase in cash and cash equivalents from discontinued operations | **81** | 82,797 |

**(C) Net gain on distribution in specie**

Details of net assets of discontinued operations at date of distribution in specie are set out below:

| | **As at 24 August 2023** *HK$'000* |
|---|---|
| **Net assets distributed** | |
| Property, plant and equipment | **133,412** |
| Intangible assets | **860,642** |
| Interests in associates | **13,512** |
| Interests in joint ventures | **3,614** |
| Other non-current assets | **13,554** |
| Other financial assets | **13,719** |
| Deferred tax assets | **3,546** |
| Inventories | **59,448** |
| Trade and other receivables | **191,742** |
| Current tax recoverable | **569** |
| Cash and cash equivalents | **152,154** |
| **Total assets** | **1,445,912** |
| Trade and other payables and contract liabilities | **131,065** |
| Bank loans | **130,000** |
| Lease liabilities | **4,285** |
| Current tax payable | **20,277** |
| Deferred tax liabilities | **100,258** |
| **Total liabilities** | **385,885** |
| **Book value of net assets** | **1,060,027** |
| Non-controlling interest | **(513,971)** |
| Fair value of JBM Healthcare Shares retained | **(10,063)** |
| **Book value of net assets distributed** | **535,993** |

The fair value of JBM Healthcare is with reference to the closing price and the number of issued shares of JBM Healthcare on 24 August 2023.

The distribution resulted in a non-cash gain of approximately HK$28,217,000, representing (i) the difference between the fair value of JBM Healthcare Shares distributed and the net assets distributed of JBM Healthcare and (ii) release of exchange reserve in relation to JBM Healthcare upon distribution in specie.

Analysis of net gain on distribution in specie:

| | **As at 24 August 2023** *HK$'000* |
|---|---|
| Fair value of JBM Healthcare Shares distributed | **564,628** |
| Less: Net assets distributed of JBM Healthcare | **(535,993)** |
| | **28,635** |
| Less: Release of exchange reserve upon distribution in specie | **(418)** |
| **Net gain on distribution in specie** | **28,217** |
| **Attributable to:** | |
| Equity shareholder of the Company | **28,217** |
| Non-controlling interests | **–** |
| **Net gain on distribution in specie** | **28,217** |

## 14 SCOPE OF WORK OF AUDITOR

The financial figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2024 as set out in the preliminary announcement have been compared by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's draft consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by KPMG on the preliminary announcement.

## CHAIRMAN'S STATEMENT

Dear Shareholders,

### Embracing the Revival

The fiscal year 2024 has unfolded as a season of revival for Hong Kong, akin to the cherished arrival of spring after a stark winter. As our city reclaimed its economic and societal normalcy post-pandemic, a palpable sense of celebration and anticipation for the thriving of all facets of life emerged.

For Jacobson, the past years have been a testament to our resilience, adaptability, and unwavering commitment to delivering quality healthcare solutions as a trusted partner. Amidst the challenges, we seized opportunities to solidify our position as an eminent provider of generic drugs and specialty medicines.

### Delivering Strategic Achievements

Our solid performance throughout FY2024, being built upon the momentum established in the first half, underscores our strategic execution and dedication to our mission. The year was characterised by significant achievements and considerable headway in our strategic endeavors, reinforced by a sound financial performance. Our total revenue grew by 15.8% to HK$1,467.8 million, while profit attributable to equity shareholders sustained a moderate growth of 6.3%. Through disciplined cost management, we maintain a strong cash flow position, which enables us to deliver steady dividend payouts and enhance shareholder value.

Our growth strategies are geared towards enriching our product portfolio, thereby strengthening the fundamentals for business growth. Our dedication to expanding our product portfolio, strengthening research and development capabilities, and optimising commercial strategies has yielded tangible results. The launch of several key additions, including Entecavir Tablets, Eplerenone Tablets, Febuxostat Tablets, and Letrozole Tablets, has enriched our offerings and addressed evolving patient needs across diverse therapeutic areas. Furthermore, we have made significant strides within our research and development pipeline, with 12 products successfully submitted for approval, paving the way for future market introductions.

Through strategic collaborations, we secured exclusive rights to six high-performing specialised drugs, spanning gastroenterology, cardiovascular health, endocrinology, inflammatory diseases, oncology, and breast cancer therapy. These partnerships not only diversify our product lines and position us for sustained growth but also underscore our dedication to improving patient outcomes.

### Commitment to Operational Excellence

Reflecting our commitment to operational excellence, we have made significant progress in improving manufacturing processes, expanding production capacities, and investing in automation. Notably, our liquid dosage form production surged by 26.6% compared to the previous year, showcasing our agility in meeting evolving market demands and ensuring a consistent supply of high-quality medicines.

In today's digital age, the pursuit of operational excellence extends beyond the laboratory and the manufacturing domain. We have embarked on the development of "e-Jacob Pharma2U" – an innovative e-ordering platform tailored specifically for the procurement needs of private clinics. The initial pilot phase of this project yielded promising results, with favorable user feedback and an impressive adoption rate. This digitisation initiative not only enhances our sales and customer service capabilities but also underscores our commitment to leveraging technology for the benefit of our stakeholders.

**Pursuing ESG Initiatives**

However, our aspirations extend far beyond commercial and financial performance. Through our holistic "5 to Thrive" ESG strategy, we have made meaningful strides in corporate governance, product responsibility, societal engagement, environmental stewardship, and commitment to our employees. Our dedication to ESG principles is evidenced by the receipt of five esteemed awards, including the Good MPF Employer Award and the Partner Employer Award, and solid progress on twelve environmental targets in areas like greenhouse gas emissions, waste management, and resource reduction. Additionally, we prioritised employee engagement by empowering them to shape our culture and collaborating with social enterprises on grassroots projects.

**Navigating Evolving Landscape with Optimism**

Looking ahead, while we anticipate a gradual post-pandemic recovery, we remain cognisant of the prevailing economic uncertainties influenced by geopolitical tensions and volatility. Recognising these market headwinds, we retain optimism regarding the long-term resilience of our economy and the growth potential of the generic drugs market and the broader healthcare industry. We are committed to cultivating the adaptability and agility of our business within this evolving landscape, fortifying our foundations for sustainable growth.

We aim to positively impact people's health as a forward-looking and value-driven company where individuals can thrive, driven by our purpose, dedication, values, and performance culture. Our strategic focus remains on maximising commercial opportunities, fortifying our pipelines, establishing a robust commercial platform, and expanding our footprint across key markets in Asia.

**Appreciation and Acknowledgment**

In closing, on behalf of the Board, I wish to extend my gratitude to our employees, partners, and shareholders. Your unwavering support and contributions have been pivotal in our journey towards delivering accessible, quality healthcare solutions and creating sustainable value for all stakeholders.

Sincerely,

**Sum Kwong Yip, Derek**
*Chairman and CEO*
**JACOBSON PHARMA CORPORATION LIMITED**

20 June 2024

## MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

The Group's performance throughout FY2024 exhibited a consistently positive trajectory, building upon the momentum established in the first half. This robust performance has benefitted from the recovery of Hong Kong's economy following the lifting of COVID-19 restrictions in early 2023. The gradual return to normalcy in the city has catalysed a significant rebound in inbound tourism and consumer spending, a trend observable since the first quarter of 2023. This economic resurgence has been characterised by heightened activity across all sectors, culminating in solid growth for FY2024.

Moreover, the relaxation of social distancing measures and the phased removal of mask mandates have further bolstered this growth by coinciding with an increase in influenza cases, particularly among school children and the elderly. Consequently, there has been a notable surge in demand for cold and flu treatments, particularly during the peak flu seasons of the fiscal year.

Our performance for the fiscal year highlights the effective execution of our growth strategies. We have maintained a steadfast commitment to consolidating our position as a key player in Hong Kong's generic drugs sector. This achievement directly stems from our heightened efforts to strengthen our R&D pipeline and manufacturing capabilities, diversify our product range, optimise our commercial strategies, and reinforce our sales channels.

Operating responsibly remains core to Jacobson. We recognise our pivotal role in addressing Environmental, Social, and Governance (ESG) challenges and strives to become an exemplar of sustainability through our comprehensive "5 to Thrive" strategy. This holistic approach guides our ESG endeavors across five key pillars: Corporate Governance, Product Responsibility, Societal Engagement, Environmental Stewardship, and Commitment to Employees. Our dedication to ESG is underscored by the recognition of five esteemed awards, including the Good MPF Employer Award and the Partner Employer Award. We have made significant strides in achieving twelve environmental targets, encompassing areas such as greenhouse gas emissions reduction, waste management, and resource conservation. We place great emphasis on employee engagement, empowering our workforce to actively shape and uphold our corporate culture. Additionally, we foster collaborative partnerships with social enterprises, enabling our employees to contribute to grassroots initiatives that create positive social impact.

## RESULTS

During the Reporting Period, the Group accomplished a solid 15.8% increase in its total revenue compared to FY2023, amounting to HK$1,467.8 million. Profit attributable to equity shareholders grew to HK$267.0 million, marking an increase of HK$15.9 million or 6.3%.

Supported by robust business performance and disciplined cost management, the Group maintained a strong adjusted EBITDA from continuing operations of HK$453.1 million throughout the Reporting Period. The net gearing ratio remained stable at a healthy 12.2% as of the Reporting Period's conclusion. Additionally, the Group's cash reserves remained resilient, with a balance of HK$411.9 million at the end of the Reporting Period.

## OPERATION PERFORMANCE

### Extensive Portfolio to Meet Evolving Demand

As a prominent manufacturer and supplier of generic pharmaceuticals in Hong Kong, the Group presents an extensive and carefully curated portfolio of essential medicines and specialty drugs. This diverse range of products caters to the evolving needs of healthcare professionals and patients alike, ensuring accessibility, high quality, and cost-effectiveness in addressing the requirements of the healthcare system.

Throughout the Reporting Period, the Group's generics business experienced notable growth, propelled by Hong Kong's transition back to normalcy and economic revival following the lifting of pandemic-related restrictions. This upswing was driven by heightened social activities and a resurgence in medical consultations, consequently leading to an upsurge in the demand for both essential and specialty pharmaceutical products.

Moreover, the lifting of mask-wearing mandates, alongside a decline in community immunity against seasonal flu, has heightened susceptibility to influenza infections among the public. As a result, there has been a sustained increase in flu cases, particularly among children and the elderly. This surge in flu cases has led to heightened demand for medications targeting cold and flu treatments, thereby contributing to the growth of both the Public and Private Sectors of the Group's business during the Reporting Period. This expansion aligns with the robust trend in medication demand among the aging population and patients with chronic diseases.

The robust growth in medications catering to the elderly and individuals with chronic diseases is exemplified by the Group's cardiovascular offerings. For instance, within the antihypertensives class, Hydralazine and Prazosin Tablets experienced a notable increase in sales during the Reporting Period. Similarly, the diuretic class saw significant expansion, driven by heightened consumption of Spironolactone Tablets and the successful acquisition of a new public tender for Eplerenone Tablets during the same period.

Furthermore, therapeutic sectors such as analgesics and antihistamines also demonstrated considerable increases in demand. Additionally, antivirals recorded a substantial surge in sales, attributed to the successful acquisition of a public tender for Entecavir Tablets.

Throughout the Reporting Period, the Group secured numerous first-time orders, including a variety of medications in the Public Sector. Similarly, the Group's cold and flu, analgesics, and antihistamines product classes experienced notable upticks in demand, driven by the surge in cold and flu cases within the community during the Reporting Period.

### New Product Introduction

With our ongoing commitment to delivering high-quality generics to fulfill the demands of both medical professionals and patients, the Group has expanded its product portfolio with the launch of several key additions, including Entecavir Tablets, Eplerenone Tablets, Febuxostat Tablets, Ezetimibe Tablets, Letrozole Tablets, Finasteride Tablets, Metronidazole Oral Suspension, Dexamethasone Oral Suspension, and Levodropropizine Syrup.

Furthermore, we have secured registration approval for an additional 13 new products, further enriching our pipeline for upcoming market launches.

### R&D Pipeline Progress

Our dedication to research and development (R&D) remained steadfast during the Reporting Period, underpinned by a prudent and disciplined approach. This approach yielded steady progress within our R&D pipeline. Notably, we successfully completed the development and submission for approval of 12 products, spanning various therapeutic areas such as gastrointestinal and cardiovascular medications. Additionally, six products have initiated stability testing, marking a pivotal step towards their eventual market introduction.

Further enriching our pipeline, we strategically introduced new items encompassing medications from major therapeutic classes, including respiratory and antihistamines.

As of 31 March 2024, our robust R&D pipeline comprises 185 products at various stages of development. This includes 64 items already approved for registration, 12 submitted for approval, 59 having completed development and undergoing stability testing or further studies, and 14 currently in the formulation or pre-formulation phases.

### Enhancing Production Capacity

Throughout the Reporting Period, the Group maintained its dedication to enhancing our manufacturing processes, identifying areas for improvement, bolstering automation, and aligning with evolving market demands. Notably, significant progress has been made in expanding and optimising production capacity for solid, semi-solid, and liquid dosage forms, as well as sterile eyedrops and injectables.

For instance, the production volume of liquid dosage forms surged to approximately 2.6 million liters during the Reporting Period, marking a remarkable increase of 26.6% compared to the previous year. This notable growth can be attributed primarily to heightened market demand over the past 12 months, stemming from the recovery from COVID-19 and the resumption of normal clinic operations post-pandemic. Additionally, there has been a notable surge in demand for bulk-pack oral liquid, driven by the increase in flu cases as Hong Kong transitions into its first mask-free winter in nearly three years.

The significant boost in production capacity for liquid dosage forms highlights our agility in responding to dynamic market conditions. With our scalable production capabilities, the Group is strategically positioned to accommodate the shifting public demand for medications. Our ability to adapt and enhance our production capacities ensures that we can promptly and efficiently address evolving market requirements.

## BUSINESS DEVELOPMENT

### In-license of Specialised Products

In our ongoing endeavor to fortify our portfolio and broaden our array of specialty drugs, we have maintained a robust in-licensing strategy, collaborating with reputable manufacturers worldwide. Throughout the Reporting Period, we successfully secured exclusive in-licensing agreements for six high-performing specialised drugs spanning various therapeutic areas, including gastrointestinal disorders, cardiovascular conditions, inflammatory and autoimmune diseases, multiple myeloma treatment, oncology, and breast cancer therapy. These in-licensed products cater to a diverse range of therapeutic needs.

For instance, a medication from South Korea has enhanced our offerings in gastroenterology, while an antihypertensive solution from the UK, distinguished by its tailored dosage design, has augmented our cardiovascular health portfolio. Additionally, a corticosteroid from the UK has expanded our lineup of treatments for endocrinology and inflammatory diseases. In the realm of oncology, we have acquired a promising medication for treating multiple myeloma, mantle cell lymphoma, and specific breast cancer profiles, alongside a targeted therapy tablet from Greece.

These strategic in-licensing endeavors have diversified our product offerings across various medical fields, positioning us for sustained growth. Selected for their proven efficacy and safety profiles, these products have the potential to positively impact the market and improve patient outcomes.

**Strategic Partnership and Collaboration**

In our ongoing commitment to innovative therapies, we are actively focused on expanding the market reach of Arsenic Trioxide Oral Solution, a unique product jointly developed by The University of Hong Kong ("**HKU**") and Jacobson in Hong Kong. This oral formulation, authorised for the treatment of acute promyelocytic leukemia, has been proven as effective as its injectable counterparts while offering a superior safety profile in clinical studies conducted by HKU.

To benefit a wider patient base beyond the Greater Bay Area, we have expanded distribution agreements and advanced registration processes in select Southeast Asian countries. A distribution agreement has been signed for Malaysia, extending coverage to neighboring countries. Additionally, we are contemplating clinical trials and expansion plans for the United Kingdom, the Netherlands, and the United States of America. Furthermore, we plan to submit registration for Oral Arsenic Trioxide in Singapore by the fourth quarter of 2024. These initiatives represent significant strides in expanding the reach and accessibility of Oral Arsenic Trioxide, positioning it as a vital treatment option for hematologists across multiple regions.

In addition, we were excited about an enhanced collaboration with Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* (上海復星醫藥(集團)股份有限公司) to market Yescarta, a pioneering CAR-T cell therapy developed by Fosun Kite Biotechnology Co., Ltd.* (復星凱特生物科技有限公司) ("**Fosun Kite**"), in Hong Kong and Macau. Yescarta has regulatory approval in key regions, including the US, EU, Australia, Canada, and Japan, as a second line therapy for treating specific type of lymphomas. Recent ZUMA-7 study results show a significant increase in patient survival rates and event-free survival compared to standard care.

Jacobson will manage the ultralow temperature cold chain logistics of Yescarta in Hong Kong and Macau. This collaboration underscores our commitment to healthcare innovation. Additionally, our support for Fosun Kite's marketing efforts in the region highlights our dedication to improving patient outcomes. Notably, Yescarta stands out among CAR-T therapies as it eliminates the need to transport T-cell samples to the United States for processing, drastically reducing treatment preparation time compared to competitors. It is worth highlighting that our Group's logistics arm is the sole distribution company licensed among the two currently authorised to handle CAR-T products in Hong Kong.

* *For identification purpose only*

**E-ordering System to Enhance Sales and Customer Service Platform**

In a strategic move to enhance both sales and customer service capability and effectiveness, our Group has embarked on the development of "e-Jacob Pharma2U" – an innovative e-ordering platform poised to capitalise on the trend of online purchasing. Tailored specifically for the procurement needs of private clinics, this platform aims to significantly streamline the procurement process of pharmaceutical products and medical supplies.

The initial pilot phase of the e-Jacob Pharma2U project has yielded promising results, marked by favourable user feedback and an impressive adoption rate. This phase serves as a crucial opportunity to gather invaluable user insights and refine the platform's functionality before its broader deployment.

Our primary goal with e-Jacob Pharma2U is to provide a comprehensive e-commerce solution, delivering a seamless experience for our customers. From intuitive product searches to effortless order placements and timely re-order reminders, the platform is designed to optimise the purchasing journey. Furthermore, it serves as a potent marketing tool, enabling us to spotlight new offerings and solidify our competitive advantage in the market while streamlining the entire drug-ordering process.

In essence, the platform offers unparalleled convenience for our esteemed medical professionals and key customers, granting them easy access to our product range, real-time engagement with our sales team, and a simplified ordering process. Additionally, leveraging data-driven insights, we can craft targeted promotions and effectively launch new products, further enhancing our market positioning.

## OUTLOOK

Looking ahead, the overall economic outlook remains uncertain despite the passing of the pandemic. Although a gradual post-pandemic recovery is anticipated, growth continues to be fragile and sluggish, influenced by geopolitical tensions and economic volatility. These factors impact both the Mainland China and Hong Kong, contributing to a climate of caution and prompting a conservative approach across sectors.

Recognising these market headwinds, we remained optimistic about the long-term resilience of our economy. Our steadfast commitment is to cultivate the adaptability and agility of our business within this evolving landscape. This commitment is reflected in the proactive measures we have implemented and the resilience we have shown, and it will persist in guiding our strategic initiatives going forward.

Despite near-term economic uncertainties, we maintain a positive outlook for the long-term growth potential of the generic drugs market and the broader healthcare industry. This optimism stems from several key drivers.

Firstly, increased government healthcare investment, such as initiatives like the Chronic Disease Co-Care Pilot Scheme (CDCC), underscores a commitment to expanding access to affordable medications. Generics substitution policies further reinforce this trend, fostering a market environment incentivising cost-effective solutions. Secondly, the healthcare landscape is experiencing a significant demographic shift. An aging population with complex health needs is driving a growing demand for medications to manage chronic conditions. This aligns well with the value proposition of the generic drugs market, offering cost-effective solutions for a broader range of patients. Thirdly, the rising prevalence of chronic diseases like diabetes and heart disease requires increased access to both essential and specialty medicines. Heightened societal awareness regarding preventive care and disease management further propels this demand.

In essence, the healthcare industry faces a confluence of factors: aging populations with complex medical needs, a growing burden of chronic disease, and an increased emphasis on overall health and well-being. This convergence presents a robust market opportunity for the generic drugs sector, providing cost-effective solutions for a wide range of healthcare challenges.

Capitalising on the market potential, we are dedicated to advancing our growth strategies and solidifying our position as a premier provider of essential and specialty medicines in Hong Kong and Asia. Our strategic focus remains on maximising commercial opportunities within our product portfolio, fortifying our pipelines through in-licensing and in-house R&D, establishing a robust commercial platform for marketing and regulatory affairs management to facilitate collaboration with regional and international partners, and expanding our footprint in key markets across Asia.

## CORPORATE DEVELOPMENT

### Distribution in Specie of JBM Healthcare Shares

The Company has on 1 August 2023 convened the 2023 annual general meeting and passed the resolution of the declaration and payment of a special dividend in the form of a distribution in specie of 492,259,244 JBM Healthcare Shares on a basis of 509 JBM Healthcare Shares for every 2,000 shares in the capital of the Company. The distribution in specie was completed on 24 August 2023 and JBM Healthcare ceased to be a subsidiary of the Company thereafter. Details of the distribution in specie were set out in the circular of the Company dated 10 July 2023.

### Proceeds from Placing of New Ordinary Shares

On 27 February 2024, the Company issued 66,000,000 Shares with a par value of HK$0.01 each (the "**Placing Shares**") at an issue price of HK$0.60 per Placing Share to not less than 6 placees, who are third parties independent of the Company and its connected persons, with a view to enhancing the Group's financial position for future development and to broadening its shareholder base and capital base. The closing price of the shares of the Company as quoted on the Stock Exchange on the date of such placing agreement is HK$0.61 per Share. As a result, the Company received net proceeds of approximately HK$38,898,000 (the "**Placing Proceeds**") after deducting all related fees and expenses from the gross proceeds of HK$39,600,000. The net proceeds will be utilised primarily for the renovation of the Group's manufacturing facilities and the acquisition of machinery and equipment.

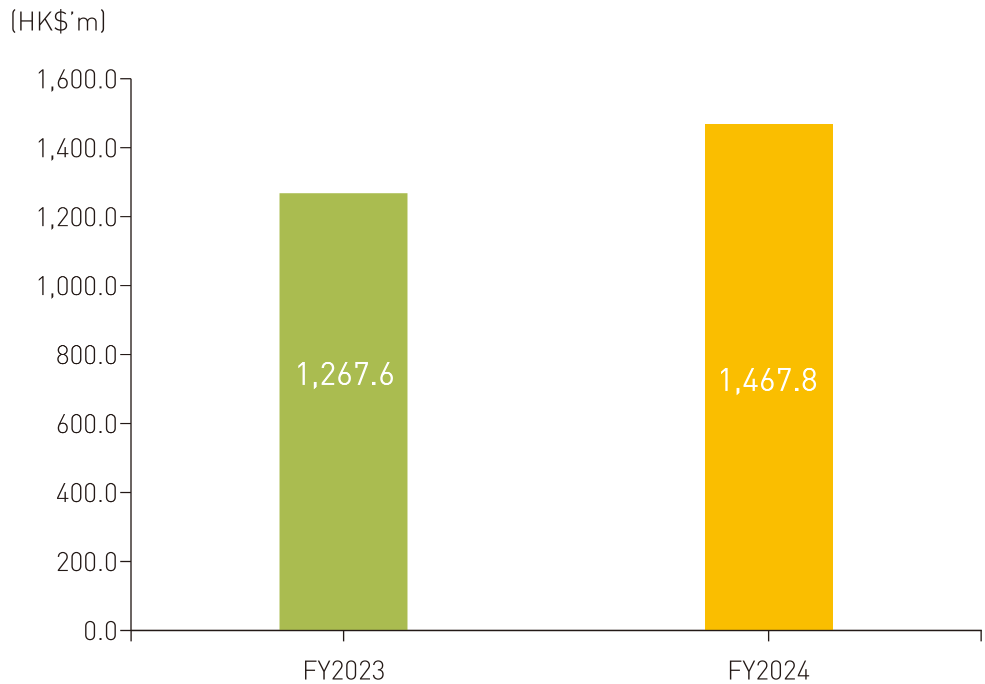
## REMUNERATION POLICY

As of 31 March 2024, the Group has a total of 1,723 employees (as of 31 March 2023 (restated): 1,484 employees). For the Reporting Period, the total staff costs of the Group was HK$452.1 million, compared to HK$382.3 million for the year ended 31 March 2023 with the corresponding enhancement in staff deployment supporting the growth and development of the Group. All of the Group's employees have entered into standard employment contracts with the Group. Remuneration packages for the Group's employees in general comprise one or more of the following elements: basic salary, sales-related incentives, productivity-related incentives and work performance bonuses. The Group sets out performance attributes for its employees based on their positions and job functions. It periodically reviews their work performance against the Group's strategic objectives and targets. The results of such reviews are taken into consideration when assessing salary adjustments, bonus awards, promotions, staff development plans and training needs. The Group provides various benefit schemes to its employees including annual leave entitlement, mandatory provident fund, group medical insurance and life insurance. A workers union has been established for the Group's employees in China according to local labour laws. As of 31 March 2024, the Group has not experienced any strikes or any labour disputes with its employees which would likely have had a material impact on its business.

The Group places a high value on recruiting, developing and retaining its employees. It maintains high recruitment standards and provides competitive compensation and benefit packages to attract and retain talents. The Group also emphasises on training and developing employees. In addition to different skill and knowledge based in-house training programs, the Group has training sponsorship policy to encourage its employees to attend external training to enhance their job competencies.

## FINANCIAL REVIEW

### Revenue

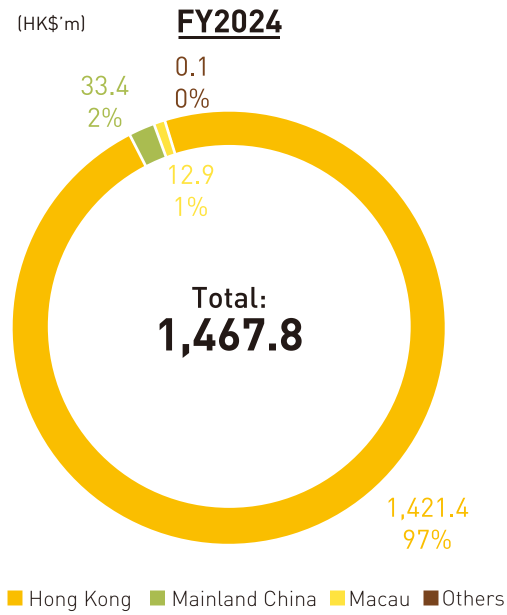



The Group's business has experienced continuous growth during the Reporting Period, with sales revenue increasing by HK$200.2 million or 15.8% compared to FY2023. The robust business performance can be attributed to the sustained economic recovery and increased social activities following the return to normalcy in Mainland China, Hong Kong and Macau after the lifting of pandemic-related measures.

The increase in influenza cases, particularly among school children, has resulted from a decline in overall community immunity against seasonal flu after the removal of mask-wearing mandates. This has led to a significant rise in demand for cold and flu treatments contributing to the growth of the Private Sector of the Group's business, especially during the peak flu seasons of the Reporting Period.

Moreover, the Public Sector recorded notable growth during the Reporting Period, driven by robust demand for medications among the aging population and chronic disease patients, as well as newly awarded public tenders.

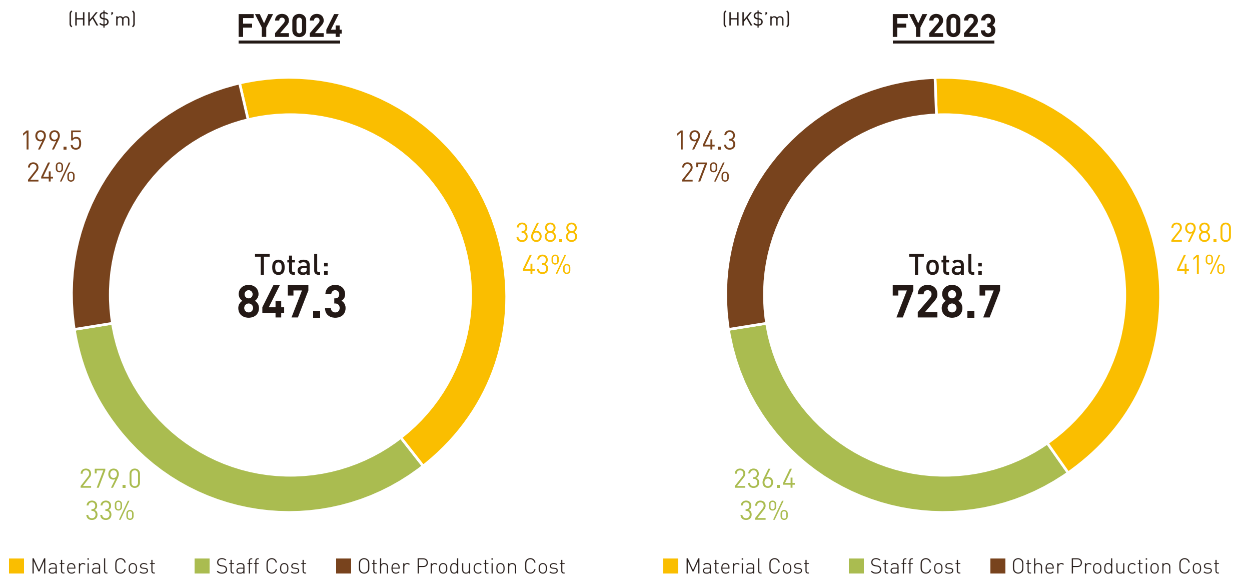
*Revenue by geographic locations*




During the Reporting Period, Hong Kong remained the primary revenue driver, accounting for 97% of the total revenue and delivering a notable increase of HK$198.7 million or 16.3% compared to FY2023. The growth in demand for the Group's essential drugs and specialty medicines was driven by the recovery of Hong Kong's economy after the lifting of COVID-19 restrictions in early 2023, the gradual return to normalcy in the city, and the upswing in social activities that facilitated the resurgence in medical consultation visits, alongside in a sustained increase in flu cases. The substantial demand for medications, propelled by an aging population and the prevalence of chronic diseases in Hong Kong, further contributed to this noteworthy performance.

The revenue from Mainland China increased by HK$12.3 million, or 58.3%, during the Reporting Period, primarily driven by increased demand for our cold and flu range products. The revenue from Macau and other overseas markets declined due to weakened demand in Macau and certain Southeast Asian countries during the Reporting Period.

### Cost of Sales

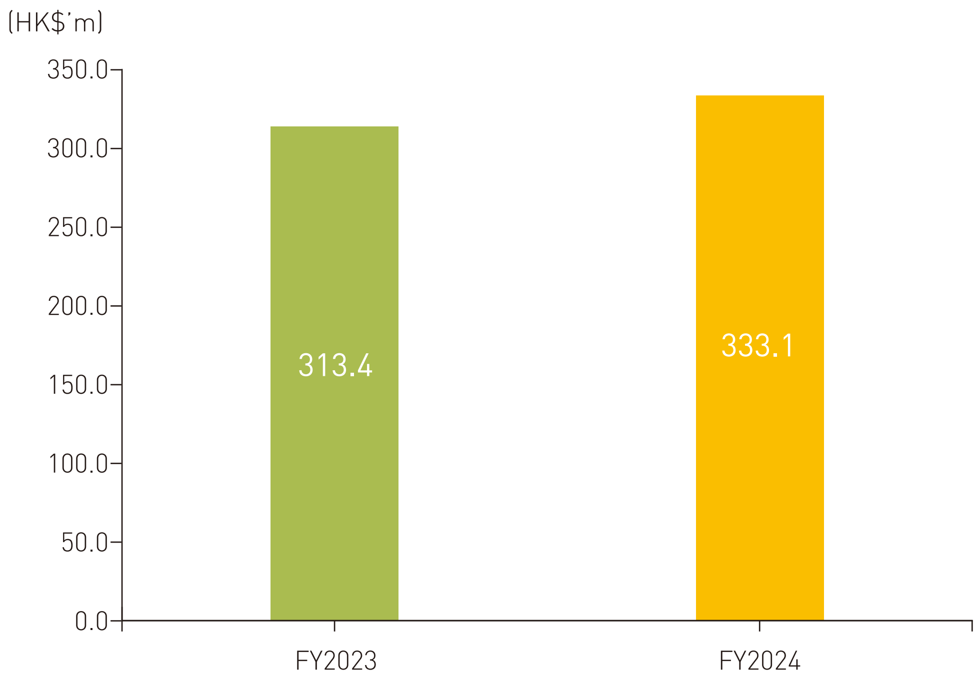



The increase in cost of sales of HK$118.6 million, or 16.3%, was generally in line with the overall sales growth of the Group during the Reporting Period. Material cost continued to be the major component contributing approximately 43% of the total cost of sales, while staff cost and other production costs contributed 33% and 24%, respectively.

The increase in material cost of HK$70.8 million, or 23.8%, was attributable to the increased production volume resulting from the boosted sales demands, raising procurement cost of production materials and change in sales mix during the Reporting Period.

The increase in staff cost of HK$42.6 million, or 18.0%, reflected the increased production levels necessary to meet the heightened demand for the products and the salary increments implemented to attract and retain production staff during the Reporting Period. Given the notable increase in production levels resulting from the boosted sales demands, other production costs slightly increased by HK$5.2 million, or 2.7%, due to the successful implementation of an optimisation program and cost rationalisation measures.

## Profit from Operations




The increase in profit from operations by HK$19.7 million, or 6.3%, to HK$333.1 million during the Reporting Period was mainly attributable to the increase in gross profit of HK$81.6 million resulting from the boosted sales growth owing to the relaxation of social distancing measures and the phased removal of mask mandates in Mainland China, Hong Kong and Macau, offset partially by the one-off Employment Support Scheme subsidy from the Hong Kong Government of HK$29.1 million recognised during FY2023 as other net income, the decrease in net distribution and logistic service income of HK$17.9 million, and the increase in operating expenses as a result of business expansion during the Reporting Period.

Excluding the one-off Employment Support Scheme subsidy from the Hong Kong Government, the profit from operations increased by HK$48.8 million or 17.2%.

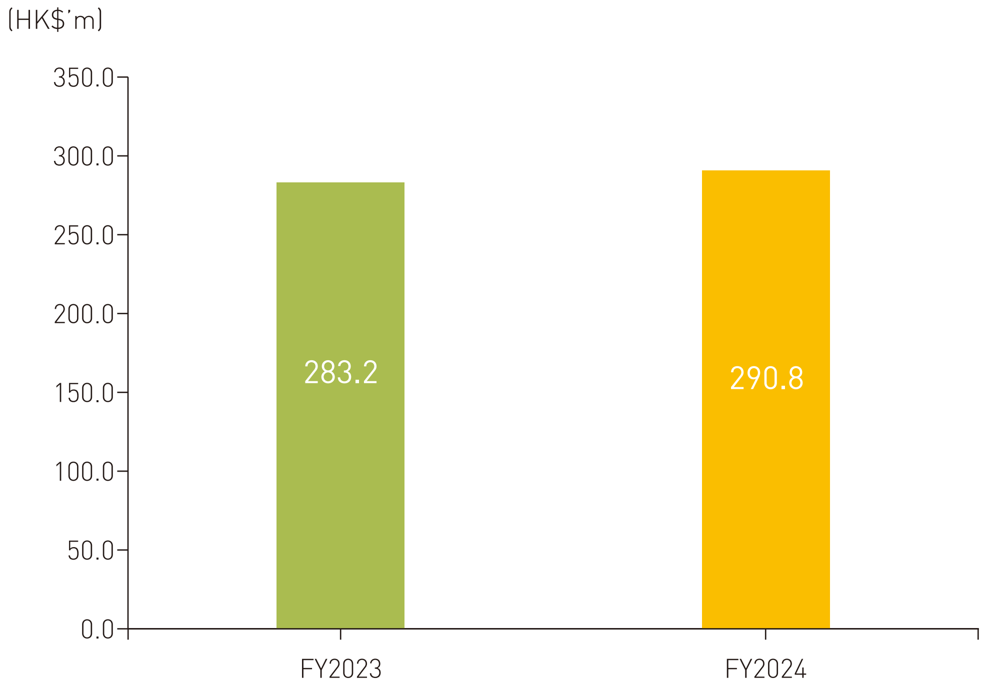
## Finance Costs

The significant increase in finance costs by HK$17.3 million, or 28.2%, was mainly attributable to the rising interest rates in the market during the Reporting Period.

## Income Tax

The slight increase in income tax primarily reflected the modest increase in profit from operations during the Reporting Period compared to FY2023 after excluding the non-taxable one-off Employment Support Scheme subsidy from the Hong Kong Government of HK$29.1 million recognised in FY2023.

## Profit for the Year




The profit for the year increased by HK$7.6 million, or 2.7%, to HK$290.8 million, which reflected the increase in profit from operations as a result of the notable sales growth, offset partially by the one-off Employment Support Scheme subsidy from the Hong Kong Government recognised during FY2023 as other income, the higher operating expenses as a result of business expansion and the increase in finance costs due to the rising interest rates in the market during the Reporting Period.

Excluding the one-off Employment Support Scheme subsidy from the Hong Kong Government, the profit for the period increased by HK$36.7 million or 14.4%.

## Assets

***Investment properties and property, plant and equipment***

The decrease in property, plant and equipment and investment properties primarily reflected the depreciation of HK$128.7 million, the segregation of the JBM Healthcare Group from the Group as a result of the distribution in specie of JBM Healthcare Shares on 24 August 2023 (JBM Healthcare Group had property, plant and equipment of HK$133.4 million as at 24 August 2023) and the fair value loss on investment properties of HK$7.4 million, which was offset partially by the acquisitions of properties, plant and machinery used by our pharmaceutical manufacturing plants of HK$57.9 million and the acquisitions of investment properties of HK$28.9 million.

*Intangible assets*

The decrease in intangible assets was principally attributable to the amortisation of HK$27.8 million and the segregation of the JBM Healthcare Group from the Group as a result of the distribution in specie of JBM Healthcare Shares on 24 August 2023 (JBM Healthcare Group had intangible assets of HK$860.6 million as at 24 August 2023).

For goodwill and intangible assets with indefinite useful lives, the recoverable amount is estimated annually and determined on the basis of value-in-use calculation. The value-in-use is determined based on the discounted cash flow forecasts which are prepared by the management of the Group. The key assumptions included gross margins and the discount rates applied. Management of the Group believes that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the carrying amount of cash generating units ("**CGUs**") of the Group to exceed its recoverable amount.

As disclosed in the "Corporate Development" section of the Management Discussion & Analysis of this announcement, the distribution in specie of JBM Healthcare Shares was completed on 24 August 2023 and JBM Healthcare ceased to be a subsidiary of the Company thereafter. The estimated recoverable amount of the CGUs in the generic drugs segment exceeds their carrying amount as at 31 March 2024 by approximately HK$1,157.3 million (as at 31 March 2023: HK$409.4 million).

*Inventories*

The decrease in inventories mainly resulted from the segregation of the JBM Healthcare Group from the Group as a result of the distribution in specie of JBM Healthcare Shares on 24 August 2023 (JBM Healthcare Group had inventories of HK$59.4 million as at 24 August 2023), offset partially by the increase in inventories resulted from the higher production levels to meet increased sales demands.

*Cash and cash equivalents*

As at 31 March 2024, approximately 97.5% of cash and cash equivalents were denominated in Hong Kong dollars (as at 31 March 2023: 98.9%), while the remaining balances were denominated in Renminbi, Macau pataca, Taiwan dollars, and United Stated dollars.

**Liabilities**

*Bank loans*

The decrease in bank loans by HK$838.7 million or 54.3% as at 31 March 2024 was mainly attributable to the repayment of bank loans during the Reporting Period for optimising the Group's financial leverage, as well as the segregation of the JBM Healthcare Group from the Group as a result of the distribution in specie of JBM Healthcare Shares on 24 August 2023 (JBM Healthcare Group had bank loans of HK$130.0 million as at 24 August 2023). As at 31 March 2024, all bank loans of the Group were denominated in Hong Kong dollars.

## Use of Proceeds

### *IPO proceeds*

Net proceeds of HK$695,540,000 were raised from the initial public offering of the Company (included proceeds from the over-allotment option exercised by the underwriter amounted to HK$98,438,000 and after the deduction of underwriting fees, commissions and expenses paid by the Company in connection with the initial public offering) (the "**IPO Proceeds**").

The table below sets forth the status of utilisation of the IPO Proceeds as at 31 March 2023 and 31 March 2024 respectively, and the expected timeline of the use of the unutilised IPO Proceeds:

| Use of IPO Proceeds | Proposed application* | As at 31 March 2023 Actual utilised amount | As at 31 March 2023 Unutilised amount | As at 31 March 2024 Actual utilised amount | As at 31 March 2024 Unutilised amount | Expected timeline for utilising the remaining IPO Proceeds |
|---|---|---|---|---|---|---|
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | |
| Acquisitions – Expansion of businesses in generic drugs and proprietary medicines | 139,108 | 139,108 | – | 139,108 | – | N/A |
| Acquisitions – Enhancement of distribution network | 104,331 | 104,331 | – | 104,331 | – | N/A |
| Acquisitions – Intangible assets | 69,554 | 69,554 | – | 69,554 | – | N/A |
| Capital investments – Upgrading of manufacturing plants and facilities | 113,197 | 113,197 | – | 113,197 | – | N/A |
| Capital investments – Two specific automated production facilities | 12,000 | 12,000 | – | 12,000 | – | N/A |
| Expansion of bioequivalence clinical studies | 98,449* | 85,340 | 13,109 | 92,853 | 5,596 | On or before 31 March 2025* |
| Establishment of a new joint R&D centre with HKIB | 5,882* | 5,882 | – | 5,882 | – | N/A |
| Marketing and advertising | 83,465 | 83,465 | – | 83,465 | – | N/A |
| General working capital | 69,554 | 69,554 | – | 69,554 | – | N/A |
| Total | 695,540 | 682,431 | 13,109 | 689,944 | 5,596 | |

* The Company published an announcement on 9 March 2022 relating to the change of allocation of the unutilised IPO Proceeds and the expected timeline of full utilisation by (a) reallocating approximately HK$4.1 million which was originally allocated for establishment of a new joint R&D centre with HKIB to expansion of bioequivalence clinical studies; and (b) extending the expected timeline of the use of the unutilised IPO Proceeds from 31 March 2023 to 31 March 2025.

The Group intends to apply the remaining IPO Proceeds according to the revised plans disclosed in the announcement published on 9 March 2022 as shown above.

***Proceeds from placing of new ordinary shares***

On 27 February 2024, the Company issued the Placing Shares at an issue price of HK$0.60 per Placing Share to not less than 6 placees, who are third parties independent of the Company and its connected persons, with a view to enhancing the Group's financial position for future development and to broadening its shareholder base and capital base. The closing price of the shares of the Company as quoted on the Stock Exchange on the date of such placing agreement is HK$0.61 per Share. As a result, the Company received the Placing Proceeds after deducting all related fees and expenses from the gross proceeds of HK$39,600,000. The net proceeds will be utilised primarily for the renovation of the Group's manufacturing facilities and the acquisition of machinery and equipment.

As at 31 March 2024, approximately HK$1,521,000, or 3.9%, of the Placing Proceeds have been utilised. There has not been any change to the intended use of the Placing Proceeds as disclosed in the announcement of the Company dated 27 February 2024.

The table below sets forth the status of utilisation of the Placing Proceeds as at 31 March 2024 respectively, and the expected timeline of the use of the unutilised Placing Proceeds:

| | | As at 31 March 2024 | | |
|---|---|---|---|---|
| **Use of Placing Proceeds** | **Proposed application**<br>*HK$'000* | **Actual utilised amount**<br>*HK$'000* | **Unutilised amount**<br>*HK$'000* | **Expected timeline for utilising the remaining Placing Proceeds** |
| Renovation of the Group's manufacturing facilities and the acquisition of machinery and equipment | 38,898 | 1,521 | 37,377 | On or before 31 March 2025 |

## LIQUIDITY, CAPITAL RESOURCES AND CAPITAL STRUCTURE

The Group consistently adheres to conservative fund management. The solid capital structure and financial strength continue to provide a solid foundation for the Group's future development as well as mergers and acquisitions. The Group's primary uses of cash are to fund working capital, capital expenditures and mergers and acquisitions. During the Reporting Period, the Group funded its cash requirements principally from cash generated from operations, net proceeds from the Placing Shares and bank borrowings.

## CHARGE ON GROUP ASSETS

As at 31 March 2024, the Group had no assets pledged against bank loans. The carrying value of assets pledged against bank loans was HK$73.9 million as at 31 March 2023.

## NET GEARING RATIO

The net gearing ratio of the Group (bank loans less cash and cash equivalents, divided by total equity multiplied by 100%) decreased from 15.6% as at 31 March 2023 to 12.2% as at 31 March 2024, mainly attributable to cash generated from operations of HK$541.3 million and net proceeds from placing of new ordinary shares of HK$38.9 million during the Reporting Period.

## FINANCIAL RISK ANALYSIS

Management considered that the Group did not have significant exposure to fluctuation in exchange rates and any related hedges.

## CONTINGENT LIABILITIES

As at 31 March 2024, the Group did not have any significant contingent liabilities.

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

The Group had no material acquisitions or disposals of subsidiaries, associates and joint ventures during the Reporting Period. The Group had no individually significant investments held during the Reporting Period.

## NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

No significant event has taken place subsequent to 31 March 2024 and up to the date of this announcement.

## PRINCIPAL RISKS AND UNCERTAINTIES

The following is a summary of the principal risks and uncertainties identified by the Company which may have material and adverse impact on its business or operation, and how the Company endeavours to manage the risks involved. There may be other principal risks and uncertainties in addition to those shown below which are not known to the Company or which may not be material now but could turn out to be material in the future.

– The Group operates in pharmaceutical manufacturing industry and is subject to various regulations; failure to comply with pharmaceutical or other regulations may restrict our business operations. The Group has dedicated quality control and quality assurance team in each manufacturing plant to ensure compliance with relevant regulations.

– The Group made a number of successful acquisitions; however, the Group may not be able to successfully identify, consummate and integrate future mergers or acquisitions. The Group will continue to seek for new acquisition opportunities and perform adequate due diligence to assess the potential acquisition targets.

– The Group operates in generic drugs business and development of new products provides additional growth driver for the Group. However, we may not be able to develop and launch new product according to our schedule. The Group continues to invest in the R&D of new products and engage external experts to enhance our overall R&D capability.

– The Group is also exposed to risks of liability and loss due to defective products as well as damage to the Group's reputation. While the Group has taken out product liability insurance, the insured amount may not be sufficient to cover all damages claimed. The Group has a designated production and quality assurance team to monitor product quality in each manufacturing plant to ensure they are in compliance with respective specifications.

The Company believes that risk management is essential to the Group's efficient and effective operation. The Company's management assists the Board in evaluating material risk exposure in the Group's business, participating in formulating appropriate risk management and internal control measures, and ensuring its implementation in the daily operational management.

## ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is principally engaged in the development, production, marketing and sale of essential medicines and specialty drugs, a line of business that does not have any material impact on the environment. The key environmental impact from the Group's operation is related to electricity, water and paper consumption. The Group is fully aware of the importance of sustainable environmental development, and has implemented a number of measures to encourage environmental protection and energy conservation.

During the Reporting Period, there was no significant regulatory non-compliance with applicable environmental laws and regulations.

## COMPLIANCE WITH LAWS AND REGULATIONS

During the Reporting Period, the Group was in compliance with the applicable laws and regulations which have significant impacts on the Group in all material respects.

## CORPORATE GOVERNANCE HIGHLIGHTS

The Group is committed to maintaining high corporate governance standards to safeguard the interests of the shareholders and to enhance corporate value and accountability. The Company has adopted the CG Code as its own code of corporate governance.

During the Reporting Period, the Company has complied with all the code provisions of the CG Code and adopted most of the best practices set out therein, except for the following provision:

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

Currently, Mr. Sum is the chairman of the Board and the chief executive officer of the Company and accordingly, there is no written terms setting out the division of responsibilities between the chairman and chief executive. The Board considers that Mr. Sum is the founder of the Group and had been managing the Group's business and overall strategic planning since its establishment, the vesting of the roles of chairman and chief executive officer in Mr. Sum is beneficial to the business prospects and management of the Group by ensuring consistent leadership within the Group and enabling more effective and efficient overall strategic planning for the Group. The Board also considers that the balance of power and authority of the Board for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively.

The Board will continue to review and consider splitting the roles of chairman of the Board and the chief executive officer of the Company at an appropriate time, taking into account the circumstances of the Group as a whole.

## MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding securities transactions of the Directors. Having made specific enquiry with the Directors, all Directors confirmed that they have complied with the required standard as set out in the Model Code throughout the Reporting Period.

## AUDIT COMMITTEE

The Board has established an audit committee (the "**Audit Committee**") which comprises three independent non-executive Directors, namely Mr. Young Chun Man, Kenneth (Chairman), Dr. Lam Kwing Tong, Alan and Professor Lam Sing Kwong, Simon. The primary duties of the Audit Committee include reviewing and supervising the Group's financial reporting process, internal control and risk management systems, preparing financial statements and internal control procedures. It also acts as an important link between the Board and the external auditor in matters within the scope of the group audit. The Audit Committee, together with the management of the Company, has reviewed the annual results of the Group for the Reporting Period.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor its subsidiaries has purchased, sold or redeemed any of the Company's listed securities throughout the Reporting Period.

## FINAL DIVIDEND

The Board recommends to declare a final dividend of HK3.00 cents per Share for FY2024 (FY2023: final dividend of HK2.38 cents per Share), subject to the approval of shareholders of the Company at the 2024 AGM to be held on 28 August 2024 (Wednesday), which is expected to be paid on 4 October 2024 (Friday) to shareholders whose names appear on the register of members of the Company on 6 September 2024 (Friday), being the record date for determining shareholders' entitlement to the proposed final dividend. In addition to the interim dividend of HK2.50 cents per Share paid on 10 January 2024, a special dividend was made by the Company on 24 August 2023 in the form of distribution in specie of 492,259,244 JBM Healthcare Shares on the basis of 509 JBM Healthcare Shares for every 2,000 Shares held by qualifying shareholders of the Company whose names appear on the register of members of the Company on 18 August 2023. Based on the published closing price of HK$1.16 per

JBM Healthcare Share on 24 August 2023, the special dividend represents a distribution of approximately HK29.52 cents per Share. The total dividend for FY2024 amounts to HK35.02 cents per Share (FY2023: HK5.18 cents per Share). The details of the final dividend of the Company are set out in note 9 of this announcement.

## CLOSURE OF REGISTER OF MEMBERS

In order to determine the entitlement of shareholders of the Company to attend and vote at the 2024 AGM, the register of members of the Company will be closed from 22 August 2024 (Thursday) to 28 August 2024 (Wednesday), both days inclusive, during which period no transfer of Shares will be registered. All transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on 21 August 2024 (Wednesday) for registration.

In order to determine the entitlement of shareholders of the Company to receive the final dividend, the register of members of the Company will be closed from 5 September 2024 (Thursday) to 6 September 2024 (Friday), both days inclusive, during which period no transfer of Shares will be registered. All transfer documents, accompanied by the relevant share certificate, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on 4 September 2024 (Wednesday) for registration.

## PUBLICATION OF THIS 2024 ANNUAL RESULTS ANNOUNCEMENT AND THE 2024 ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and of the Company (www.jacobsonpharma.com). The 2024 Annual Report containing all the information required by the Listing Rules will be published on the respective websites of the Stock Exchange and the Company and will be dispatched to the shareholders of the Company in due course.

By order of the Board
**Jacobson Pharma Corporation Limited**
**YIM Chun Leung**
*Executive Director*

Hong Kong, 20 June 2024

*As at the date of this announcement, the Board comprises Mr. Sum Kwong Yip, Derek (also as Chairman and Chief Executive Officer), Mr. Yim Chun Leung and Ms. Pun Yue Wai as executive Directors, Professor Wong Chi Kei, Ian as non-executive Director, and Dr. Lam Kwing Tong, Alan, Mr. Young Chun Man, Kenneth and Professor Lam Sing Kwong, Simon as independent non-executive Directors.*

## GLOSSARY

In this announcement, unless otherwise specified, the following glossary applies:

| | |
|---|---|
| "2024 AGM" | the forthcoming 2024 annual general meeting of the Company |
| "2024 Annual Report" | the annual report of the Company for the year ended 31 March 2024 |
| "adjusted EBITDA" | adjusted earnings before interest, taxes, depreciation and amortisation |
| "Board" | the board of Directors |
| "CG Code" | Corporate Governance Code as amended or supplemented from time to time contained in Appendix C1 to the Listing Rules |
| "chief executive" or "controlling shareholder" | each has the meaning as described in the Listing Rules |
| "China", "Mainland China" or "the PRC" | the People's Republic of China excluding, for the purpose of this announcement, Hong Kong, Macau and Taiwan |
| "Company", "our Company" or "the Company" | Jacobson Pharma Corporation Limited, an exempted company incorporated in the Cayman Islands with limited liability on 16 February 2016 |
| "COVID-19" | Coronavirus disease 2019 |
| "Director(s)" | the director(s) of the Company |
| "ESG" | environmental, social and governance |
| "FY2023" | the year ended 31 March 2023 |
| "FY2024" or "Reporting Period" | the year ended 31 March 2024 |
| "HK$" | Hong Kong dollars, the lawful currency of Hong Kong |
| "HKIB" | The Hong Kong Institute of Biotechnology |
| "HKSAR" or "Hong Kong" | the Hong Kong Special Administrative Region of the PRC |

| | |
|---|---|
| "Jacobson", "Group", "our Group", "the Group", "we", "us" or "our" | the Company and its subsidiaries and, in respect of the period before we became the holding company of our present subsidiaries, the businesses operated by such subsidiaries or their predecessors (as the case may be) |
| "JBM Healthcare" | JBM (Healthcare) Limited, an exempted company incorporated in the Cayman Islands with limited liability on 7 January 2020, the issued shares of which are listed on the Main Board on 5 February 2021 (stock code: 2161) |
| "JBM Healthcare Group" | JBM Healthcare and its subsidiaries |
| "JBM Healthcare Share(s)" | ordinary share(s) in the share capital of JBM Healthcare with nominal value of HK$0.01 each |
| "Listing Rules" | the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time |
| "Macau" | the Macau Special Administrative Region of the PRC |
| "Main Board" | Main Board of the Stock Exchange |
| "Model Code" | Model Code for Securities Transaction by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules |
| "Mr. Sum" | Mr. Sum Kwong Yip, Derek, our chairman, executive Director, chief executive officer and our controlling shareholder |
| "Private Sector" | refers to non-Public Sector |
| "Public Sector" | refers to public sector institutions and clinics in Hong Kong |
| "R&D" | research and development |
| "Share(s)" or "share(s)" | ordinary share(s) in the capital of the Company with nominal value of HK$0.01 each |
| "Share Award Scheme" | the share award scheme adopted by our Company on 16 October 2018 and amended on 21 September 2023 |
| "Stock Exchange" | The Stock Exchange of Hong Kong Limited |