



JBM (Healthcare) Limited



## JBM (Healthcare) Limited

Incorporated in the Cayman Islands with limited liability

Stock Code: 2161

*Embrace the Mission*

2024/2025 Interim Report

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# Corporate Information

## Board of Directors

### Executive Directors

Mr. Wong Yat Wai, Patrick (Chief Executive Officer)  
Dr. Cheng Celine Heung Kwan

### Non-executive Directors

Mr. Sum Kwong Yip, Derek (Chairman)  
Mr. Yim Chun Leung  
Mr. Yeung Kwok Chun, Harry

### Independent Non-executive Directors

Mr. Chan Kam Chiu, Simon  
Mr. Luk Ting Lung, Alan  
Mr. Lau Shut Lee, Tony

## Audit Committee

Mr. Luk Ting Lung, Alan (Chairman)  
Mr. Chan Kam Chiu, Simon  
Mr. Lau Shut Lee, Tony

## Remuneration Committee

Mr. Luk Ting Lung, Alan (Chairman)  
Mr. Yim Chun Leung  
Mr. Chan Kam Chiu, Simon  
Mr. Lau Shut Lee, Tony

## Nomination Committee

Mr. Sum Kwong Yip, Derek (Chairman)  
Mr. Yeung Kwok Chun, Harry  
Mr. Chan Kam Chiu, Simon  
Mr. Luk Ting Lung, Alan  
Mr. Lau Shut Lee, Tony

## Authorised Representatives

Mr. Wong Yat Wai, Patrick  
Mr. Yu Chun Kau

## Company Secretary

Mr. Yu Chun Kau

## Registered Office

Cricket Square  
Hutchins Drive  
PO Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

## Hong Kong Headquarters and Principal Place of Business

Units 808-811, 8/F  
C-Bons International Centre  
108 Wai Yip Street  
Kwun Tong, Kowloon  
Hong Kong

## Principal Share Registrar And Transfer Office

Conyers Trust Company (Cayman) Limited  
Cricket Square  
Hutchins Drive  
PO Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

## Hong Kong Branch Share Registrar

Tricor Investor Services Limited  
17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

## Auditor

KPMG

Certified Public Accountants  
Public Interest Entity Auditor  
registered in accordance with  
the Accounting and Financial Reporting  
Council Ordinance

## Principal Bankers

*(In alphabetical order)*

Chong Hing Bank Limited  
Standard Chartered Bank (Hong Kong) Limited  
The Hongkong and Shanghai  
Banking Corporation Limited

## Public Relations Consultant

Strategic Public Relations Group

## Investor Relations

Email: [jbmhealthcare@sprg.com.hk](mailto:jbmhealthcare@sprg.com.hk)

## Stock Code

2161

## Company Website

[www.jbmhealthcare.com.hk](http://www.jbmhealthcare.com.hk)

## Financial Highlights

	Six months ended 30 September 2024 HK\$'000	Six months ended 30 September 2023 HK\$'000	Change
Revenue			
– Branded medicines	130,658	105,545	+23.8%
– Proprietary Chinese medicines	219,701	186,316	+17.9%
– Health and wellness products	48,594	34,967	+39.0%
<b>Total</b>	<b>398,953</b>	<b>326,828</b>	<b>+22.1%</b>
Gross profit	205,888	171,122	+20.3%
Gross profit margin (%)	51.6%	52.4%	
Profit attributable to equity shareholders of the Company	95,881	62,461	+53.5%
Profit margin attributable to equity shareholders of the Company (%)	24.0%	19.1%	
Adjusted EBITDA <sup>(1)</sup>	144,059	109,288	+31.8%
Adjusted EBITDA margin (%) <sup>(2)</sup>	36.1%	33.4%	
Return on equity (%) <sup>(3)</sup>	19.0%	12.4%	

	As at 30 September 2024 HK\$'000	As at 31 March 2024 HK\$'000	Change
Total assets	1,409,493	1,388,697	+1.5%
Total liabilities	342,796	366,753	-6.5%
Total equity	1,066,697	1,021,944	+4.4%

<sup>(1)</sup> Adjusted EBITDA is calculated based on adjusted earnings before interest, taxes, depreciation and amortisation, where “interest” is regarded as including interest income from bank deposits and finance costs. To arrive at adjusted EBITDA, the Group’s earnings are further adjusted for gain on disposal of equity interest in a joint venture, share of losses of joint ventures and share of loss of an associate.

<sup>(2)</sup> Adjusted EBITDA margin is calculated based on adjusted EBITDA divided by revenue and multiplied by 100%.

<sup>(3)</sup> Return on equity is calculated based on annualised profit for the period divided by the arithmetic mean of the opening and closing balances of total equity in the relevant period and multiplied by 100%.

## Our Vision and Mission



### Enabling Better Health Through Self-care

We aim to be a distinguished branded healthcare partner in Asia, aspiring to empower consumers to live healthier and fuller.

We are committed to the mission of providing self-care products and solutions to allow consumers to better manage and enhance their personal well-being at every stage of life. By enabling better health for people through self-care, we believe in the importance of our role to contribute to a more sustainable healthcare system.

## Corporate Profile

### Dynamic and Forward-Thinking Branded Healthcare Partner in Asia

JBM (Healthcare) Limited is a leading Hong Kong-based company engaged in marketing and distribution of branded healthcare products with product footprint across Greater China, Southeast Asia and other select countries. Our portfolio includes a wide range of branded healthcare products divided into two product categories, namely consumer healthcare products and proprietary Chinese medicines. Our consumer healthcare products consist of branded medicines, which are proprietary medicines primarily distributed over-the-counter, and health and wellness products. Our proprietary Chinese medicines consist of OTC proprietary Chinese medicines and CCMG products.

We have been cultivating the regional markets for years and established solid local distribution networks and collaborative relationships with select product originators. We believe we are well-positioned to develop a sustainable regional platform in Asia for branded healthcare products.

### Our Competitive Strengths

#### A Leading Hong Kong-based Brand Operator with a Notable and Growing Brand Portfolio and Proven Brand Management Capability

Our focus on brand management and portfolio development has enabled us to build a notable and growing brand portfolio. We have established a track record of introducing category-leading overseas branded healthcare products and revitalising the brand positioning of our heritage household brands based on changing demographics and consumer behaviors.

We carried a suite of principal brands which comprise a range of third party brands and own brands. These third-party brands mainly consist of notable overseas consumer healthcare brands, including Contractubex of Germany, Smartfish of Norway, Rowatanal Cream of Ireland, Oncotype DX of the United States, and AIM Atropine of Taiwan. Our own brands also include highly recognised household brands among Chinese consumers, such as Po Chai Pills (保濟丸), Ho Chai Kung (何濟公), Tong Tai Chung (唐太宗) and Shiling Oil (十靈油), as well as a leading CCMG brand among Chinese medicine practitioners in Hong Kong.

#### A Unique Field Player with a Heritage of Pharmaceutical Background and Quality-driven Culture

With a strong background in pharmaceuticals and a corporate culture deeply rooted in quality from its inception, JBM is a unique player in the field, characterised by its expertise in drugs and a heritage that consistently prioritises product effectiveness and quality. We have the capacity to attract industry professionals with pharmaceutical or medical backgrounds, enabling us to identify and secure third-party brands and products with distinct market niches.

We also adhere to the high standard of quality control by establishing and implementing strict quality management procedures to ensure safety, efficacy and quality of products. In addition, we are one of the few GMP-accredited proprietary Chinese medicine manufacturers in Hong Kong.

#### Extensive Sales and Distribution Network in Hong Kong with Multi-region Geographical Reach

We have established an extensive sales and distribution network in Hong Kong, with a geographical reach spanning over China, Macau, Taiwan and select countries in Southeast Asia, Europe, North America and the Caribbean Islands. Our stable business relationships with key retailers and distributors, coupled with our reputation in delivering high quality products and our wide distribution network, have enabled us to generate effective retail penetration and commercialisation of our new products.

In Hong Kong, we sell our products both directly and indirectly (through our distributors and our trading company customers) to major modern chain stores, registered pharmacies and drug stores, as well as corporate clients, hospitals and clinics, and end consumers (through online platforms). In addition, we sell CCMG products to a substantial number of active Chinese medicine practitioners in Hong Kong.

We believe we are well-positioned to leverage our geographical presence and develop a sustainable regional platform in Asia for branded healthcare products.

#### Seasoned Management Team with In-depth Industry Knowledge and Regional Experience

Our core management team comprises a group of technically seasoned industry veterans with a strong track record and proven execution capabilities. Vast majority of our Directors and senior management team have approximately 25 years of relevant industry experience, are registered pharmacists or have pharmaceutical or medical academic backgrounds. Their technical backgrounds are crucial to the success of our knowledge-driven sourcing methodology in identifying attractive products and acquisition opportunities.

## Management Discussion and Analysis



### BUSINESS REVIEW

The Hong Kong retail sector showed mixed results in the first half of FY2025, softening from the strong post-pandemic recovery seen in 2023. This shift was influenced by economic uncertainty, rising interest rates, and geopolitical tensions affecting consumer sentiment and spending. Despite an increase in visitor arrivals, retail performance was also constrained by changes in Mainland Chinese tourist behavior, including shorter stays and reduced shopping expenditure. Additionally, closer integration with Macau and the Greater Bay Area has altered regional travel and consumption patterns, reshaping the domestic retail landscape.

While the retail environment remained challenging during the Reporting Period, the Group delivered strong performance through its robust portfolio, effective brand management, and enhanced commercial execution, with particular success in its flagship proprietary brands. Strategic focus on core growth initiatives further strengthened the Group's position in the branded healthcare market.

### RESULTS

The Group's branded healthcare business, which includes branded medicines, proprietary Chinese medicines, and health and wellness products, delivered exceptional performance during the Reporting Period. Revenue reached HK\$399.0 million, representing a 22.1% increase from the previous period. Gross profit rose to HK\$205.9 million in FY2025 Interim, a 20.3% increase compared to FY2024 Interim. The consolidated profit attributable to equity shareholders of the Company grew by 53.4% to HK\$95.9 million.

This strong profit growth was driven primarily by the outstanding sales performance of key brands, particularly Ho Chai Kung (何濟公) in the branded medicines segment and Po Chai Pills (保濟丸) in the proprietary Chinese medicines segment. The Group's CCMG business also maintained steady growth momentum. These results reflect the successful implementation of integrated sales and marketing strategies across offline and online channels, effectively capturing growth opportunities in the consumer healthcare products in the markets of Hong Kong, Macau, and cities within the Greater Bay Area.

Through disciplined cost management, the Group has maintained a robust financial position with healthy cash reserves, providing a solid foundation for both current operations and future development initiatives.

### OPERATION PERFORMANCE

Against the backdrop of a softened retail market, all three business segments of the Group – branded medicines, proprietary Chinese medicines, and health and wellness products achieved notable growth through effective brand management and marketing initiatives.

#### Branded Medicines

During the Reporting Period, the branded medicines segment recorded strong revenue growth of 23.9%, led by sustained momentum in Ho Chai Kung product sales. As a leading household name in over-the-counter pain relief and fever medications, Ho Chai Kung continued to expand its market presence through targeted brand marketing and sales initiatives. These strategic efforts successfully broadened the brand's consumer base while strengthening brand recognition and driving consistent sales growth.

Leveraging its ongoing strategic brand marketing initiatives, Ho Chai Kung secured title sponsorship of “Blossoms Shanghai (繁花)”, an acclaimed drama directed by renowned filmmaker Mr. Wong Kar-wai (王家衛). The acclaimed series, recognised as a “must-watch 2024 Chinese drama”, aired on TVB from June 2024 to July 2024.

The brand’s marketing efforts were further validated by winning the “Excellence in Marketing Award” and “Excellence in TV Commercial Award” from the Hong Kong Management Association, ViuTV, and Now TV. These prestigious accolades not only underscore industry recognition but also significantly enhance the brand’s visibility and market positioning through high-profile promotional activities.

To maintain momentum and reach a broader audience, Ho Chai Kung extended a multi-channel advertising campaign across Hong Kong, utilising high-traffic platforms such as bus advertisements, metro advertisements, radio, and in-store displays. This widespread presence supports continued brand engagement across diverse consumer touchpoints.

Ho Chai Kung ramped up its social media efforts, particularly on youth-oriented platforms like Xiaohongshu and Douyin, to reinforce its appeal to a younger demographic. The increased investment in digital marketing leverages the growing influence of social media in shaping consumer preferences, aligning the brand with contemporary trends, and expanding its footprint among young Mainland Chinese consumers.

### Proprietary Chinese Medicines

The Group’s proprietary Chinese medicines segment delivered notable performance, with revenue increasing by 17.9% during the Reporting Period. This growth was driven by the strong performance of Po Chai Pills and the sustained growth of the CCMG business.

Po Chai Pills’ strong performance underscores the brand equity it has diligently built through strategic and persistent marketing efforts aimed at both local consumers and Mainland Chinese visitors.

As part of its multifaceted campaign to boost brand recognition, Po Chai Pills aired its TV commercial featuring renowned singer Ms. Ivana Wong (王菀之) as brand ambassador. This commercial ran during peak sales periods to strengthen consumer recall. Building on this exposure, Po Chai Pills also served as the title sponsor for the popular TVB program “Midlife Sing & Shine! 3 (中年好聲音3)”, providing further brand visibility to a wide television audience.

To further connect with residents of Hong Kong and the Greater Bay Area, Po Chai Pills shared its rich brand story through a four-week feature on “Pop Lifestyle Guide (潮流生活誌)” on TVB. The special series, “Talking Medicine, Telling Stories (講藥·港故事)”, highlighted Po Chai Pills’ heritage and trusted history, deepening consumer connections with the brand.

The campaign extended across multiple advertising channels, including bus advertisements, metro placements, radio spots, and in-store displays, ensuring sustained visibility across various consumer touchpoints. In Mainland China, Po Chai Pills increased its social media marketing efforts, especially on platforms like Xiaohongshu and Douyin, to attract a younger audience. In celebration of the 40th anniversary of China’s Antarctic expeditions, Po Chai Pills sponsored the Xuelong 2 vessel’s first visit to Hong Kong in April 2024, with influencers on Douyin sharing the event. This initiative further enhanced Po Chai Pills’ appeal and strengthened its connection with Mainland Chinese consumers.

Our CCMG business has seen sustained momentum in sales revenue compared to the same period last year, reinforcing its growth trajectory. With increasing public acceptance of traditional Chinese medicine (“TCM”) services and improved operational efficiency among TCM clinics, demand continued to rise, driving steady growth in the CCMG business.

As a leading supplier of CCMG, the Group offers over 700 single and compound formula products to local TCM healthcare providers. Its distribution network covers most of the active registered Chinese medicine practitioners in Hong Kong. By delivering high-quality products, effective supply chain management, and efficient delivery services, the Group has earned the trust and support of the local Chinese medicine community.

### Health & Wellness Products

The health and wellness products segment of the Group recorded a revenue increase of 38.9%, driven by the steady growth of Oncotype DX Breast Cancer Recurrence Score Test (“Oncotype DX”), along with the expansion of our product portfolio and enhanced marketing efforts to meet consumer healthcare demands of the mass market.

The Oncotype DX experienced steady growth during the Reporting Period. This genomic test for assessing chemotherapy treatment susceptibility gained significant recognition among hospitals and healthcare professionals in Hong Kong and Macau, particularly within the public sector.



To further accelerate growth in the public sector, we launched a patient care program in collaboration with the Hong Kong Breast Cancer Foundation. This program allows public hospital patients to receive a reimbursement if they undergo the Oncotype DX screening test and the results indicate the need for further chemotherapy.

In June 2024, we organised a press conference to announce this program, which received a highly positive response from government hospitals. There is now increased awareness among doctors, nurses, and patients in public hospitals. We anticipate growth in the number of cases in the public sector in the coming years, as this option provides significant benefits for patients.

## BUSINESS DEVELOPMENT

Our business development initiatives have yielded positive momentum across key strategic fronts. We have continually expanded our footprint in both local and cross-border e-commerce platforms while strategically positioning ourselves in the burgeoning TCM sector across Hong Kong and the Greater Bay Area. In parallel, we continue to refine our product portfolio in response to shifting consumer demands while strengthening our commercial capabilities.

### Continued Expansion of Cross-border E-commerce

The Group's cross-border e-commerce business continued to expand, contributing steadily to profitability. This growth was primarily fueled by strong demand for our in-house proprietary brands, such as Ho Chai Kung and Po Chai Pills, as well as the robust performance of the medical devices and beauty product categories.

To further strengthen brand presence and reach a broader consumer base in Mainland China, we have already established overseas flagship stores for Ho Chai Kung, Po Chai Pills, CCMG, and Jacobson Medical on the Tmall Global platform. These flagship stores have significantly enhanced brand image and visibility among Chinese consumers.

Our strategy for sustainable growth in cross-border e-commerce is multifaceted. It includes developing our flagship stores, forming partnerships for multi-channel distribution, and enhancing brand visibility within the store. Additionally, we are strategically introducing popular products across various categories and implementing comprehensive sales strategies to boost consumer engagement and sales. We also strengthened collaboration with platform distributors to expand our offerings via distribution channels, aiming to drive growth in the cross-border e-commerce market throughout the second half of the financial year.

### Seizing Growth Potential in Chinese Medicines

TCM has experienced significant growth in recent years, with Hong Kong's TCM sector undergoing notable transformation. Growing acceptance among younger generations has expanded the market, while an ageing population has increased demand, particularly given TCM's recognised strengths in managing chronic conditions and age-related health issues. The elderly population's strong trust in TCM practices has further accelerated market growth.

Government policies have provided crucial support through increased investment in practitioner training, healthcare services, and research initiatives. The industry is also seeing demographic shifts among practitioners, with younger professionals bringing fresh perspectives to traditional practices. These newer practitioners have shown greater openness to innovation, contributing to the rising popularity of concentrated Chinese medicine granules in TCM prescriptions. This shift in prescribing practices, evidenced by the growing use of granules, positions the Group's branded TCM business to capitalise on the market's positive trajectory.

To leverage opportunities in the CCMG market, we are expanding our product portfolio through the development of new TCM granules and health supplements. We are also pursuing broader registration coverage for our branded CCMG combo formula while strengthening their distribution through our extensive network of Chinese medicine practitioners.

In parallel, we are capitalising on emerging opportunities in the Greater Bay Area through our proprietary Chinese medicine brands, Shiling Oil and Konsodona Medicated Oil. Both products have successfully launched in Mainland China and are strategically expanding their presence across this dynamic region, positioning them to capture the growing demand for TCM products in the Greater Bay Area market.

## OUTLOOK

We acknowledge that the retail market is moderating following the robust post-pandemic rebound of 2023. Current challenges include a complex global economic environment, persistent geopolitical tensions, and evolving consumer behaviors. While the government anticipates that stable asset markets, upcoming major events, and rising local incomes may boost retail performance, market uncertainties persist.

Despite these challenges, the Hong Kong retail market continues to adapt to changing consumer preferences and market dynamics. As we maintain our optimistic outlook for the future, we remain committed to prudent management strategies that will enable us to navigate effectively through this period of transformation.

We remain confident in the Group's strategic positioning for sustained growth, underpinned by several strong market dynamics. These include sedentary lifestyles, increasing health consciousness driven by improving living standards, and ageing populations, which together fuel the growth momentum in the consumer healthcare market. In addition, the growing acceptance of TCM, supported by favorable government policies, provides momentum for our proprietary Chinese medicines business. Combined with our robust portfolio of branded healthcare products, these trends reinforce our positive outlook for long-term growth.

Our strategic initiatives are gaining traction as we expand e-commerce both locally and cross-border, pursue TCM opportunities in Hong Kong and the Greater Bay Area, adapt our product mix, and leverage brand management to enhance marketing execution. Looking forward, we are committed to operational excellence and growth strategies that focus on enriching our product portfolio, strengthening commercial capabilities, and expanding our sales platforms and geographic reach.

## REMUNERATION POLICY

As at 30 September 2024, the Group had a total of 279 employees (compared to 258 employees as at 30 September 2023). For the Reporting Period, the total staff cost of the Group was approximately HK\$52.9 million, compared to approximately HK\$55.6 million for the six months ended 30 September 2023.

All the employees have signed the standard employment contracts with the Group. Employees' remuneration packages include one or more of the following items: basic salary, sales incentive, productivity-related incentives and discretionary performance bonus. The Group sets out performance attributes for the employees based on their positions and job functions.

Performance appraisal is conducted regularly to review employees' performance against the Group's strategic objectives and targets. Management and sales related staff members have their performance measured against key performance indicators (KPIs). The result of performance appraisal will be taken into consideration when assessing salary adjustments, bonus awards, promotion, staff development plans and training needs. To maintain the competitiveness in the labour market, the Group provides different staff benefits including annual leave entitlement, mandatory provident fund, group medical insurance and group life insurance. The Group did not experience any strike or labour dispute that would have significant impact on the business during the Reporting Period.

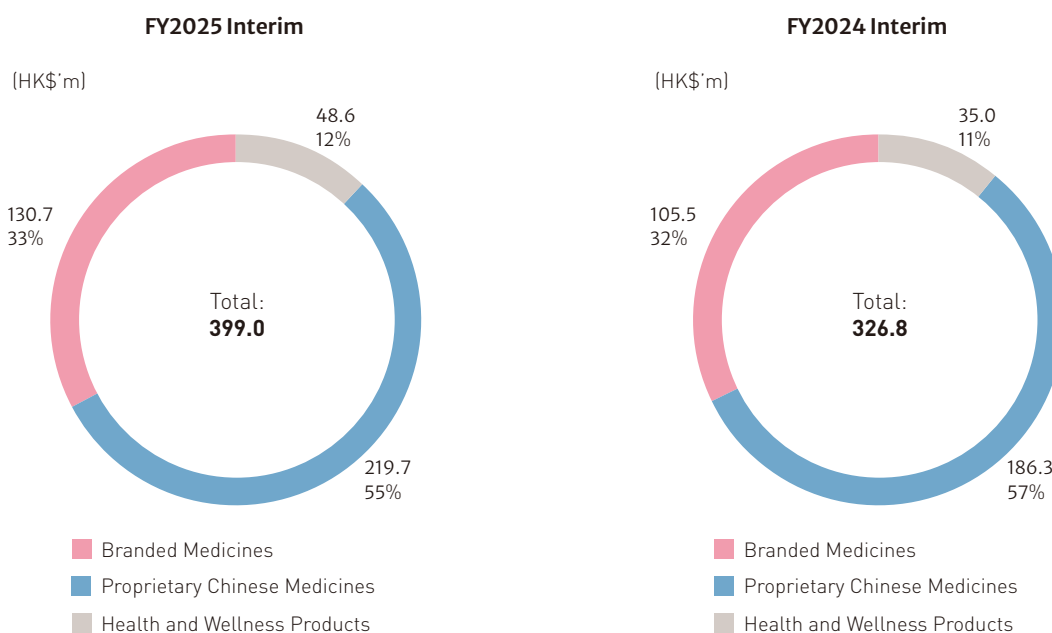
The Company has also adopted the Share Award Scheme and the Share Option Scheme. The purpose of the Share Award Scheme is to recognise and reward the contribution of certain eligible person(s) for the growth and development of the Group and to provide them with incentives in order to retain them for the continual operation, development and long-term growth of the Group. The Share Option Scheme aims to provide incentives to retain participants for the continual operation, development and long-term growth of the Group; and to attract suitable personnel for further development of the Group.

Employees are the most valuable assets to the Group. Therefore, the Group has implemented a comprehensive recruitment procedure for selecting the right candidates, provides competitive compensation and benefit packages to attract and retain talents. The Group also emphasises on training and developing their employees. Different in-house training programs are conducted to enhance employees' job related skill and knowledge. Besides, the Group has a training sponsorship policy to encourage employees to attend external training programs for promoting their job competencies and personal development.

# Financial Review

## Revenue

### Revenue by Operating Segments



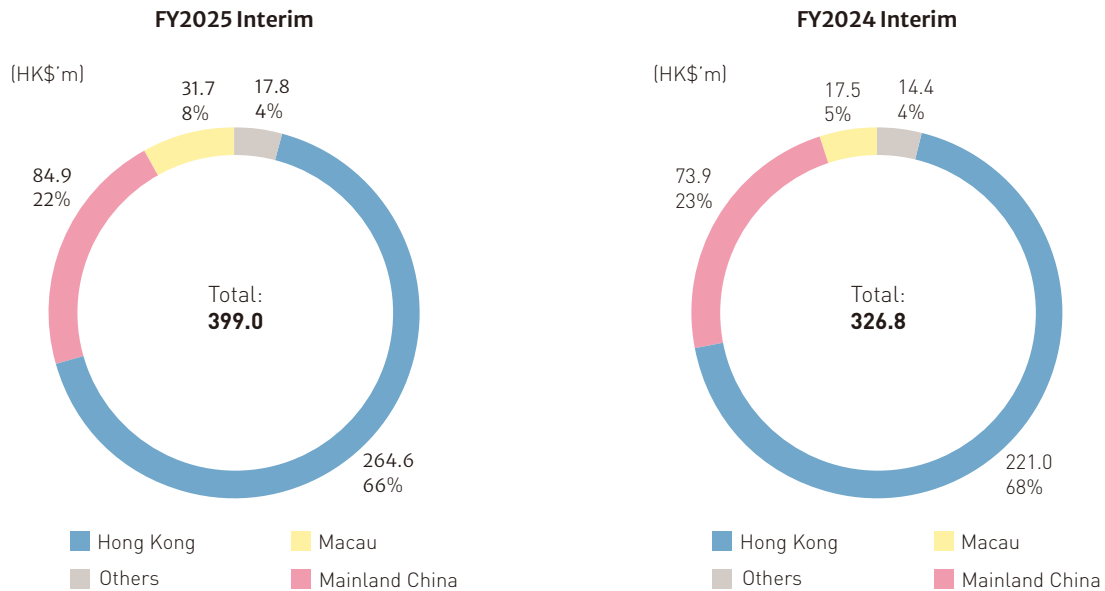
The substantial increase in the Group's total revenue of HK\$72.2 million, or 22.1% compared to FY2024 Interim, was mainly attributable to the significant increase in revenue of HK\$33.4 million in the proprietary Chinese medicines segment, HK\$25.2 million in the brand medicines segment and HK\$13.6 million in the health and wellness segment respectively. The revenue split of the three segments was at the ratio of 55%, 33% and 12%.

The revenue in the proprietary Chinese medicines segment witnessed a growth of 17.9% from FY2024 Interim to FY2025 Interim, led by the strong growth of Po Chai Pills and the sustained momentum of the CCMG business. The boost in Po Chai Pills' revenue largely reflected the Group's effective brand marketing and sales strategies, while the growth of the CCMG business was driven by the increasing public acceptance and demand for TCM services.

The branded medicines segment delivered a growth of 23.9% from FY2024 Interim to FY2025 Interim, primarily due to the robust performance of Ho Chai Kung brand products supported by the Group's continuous brand marketing and sales development efforts.

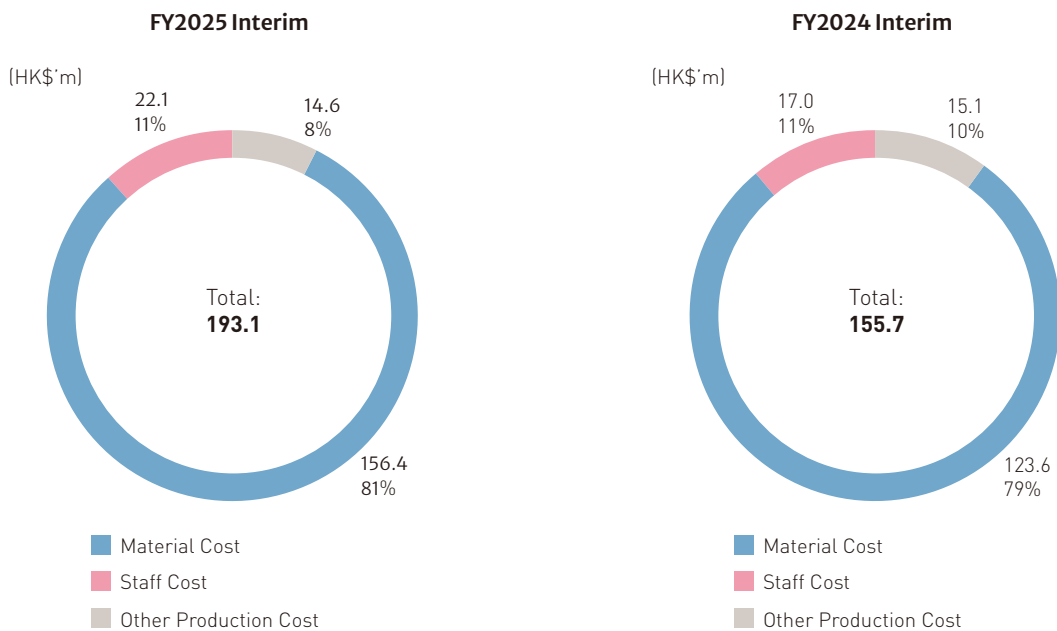
For the health and wellness products segment, the revenue in FY2025 Interim saw a significant increase of 38.9% compared to the previous period. This notable growth can be primarily attributed to the expansion of cross-border e-commerce platforms, which introduced popular products across various categories to drive sales.

### Revenue by Geographic Locations



Hong Kong continued to be the major revenue stream, representing 66% of the total revenue, with a significant increase in revenue of HK\$43.6 million compared to the previous period, which was mainly due to the strong performance across all segments. The revenue in Mainland China increased by HK\$11.0 million from FY2024 Interim to FY2025 Interim, mainly driven by the increase in sales of Flying Eagle Woodlok Oil and the growing momentum through cross-border e-commerce platforms during the Reporting Period. In Macau, revenue rose by HK\$14.2 million over the same period of last year, mainly due to strong demand for Po Chai Pills during the Reporting Period.

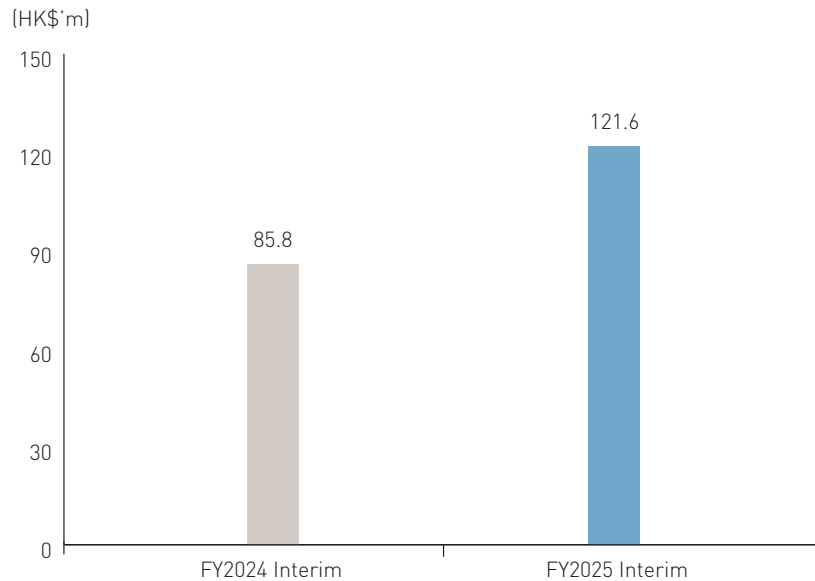
### Cost of Sales



Material cost continued to be the major component which constituted approximately 81% of the total cost of sales for FY2025 Interim. The material costs were maintained at a similar level.

The staff cost increased by HK\$5.1 million or 30.0% from FY2024 Interim to FY2025 Interim. It was mainly attributable to the increase in production output of our own brand products to meet the market demand.

## Profit from Operations



The profit from operations increased significantly by HK\$35.8 million or 41.7% to HK\$121.6 million from FY2024 Interim to FY2025 Interim, which was mainly attributable to the increase in gross profit.

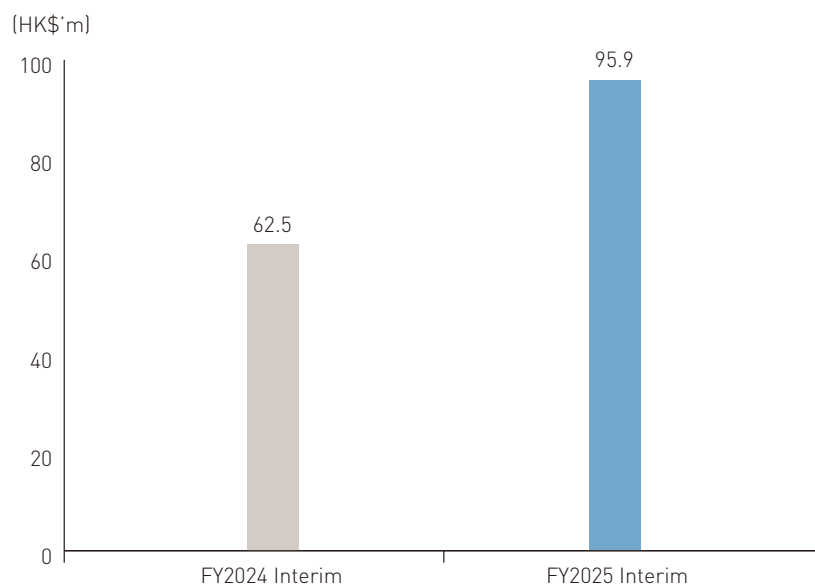
## Finance Costs

During the Reporting Period, the finance costs decreased as compared with FY2024 Interim as a result of the partial repayment of bank loans.

## Income Tax

The increase in income tax from FY2024 Interim to FY2025 Interim primarily reflected the higher profit before taxation generated during the Reporting Period. The decrease in effective income tax rate from FY2024 Interim to FY2025 Interim was contributed by the decrease in unrecognised deferred tax during the Reporting Period.

## Profit Attributable to Equity Shareholders



The significant increase in profit attributable to equity shareholders of HK\$33.4 million or 53.4% from FY2024 Interim to FY2025 Interim was mainly driven by the rise in profit from operations.

## Assets

### Property, Plant and Equipment

The decrease in the value of property, plant and equipment as at 30 September 2024, compared with 31 March 2024, principally reflected the depreciation of HK\$13.8 million, which was partly offset by the additions of right of use assets of HK\$7.7 million during the Reporting Period.

### Intangible Assets

The decrease in intangible assets as at 30 September 2024, compared with 31 March 2024, was primarily attributable to amortisation of HK\$10.2 million during the Reporting Period.

### Inventories

The inventory level as at 30 September 2024 maintained at a similar level with an increase of HK\$3.0 million compared with 31 March 2024.

### Cash and Cash Equivalents

Approximately 86.7% of cash and cash equivalents as at 30 September 2024 were denominated in Hong Kong dollars (as at 31 March 2024: 93.1%), while the remaining balances were mainly denominated in Euros, United States dollars, Renminbi, Japanese Yen and Singapore dollars.

## Liabilities

### Bank Loans

The reduction in bank loans from HK\$115.0 million as at 31 March 2024 to HK\$70.0 million as at 30 September 2024 represented a partial repayment of bank loans. As at 30 September 2024, the bank loans of the Group were denominated in Hong Kong dollars.

## 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 business development as well as mergers and acquisitions.

The Group's primary uses of cash are to fund working capital and capital expenditures. During the Reporting Period, the Group funded its cash requirements principally from cash generated from operations and bank loans.

## Charge on Group Assets

The carrying value of assets pledged against bank loans was HK\$Nil as at 30 September 2024 (as at 31 March 2024: HK\$71.3 million).

## Net Gearing Ratio

The net gearing ratio of the Group (bank loans less cash and cash equivalents, divided by total equity multiplied by 100%) was Nil as at 30 September 2024 and 31 March 2024.

## 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 30 September 2024, the Group did not have any significant contingent liabilities.

## Significant Events after the Reporting Period

Saved for the connected transactions in relation to sale and purchase of shares in Li Chung Shing Tong (Holdings) Limited as disclosed in the announcement of the Company dated 11 November 2024, no other significant event has taken place subsequent to 30 September 2024 and up to the date of this interim report.

## 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 significant investments held during the Reporting Period.

## Future Plans for Material Investment or Capital Assets

As at the date of this interim report, the Group did not have any plans for material investment and capital assets in the coming year.

## 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.

- Our success is attributable to the well-established brands of our products and our ability to manage the brands effectively. We devoted significant resources in brand marketing, promotion and management to enhance their appeal and recognition. However, the marketing and promotional initiatives may not always be successful. Furthermore, our business could be negatively impacted if any of our products suffers substantial harm to its brand reputation due to product recall, defects, product misuse, negative or inaccurate reports, postings on social media etc.
- Our branded healthcare products typically compete in three market segments, namely the branded medicines, health and wellness and proprietary Chinese medicine markets, which are highly competitive and rapidly evolving with frequent introduction of new brands and products and high consumer expectations on quality and value. We face intense competition from existing competitors and new entrants, including multinational companies, as well as domestic manufacturers and distributors of products that have competing market positioning or similar efficacies that can be used as substitutes for our products.
- The nature of our business exposes us to the risk of product liability, personal injury or wrongful death claims that are inherent in the development, manufacture and sales of consumer products. Manufacturers or vendors of defective products could be subject to civil liability for loss or physical injury to any affected person. In Hong Kong, manufacturers of defective products could also be subject to criminal liability and have their business licenses revoked. In the event a lawsuit is brought against us, we may have to incur substantial costs to defend the lawsuit or be held liable for significant damages, and we may be unable to seek full indemnification from our suppliers, third-party manufacturers or third-party brand owners or be fully covered by our insurance for our liability and costs.

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 primarily engaged in production, sales and distribution of branded healthcare products and proprietary Chinese medicines which does not have any material impact on the environment. The key environmental impacts from the Group's operation are 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 is in compliance with the applicable laws and regulations which have significant impacts on the Group in all material respects.



## Other Information

### Corporate Governance Highlights

The Board is committed to maintaining high corporate governance standards.

The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has applied the code provisions as set out in the CG Code as its own code of corporate governance.

The Company has complied with all the code provisions of the CG Code, including Part 2 of Appendix C1 to the Listing Rules, and adopted most of the recommended best practices set out therein throughout the six months ended 30 September 2024.

### Model Code for Securities Transactions

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

### Purchase, Sale or Redemption of the Company's Listed Securities

During the six months ended 30 September 2024, the Company repurchased a total of 12,148,000 Shares on the Stock Exchange for an aggregate consideration of approximately HK\$11.9 million before expenses. A total of 12,160,000 Shares were cancelled during the Reporting Period and the aggregate consideration incurred for the cancelled Shares, excluding expenses, was approximately HK\$11.9 million. The repurchase was effected for the enhancement of shareholder value in the long term. Details of the Shares repurchased are as follows:

Month of Shares repurchased	Number of Shares repurchased	Purchase consideration per Share		Aggregate consideration paid (excluding expenses) HK\$'000
		Highest price paid HK\$	Lowest price paid HK\$	
April 2024	338,000	0.92	0.89	302
July 2024	7,000,000	1.00	0.98	6,988
August 2024	4,810,000	0.95	0.90	4,562
	<b>12,148,000</b>			<b>11,852</b>

Save as disclosed above and in the note 15 to the unaudited interim financial report, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the Reporting Period. As at 30 September 2024, the Company did not hold any treasury shares.

### Audit Committee

The Audit Committee currently consists of all three independent non-executive Directors, namely Mr. Luk Ting Lung, Alan (chairman of the Audit Committee), Mr. Chan Kam Chiu, Simon and Mr. Lau Shut Lee, Tony. The primary duties of the Audit Committee shall be to assist the Board in its oversight of the completeness, accuracy and fairness of the financial statements of the Company, of the effectiveness and adequacy of risk management and internal control systems, of the independence of the external auditor and of the performance of the Company's internal audit and compliance function.

### Review of Interim Results

The interim results for the six months ended 30 September 2024 are unaudited, but have been reviewed by KPMG, in accordance with Hong Kong Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, issued by the Hong Kong Institute of Certified Public Accountants, whose unmodified review report is included on page 22. The Audit Committee, together with management of the Company, has also reviewed the interim results for the six months ended 30 September 2024.

## Interim Dividend

The Board declared the payment of an interim dividend per ordinary share for the six months ended 30 September 2024 of HK\$5.50 cents for the total amount of approximately HK\$45.2 million (six months ended 30 September 2023: HK\$3.45 cents for the total amount of approximately HK\$31.0 million). The interim dividend will be paid on 15 January 2025 (Wednesday) to shareholders whose names appear on the register of members of the Company on 20 December 2024 (Friday), the record date. The details of interim dividend of the Group are set out in note 9 of the unaudited interim financial report.

## Closure of Register of Members

In order to determine the entitlement of shareholders of the Company to receive the interim dividend, the register of members of the Company will be closed from 19 December 2024 (Thursday) to 20 December 2024 (Friday), both days inclusive, during which period no transfer of shares of the Company will be registered. All transfer documents, accompanied by the relevant share certificates, shall be lodged with the Company's Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on 18 December 2024 (Wednesday).

## Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 30 September 2024, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, including interests or short positions which they were taken or deemed to have under such provisions of the SFO, or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to section 347 of the SFO and the Model Code were as follows:

### Interests in Shares of the Company

Name of Director	Capacity/Nature of Interest	Number of shares	Approximate percentage of issued share capital of the Company	Long position/ Short position/ Lending pool
Mr. Sum <sup>(1)</sup>	Beneficial owner Interests in controlled corporation Settlor of trusts Beneficiary of trusts	512,823,346	62.39%	Long position
Mr. Wong Yat Wai Patrick	Beneficial owner	620,862	0.08%	Long position
Mr. Yim Chun Leung	Beneficial owner	12,996,390	1.58%	Long position
Mr. Yeung Kwok Chun, Harry	Beneficial owner	379,500	0.05%	Long position
Mr. Chan Kam Chiu, Simon	Beneficial owner	37,950	0.01%	Long position

Note:

- (1) Mr. Sum is the registered and beneficial owner of 65,426,550 shares in the Company. Queenshill, a company wholly-owned by Mr. Sum, also holds 120,951,318 shares of our Company. Lincoln's Hill (a fellow subsidiary of Trust Co) holds 322,834,578 shares of our Company, for the purpose of trust asset management of The Kingshill Trust. Furthermore, the trustee of The Queenshill Trust, a discretionary trust established by Mr. Sum (as the settlor) with Mr. Sum and his family members as discretionary beneficiaries, holds 3,610,900 shares in the Company through the wholly-owned company under The Queenshill Trust.

Lincoln's Hill is wholly-owned by Trust Co under The Kingshill Trust, a discretionary trust established by Mr. Sum (as the settlor) with Mr. Sum and his family members as the discretionary beneficiaries. Trust Co is in turn wholly-owned by UBS Trustees (B.V.) Limited (the trustee of The Kingshill Trust) through its nominee, UBS Nominees Limited.

By virtue of the SFO, Mr. Sum is deemed to be interested in the shares of the Company in which Lincoln's Hill, Queenshill and The Queenshill Trust are interested.

## Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures (Continued)

### Interests in Shares of the Company (Continued)

Save as disclosed above, so far as known to any Directors as at 30 September 2024, none of the Directors or chief executive of the Company or any of their close associates had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, including interests and short positions which they were taken or deemed to have under such provisions of the SFO, or which were required to be recorded in the register of be kept by the Company pursuant to section 352 of the SFO, or which were required, pursuant to section 347 of the SFO and the Model Code, to be notified to the Company and the Stock Exchange.

### Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares

As at 30 September 2024, within the knowledge of the Directors, the following persons or corporations had or deemed or taken to have an interest or a short position in the shares or underlying shares of the Company which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

### Interests in Shares of the Company

Name of Shareholder	Capacity/Nature of Interest	Number of shares	Approximate percentage of issued share capital of the Company	Long position/ Short position/ Lending pool
Lincoln's Hill <sup>(1)</sup>	Beneficial owner	322,834,578	39.27%	Long position
Trust Co <sup>(1)</sup>	Interests in controlled corporation	322,834,578	39.27%	Long position
USB Trustees (B.V.I.) Limited <sup>(1)</sup>	Interests in controlled corporation Trustee	322,834,578	39.27%	Long position
Queenshill <sup>(3)</sup>	Beneficial owner	120,951,318	14.71%	Long position
Mr. Sum <sup>(1)(2)(3)(4)</sup>	Beneficial owner Interests in controlled corporation Settlor of trusts Beneficiary of trusts	512,823,346	62.39%	Long position
Yunnan Baiyao Group	Beneficial owner	75,900,000	9.23%	Long position

Notes:

(1) Lincoln's Hill holds 322,834,578 shares in our Company.

Lincoln's Hill is wholly-owned by Trust Co under The Kingshill Trust, a discretionary trust established by Mr. Sum (as the settlor) with Mr. Sum and his family members as the discretionary beneficiaries. Trust Co is in turn wholly-owned by USB Trustees (B.V.I.) Limited (the trustee of The Kingshill Trust) through its nominee, USB Nominees Limited. By virtue of the SFO, each of Trust Co, USB Trustees (B.V.I.) Limited and Mr. Sum is deemed to be interested in the Shares in which Lincoln's Hill is interested.

(2) Mr. Sum is the registered and beneficial owner of 65,426,550 shares in our Company.

(3) Mr. Sum is the sole shareholder of Queenshill. By virtue of the SFO, Mr. Sum is deemed to be interested in the 120,951,318 shares held by Queenshill.

(4) The trustee of The Queenshill Trust, a discretionary trust established by Mr. Sum (as the settlor) with Mr. Sum and his family members as discretionary beneficiaries, through the wholly-owned company under The Queenshill Trust, holds 3,610,900 shares in the Company. By virtue of the SFO, Mr. Sum, as the settlor and a discretionary beneficiary of The Queenshill Trust, is deemed to be interested in the 3,610,900 shares of the Company held by the wholly-owned company under The Queenshill Trust.

## Equity-Linked Agreement

### Share Option Scheme

The Share Option Scheme was approved and adopted by the shareholders of the Company on 6 August 2024 to recognise and reward the contributions of the participants for the growth and development of the Group. The Share Option Scheme became effective following the grant of a listing approval by the Stock Exchange on 8 August 2024. The Share Option Scheme shall remain in force for a period of ten years commencing from 8 August 2024.

The Share Option Scheme aims to provide incentives to retain participants for the continual operation, development and long-term growth of the Group; and to attract suitable personnel for further development of the Group.

The eligible participants shall be any director and employee of the Company or of any of its subsidiaries from time to time (the “**Eligible Participants**”).

The Eligible Participant shall pay HK\$1.00 (or such other nominal sum in any currency as the Board may determine) in favour of the Company as consideration for the grant of options. The offer of a grant of options should be accepted within 28 days from the date of offer. The exercise period of the options granted is determinable by the Board or such committee, save that such period shall not be more than ten years from the date of grant.

The exercise price in respect of any particular option shall be a price determined by the Board, and shall be at least the higher of: (a) the closing price of the shares as stated in the Stock Exchange’s daily quotations sheet on the date of the offer; (b) the average closing price of the shares as stated in the Stock Exchange’s daily quotation sheets for the five business days immediately preceding the date of the offer; and (c) if applicable, the nominal value of the shares on the date of the offer.

Where any grant of option to an Eligible Participant would result in the shares issued and to be issued in respect of all options and awards granted under the Share Option Scheme and other schemes of the Company involving grant of award or options over shares of the Company (the “**Other Scheme**”) to such Eligible Participant (excluding any options and awards lapsed in accordance with the terms of the Share Option Scheme and Other Schemes) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the shares in issue as at the date of such grant (excluding any treasury shares), such grant shall be subject approval of the Shareholders in general meeting.

For any grant of options to a director, chief executive or substantial shareholder of the Company, or any of their respective associates shall be approved by the independent non-executive director (excluding any independent non-executive director who is the proposed grantee of such options); and where any grant of options to an independent non-executive director or a substantial shareholder of the Company or any of their respective associates would result in the shares issued and to be issued in respect of all options and awards granted under the Share Option Scheme or Other Schemes (excluding any options lapsed in accordance with the terms of the Share Option Scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the shares in issue (excluding any treasury shares), such further grant of options shall be approved by the Shareholders in general meeting.

The vesting period of any particular option shall not be less than 12 months except in the following circumstances: (a) grants of “make-whole” options to new joiners to replace the share awards or share options they forfeited when leaving their previous employers; (b) grants that are made in batches during a year for administrative and compliance reasons; or (c) grants of options with a mixed or accelerated vesting schedule such as where the options may vest evenly over a period of 12 months.

During the Reporting Period, no share option lapsed or was granted, exercised or cancelled under the Share Option Scheme.

As at the date of this interim report, the total number of shares available for issue under the share Option Scheme is 83,381,000, representing approximately 10.14% of the issued Shares (excluding any treasury shares) as at the date of the interim report. The number of shares available for grant under the Share Option Scheme as at 1 April 2024 and 30 September 2024 was nil (as the Share Option Scheme has not yet been adopted) and 83,381,000, respectively, representing 10% of the issued share capital of the Company as of the adoption date on 6 August 2024 (excluding any treasury shares).

## Equity-Linked Agreement (Continued)

### Share Award Scheme

The Share Award Scheme of the Company was adopted by the Board on 18 January 2021 and amended on 21 September 2023. The purpose of the Share Award Scheme is to recognise and reward the contribution of certain eligible person(s) for the growth and development of the Group and to provide them with incentives in order to retain them for the continual operation, development and long-term growth of the Group and to attract suitable personnel for further development of the Group.

The eligible person(s) for the Share Award Scheme includes any individual who is an employee (whether full time or part time), director, officer, consultant or advisor of any member of the Group or any entity in which any member of the Group holds any equity interest who is considered by the Board, in its sole discretion, to have contributed to or will contribute to the Group, and is selected by the Board for achieving the purposes of the Share Award Scheme.

On 18 January 2021, an Award Committee was established for the purpose of the Share Award Scheme, and delegated with the power and authority by the Board to administer the Share Award Scheme. An Independent Third Party has been appointed as a trustee (the “Trustee”) under the Share Award Scheme.

The Share Award Scheme constitutes a share scheme for the purpose of Chapter 17 of the Listing Rules.

Unless otherwise terminated or altered, the Share Award Scheme should be valid and effective for a period of ten years commencing from 18 January 2021. Pursuant to the Share Award Scheme, the Trustee will purchase existing shares of the Company from the market out of the money contributed by the Group, and such shares will be held on trust for selected participants of the scheme until such awarded shares are vested with the relevant selected participants. At no point in time shall the Trustee be holding more than 5% of the total number of shares of the Company in issue under the Share Award Scheme. In addition, unless approved by the Board, the Award Committee shall not grant any awarded shares to any selected participant if the granting of such awarded shares would result in the total number of shares vested or to be vested in the relevant selected participant during any 12-month period exceeding 1% of the total issued shares of the Company (save and except that any grant of awarded shares to an independent non-executive Director should not result in the total number of shares vested or to be vested in that person (under the Share Award Scheme or otherwise) during any 12-month period exceeding 0.1% of the total issued shares of the Company). The Share Award Scheme does not specify a minimum vesting period. The Award Committee may, at its discretion, determine the vesting criteria and conditions or periods for the share award to be vested. No payment by the selected participant is required for acceptance of the share award granted under the Share Award Scheme. Details of the rules of the Share Award Scheme were set out in the Prospectus. On 21 September 2023, the Share Award Scheme was amended such that the scheme will be funded by existing shares of the Company only.

During the Reporting Period, the Trustee has purchased 10,500,000 shares for the Share Award Scheme through purchases on the open market. The Company has granted a total of 5,400,000 shares to an eligible grantee on 2 July 2024 and the said 5,400,000 awarded shares were vested to the said eligible grantee on 14 August 2024 at nil consideration.

Details of the movements of the share award under the Share Award Scheme during the Reporting Period are as follows:

Grantee	Date of grant	Balance of unvested awarded shares as at 1 April 2024	Number of awarded shares			Balance of unvested awarded shares as at 30 September 2024	Vesting date
			Grant during the Reporting Period	Vested during the Reporting Period <sup>(2)</sup>	Lapsed/ Cancelled during the Reporting Period		
<b>Director</b>							
Mr. Sum	2 July 2024 <sup>(1)</sup>	–	5,400,000	(5,400,000)	–	–	14 August 2024

Notes:

- (1) The closing price of the shares of the Company immediately before the date on which the share award was granted was HK\$1.05 per share on 28 June 2024. The fair value of the share award granted was approximately HK\$1.04 per share which was determined based on the published closing price of the shares at the date of grant. The share award was not subject to any performance target and was vested in full on 14 August 2024 at nil consideration.
- (2) During the Reporting Period, 5,400,000 awarded shares were vested and the weighted average closing price of the vested shares immediately before the vesting date was HK\$0.95 per share.

## Equity-Linked Agreement (Continued)

### Arrangement to Purchase Shares or Debentures

Other than the Share Option Scheme and the Share Award Scheme, during the Reporting Period, none of the Company nor any of its subsidiaries was a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debt securities including debentures of, the Company or any other body corporate.

### Change of Information on Directors

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes and updated information regarding the Directors since the Company's last published annual report and up to the date of this interim report are set out below:

Dr. Cheng Celine Heung Kwan, an executive Director, has been appointed as a member of the Advisory Board for Pharmacy Education of the Department of Pharmacology and Pharmacy of HKUMed LKS Faculty of Medicine for the period from 1 September 2024 to 31 August 2027.

# Review Report to the Board of Directors

## JBM (Healthcare) Limited

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

## Introduction

We have reviewed the interim financial report set out on pages 23 to 38 which comprises the consolidated statement of financial position of JBM (Healthcare) Limited (the “**Company**”) as of 30 September 2024 and the related consolidated statement of profit or loss and other comprehensive income and statement of changes in equity and condensed consolidated cash flow statement for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 September 2024 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, *Interim financial reporting*.

## KPMG

*Certified Public Accountants*

8th Floor, Prince's Building  
10 Chater Road  
Central, Hong Kong

19 November 2024

## Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 September 2024 – unaudited (Expressed in Hong Kong dollars)

	Note	Six months ended 30 September	
		2024 HK\$'000	2023 HK\$'000
<b>Revenue</b>	4	398,953	326,828
Cost of sales		(193,065)	(155,706)
<b>Gross profit</b>		205,888	171,122
Other net income	5	9,582	6,914
Selling and distribution expenses		(56,966)	(66,961)
Administrative and other operating expenses		(36,941)	(25,273)
<b>Profit from operations</b>		121,563	85,802
Finance costs	6(A)	(2,936)	(4,138)
Share of loss of an associate		–	(737)
Share of losses of joint ventures		(245)	(193)
<b>Profit before taxation</b>	6	118,382	80,734
Income tax	7	(19,106)	(16,200)
<b>Profit for the period</b>		99,276	64,534
<b>Other comprehensive income for the period</b>			
<i>Item that will not be reclassified subsequently to profit or loss, net of nil tax:</i>			
Revaluation of financial assets at fair value through other comprehensive income		(4,872)	(2,384)
<i>Item that may be reclassified subsequently to profit or loss, net of nil tax:</i>			
Exchange differences on translation of financial statements of operations outside Hong Kong		623	(234)
<b>Other comprehensive income for the period</b>		(4,249)	(2,618)
<b>Total comprehensive income for the period</b>		95,027	61,916
<b>Profit attributable to:</b>			
Equity shareholders of the Company		95,881	62,461
Non-controlling interests		3,395	2,073
<b>Total profit for the period</b>		99,276	64,534
<b>Total comprehensive income attributable to:</b>			
Equity shareholders of the Company		91,632	59,843
Non-controlling interests		3,395	2,073
<b>Total comprehensive income for the period</b>		95,027	61,916
		<b>HK cents</b>	<b>HK cents</b>
<b>Earnings per share</b>			
Basic and diluted	8	11.63	6.87

The notes on pages 27 to 38 form part of this interim financial report.



## Consolidated Statement of Financial Position

At 30 September 2024 – unaudited (Expressed in Hong Kong dollars)

	Note	As at 30 September 2024 HK\$'000	As at 31 March 2024 HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment	10	143,680	146,394
Intangible assets		830,791	838,816
Interests in joint ventures		2,905	3,780
Other non-current assets		21,170	20,160
Other financial assets	12	5,600	10,103
Deferred tax assets		1,899	1,900
		<b>1,006,045</b>	<b>1,021,153</b>
<b>Current assets</b>			
Inventories		94,599	91,585
Trade and other receivables	11	153,162	135,153
Current tax recoverable		2	–
Cash and cash equivalents	13	155,685	140,806
		<b>403,448</b>	<b>367,544</b>
<b>Current liabilities</b>			
Trade and other payables and contract liabilities	14	124,394	118,448
Bank loans		70,000	71,200
Lease liabilities		12,064	11,308
Current tax payable		37,399	20,614
		<b>243,857</b>	<b>221,570</b>
<b>Net current assets</b>		<b>159,591</b>	<b>145,974</b>
<b>Total assets less current liabilities</b>		<b>1,165,636</b>	<b>1,167,127</b>
<b>Non-current liabilities</b>			
Banks loans		–	43,800
Lease liabilities		6,655	7,099
Deferred tax liabilities		92,284	94,284
		<b>98,939</b>	<b>145,183</b>
<b>NET ASSETS</b>		<b>1,066,697</b>	<b>1,021,944</b>
<b>CAPITAL AND RESERVES</b>			
Share capital	15(A)	8,140	8,312
Reserves		1,003,894	962,364
<b>Total equity attributable to equity shareholders of the Company</b>		<b>1,012,034</b>	<b>970,676</b>
Non-controlling interests		54,663	51,268
<b>TOTAL EQUITY</b>		<b>1,066,697</b>	<b>1,021,944</b>

The notes on pages 27 to 38 form part of this interim financial report.

# Consolidated Statement of Changes in Equity

For the six months ended 30 September 2024 – unaudited (Expressed in Hong Kong dollars)

	Attributable to equity shareholders of the Company									
	Share capital HK\$'000	Share premium HK\$'000	Shares held for Share Award Scheme HK\$'000	Capital reserve HK\$'000	Exchange reserve HK\$'000	Fair value reserve (non- recycling) HK\$'000	Retained earnings HK\$'000	Total HK\$'000	Non- controlling interests HK\$'000	Total equity HK\$'000
At 1 April 2023	9,076	722,540	(5,287)	(985)	(231)	(20,761)	281,157	985,509	45,481	1,030,990
Profit for the period	-	-	-	-	-	-	62,461	62,461	2,073	64,534
Other comprehensive income	-	-	-	-	(234)	(2,384)	-	(2,618)	-	(2,618)
Total comprehensive income for the period	-	-	-	-	(234)	(2,384)	62,461	59,843	2,073	61,916
Dividend declared and paid in respect of the previous year	-	-	-	-	-	-	(22,842)	(22,842)	-	(22,842)
Shares acquired for Share Award Scheme (note 15(B))	(57)	-	(6,242)	-	-	-	-	(6,299)	-	(6,299)
Shares vested for the Share Award Scheme (note 15(B))	60	-	5,184	(313)	-	-	995	5,926	-	5,926
Purchase of own shares (note 15(C))	(163)	(19,201)	-	-	-	-	-	(19,364)	-	(19,364)
	(160)	(19,201)	(1,058)	(313)	(234)	(2,384)	40,614	17,264	2,073	19,337
At 30 September 2023	8,916	703,339	(6,345)	(1,298)	(465)	(23,145)	321,771	1,002,773	47,554	1,050,327
At 1 April 2024	8,312	634,278	(3,197)	(1,238)	(487)	(26,761)	359,769	970,676	51,268	1,021,944
Profit for the period	-	-	-	-	-	-	95,881	95,881	3,395	99,276
Other comprehensive income	-	-	-	-	623	(4,872)	-	(4,249)	-	(4,249)
Total comprehensive income for the period	-	-	-	-	623	(4,872)	95,881	91,632	3,395	95,027
Dividend declared and paid in respect of the previous year	-	-	-	-	-	-	(33,486)	(33,486)	-	(33,486)
Employee share award scheme – value of employee services	-	-	-	5,616	-	-	-	5,616	-	5,616
Shares acquired for Share Award Scheme (note 15(B))	(105)	-	(10,447)	-	-	-	-	(10,552)	-	(10,552)
Shares vested for the Share Award Scheme (note 15(B))	54	-	5,795	(5,616)	-	-	(233)	-	-	-
Purchase of own ordinary shares (note 15(C))	(121)	(11,731)	-	-	-	-	-	(11,852)	-	(11,852)
	(172)	(11,731)	(4,652)	-	623	(4,872)	62,162	41,358	3,395	44,753
At 30 September 2024	8,140	622,547	(7,849)	(1,238)	136	(31,633)	421,931	1,012,034	54,663	1,066,697

The notes on pages 27 to 38 form part of this interim financial report.

# Condensed Consolidated Cash Flow Statement

For the six months ended 30 September 2024 – unaudited (Expressed in Hong Kong dollars)

	Note	Six months ended 30 September	
		2024 HK\$'000	2023 HK\$'000
<b>Operating activities</b>			
Cash generated from operations		134,598	62,913
Income tax paid		(4,355)	(2,869)
<b>Net cash generated from operating activities</b>		<b>130,243</b>	<b>60,044</b>
<b>Investing activities</b>			
Payment for purchase of property, plant and equipment and intangible assets		(6,389)	(9,574)
Payment for other financial assets		(369)	–
Payment for investment in a joint venture		(20)	–
Proceeds from disposal of equity interest in a joint venture		1,668	–
Interest received		443	529
<b>Net cash used in investing activities</b>		<b>(4,667)</b>	<b>(9,045)</b>
<b>Financing activities</b>			
Capital element of lease rentals paid		(7,372)	(6,173)
Interest element of lease rentals paid		(479)	(295)
Proceeds from bank loans		80,000	32,000
Repayment of bank loans		(125,000)	(62,000)
Other borrowing costs paid		(2,457)	(3,843)
Payments for shares held for Share Award Scheme	15(B)	(10,552)	(6,299)
Payment for purchase of own shares	15(C)	(11,852)	(19,364)
Dividend paid		(33,486)	(22,842)
<b>Net cash used in financing activities</b>		<b>(111,198)</b>	<b>(88,816)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>14,378</b>	<b>(37,817)</b>
<b>Cash and cash equivalents at 1 April</b>		<b>140,806</b>	<b>152,266</b>
<b>Effect of foreign exchange rate changes</b>		<b>501</b>	<b>(241)</b>
<b>Cash and cash equivalents at 30 September</b>	13	<b>155,685</b>	<b>114,208</b>

The notes on pages 27 to 38 form part of this interim financial report.

# Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars unless otherwise indicated)

## 1 Corporate information

The Company 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 manufacturing and trading of proprietary medicines and distributing health and wellness products. The Company's shares were listed on the Main Board on 5 February 2021.

## 2 Basis of preparation

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Listing Rules, including compliance with Hong Kong Accounting Standard (“HKAS”) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). It was authorised for issue on 19 November 2024.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the consolidated financial statements for the year ended 31 March 2024, except for the accounting policy changes that are expected to be reflected in the consolidated financial statements for the year ending 31 March 2025. Details of any changes in accounting policies are set out in note 3.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the financial statements for the year ended 31 March 2024. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA. KPMG's independent review report to the Board of Directors is included on page 22.

The financial information relating to the financial year ended 31 March 2024 that is included in the interim financial report as comparative information does not constitute the company's annual consolidated financial statements for that financial year but is derived from those financial statements.

## 3 Changes in accounting policies

The Group has applied the following amendments to HKFRSs issued by the HKICPA to this interim financial report for the current accounting period:

- Amendments to HKAS 1, *Presentation of financial statements: Classification of liabilities as current or non-current*
- Amendments to HKAS 1, *Presentation of financial statements: Non-current liabilities with covenants*
- Amendments to HKFRS 16, *Lease: Lease liability in a sale and lease back*
- Amendments to HKAS 7, *Statement of cash flows* and HKFRS 7, *Financial instruments: Disclosures – Supplier finance arrangements*

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.

## 4 Revenue and segment reporting

### (A) REVENUE

The principal activities of the Group are manufacturing and trading of proprietary medicines and distributing health and wellness products. All the revenue for the six months ended 30 September 2024 and 2023 was recognised in accordance with HKFRS 15, *Revenue from Contracts with Customers*.

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 three reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Branded medicines: this segment develops, manufactures and distributes branded medicines with chemical compounds as active ingredients. Currently the activities in this regard are primarily carried out in Hong Kong.
- Proprietary Chinese medicines: this segment develops, manufactures and distributes registered Chinese medicines composed solely of any Chinese herbal medicines specified in the Chinese Medicine Ordinance, or any materials of herbal, animal or mineral origin customarily or widely used by the Chinese. Currently the activities in this regard are primarily carried out in Hong Kong.
- Health and wellness products: this segment distributes and sells supplements, medical consumables and other non-pharmaceutical products for the general health and wellness of consumers. Currently the activities in this regard are 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 gross profit.

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.

No inter-segment sales have occurred during the six months ended 30 September 2024 and 2023.

## 4 Revenue and segment reporting (Continued)

### (B) SEGMENT REPORTING (Continued)

#### (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 period is set out below.

	Branded medicines		Proprietary Chinese medicines		Health and wellness products		Total	
	Six months ended 30 September		Six months ended 30 September		Six months ended 30 September		Six months ended 30 September	
	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000
Revenue from external customers and reportable segment revenue recognised at a point in time	130,658	105,545	219,701	186,316	48,594	34,967	398,953	326,828
Reportable segment gross profit	97,463	73,287	93,830	82,956	14,595	14,879	205,888	171,122

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

	Six months ended 30 September	
	2024 HK\$'000	2023 HK\$'000
<b>Revenue</b>		
Reportable segment revenue and consolidated revenue	398,953	326,828
<b>Profit</b>		
Reportable segment gross profit	205,888	171,122
Other net income	9,582	6,914
Selling and distribution expenses	(56,966)	(66,961)
Administrative and other operating expenses	(36,941)	(25,273)
Finance costs	(2,936)	(4,138)
Share of losses of joint ventures	(245)	(193)
Share of loss of an associate	-	(737)
Consolidated profit before taxation	118,382	80,734
Interest income from bank deposits	(443)	(529)
Finance costs	2,936	4,138
Depreciation and amortisation	23,955	24,015
Share of losses of joint ventures	245	193
Gain on disposal of equity interest in a joint venture	(1,016)	-
Share of loss of an associate	-	737
Adjusted EBITDA*	144,059	109,288

\* Represents "adjusted earnings before interest, taxes, depreciation and amortisation", where "interest" is regarded as including interest income from bank deposits and finance costs. To arrive at adjusted EBITDA, the Group's earnings are further adjusted for gain on disposal of equity interest in a joint venture, share of losses of joint ventures and share of loss of an associate.

## 4 Revenue and segment reporting (Continued)

### (B) SEGMENT REPORTING (Continued)

#### (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 the distributors or the ultimate customers by the Group or the consignees.

	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
<b>Revenue from external customers</b>		
Hong Kong (place of domicile)	264,631	221,002
Mainland China	84,848	73,891
Macau	31,691	17,524
Singapore	7,721	4,629
Others	10,062	9,782
	<b>398,953</b>	<b>326,828</b>

The following table sets out information about the geographical location of the Group's property, plant and equipment, intangible assets, other non-current assets, interests in 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 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, non-current prepayments for distribution rights and other non-current prepayments, and the location of operations, in the case of interests in joint ventures.

	As at	As at
	30 September 2024	31 March 2024
	HK\$'000	HK\$'000
<b>Specified non-current assets</b>		
Hong Kong (place of domicile)	997,723	1,009,115
Mainland China	823	35
	<b>998,546</b>	<b>1,009,150</b>

#### (iv) Information about major customers

For the six months ended 30 September 2024, the Group's customer base includes one (six months ended 30 September 2023: one) customer of proprietary Chinese medicines, branded medicines and health and wellness products segments with whom transactions have exceeded 10% of the Group's revenue. Revenue from sales of proprietary Chinese medicines, branded medicines and health and wellness products to this customer amounted to HK\$97,051,000 (six months ended 30 September 2023: HK\$70,382,000).

## 5 Other net income

	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
Commission income	1,116	1,311
Interest income from bank deposits	443	529
Government grants (Note)	830	–
Net foreign exchange gain	5,268	3,245
Gain on disposal of equity interest in a joint venture	1,016	–
Net loss on disposals of property, plant and equipment	–	(5)
Others	909	1,834
	<b>9,582</b>	<b>6,914</b>

Note: The amount included the support for product development in Hong Kong from local government.

## 6 Profit before taxation

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

### (A) FINANCE COSTS

	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
Interest on bank loans	2,457	3,843
Interest on lease liabilities to		
– third parties	215	93
– fellow subsidiaries	–	172
– related parties	264	30
	<b>2,936</b>	<b>4,138</b>

### (B) OTHER ITEMS

	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
Depreciation		
– owned property, plant and equipment	6,538	6,673
– right-of-use assets	7,251	6,183
	<b>13,789</b>	<b>12,856</b>
Amortisation of intangible assets	10,166	11,159
(Reversal of write-down)/write-down of inventories	(3,463)	1,463

## 7 Income tax

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

	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
Current tax	21,105	18,569
Deferred tax	(1,999)	(2,369)
	<b>19,106</b>	<b>16,200</b>

The provision for Hong Kong Profits Tax is calculated by applying the estimated annual effective tax rate of 16.5% (six months ended 30 September 2023: 16.5%) to the six months ended 30 September 2024. Taxation for overseas subsidiaries is similarly calculated using the estimated annual effective rates of taxation that are expected to be applicable in the relevant countries.



## 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 of HK\$95,881,000 (six months ended 30 September 2023: HK\$62,461,000) for the six months ended 30 September 2024, and the weighted average ordinary shares in issue calculated as follows:

	Six months ended 30 September	
	2024 '000	2023 '000
<b>Weighted average number of ordinary shares:</b>		
Shares of the Company issued at the beginning of the period	831,248	907,586
Effect of ordinary shares held for Share Award Scheme	(3,167)	4,341
Effect of ordinary shares repurchased	(3,724)	(2,820)
<b>Weighted average number of ordinary shares in issue during the period</b>	<b>824,357</b>	<b>909,107</b>

### (B) DILUTED EARNINGS PER SHARE

Diluted earnings per share for the six months ended 30 September 2024 and 2023 were the same as the basic earnings per share as there were no potentially dilutive ordinary shares in existence during both periods.

## 9 Dividends

### (A) DIVIDENDS PAYABLE TO EQUITY SHAREHOLDERS OF THE COMPANY ATTRIBUTABLE TO THE RELEVANT REPORTING PERIOD

	Six months ended 30 September	
	2024 HK\$'000	2023 HK\$'000
Interim dividend declared after the relevant reporting period of HK5.50 cents per Share (six months ended 30 September 2023: HK3.45 cents per Share)	45,210	30,959

The interim dividend has not been recognised as a liability at the end of the relevant reporting period.

### (B) DIVIDENDS PAYABLE TO EQUITY SHAREHOLDERS OF THE COMPANY ATTRIBUTABLE TO THE PREVIOUS FINANCIAL YEAR, APPROVED AND PAID DURING THE RELEVANT REPORTING PERIOD

	Six months ended 30 September	
	2024 HK\$'000	2023 HK\$'000
Final dividend in respect of the previous financial year, approved and paid during the following reporting period, of HK4.05 cents per Share (six months ended 30 September 2023: HK2.5 cents per Share)	33,486	22,842
Less: Dividend of ordinary shares held by Share Award Scheme	(105)	(3)
	<b>33,381</b>	<b>22,839</b>

## 10 Property, plant and equipment

### RIGHT-OF-USE ASSETS

During the six months ended 30 September 2024, the Group entered into a number of lease agreements for use of warehouses, office buildings and production building housing, and therefore recognised the additions to right-of-use assets of HK\$7,684,000 (six months ended 30 September 2023: HK\$807,000).

## 11 Trade and other receivables

	As at 30 September 2024 HK\$'000	As at 31 March 2024 HK\$'000
Trade receivables		
– third parties	114,467	104,919
– related parties	1,183	1,195
	<b>115,650</b>	<b>106,114</b>
Other receivables	3,332	2,437
Deposits and prepayments	33,984	26,406
Amount due from a related party	196	196
	<b>153,162</b>	<b>135,153</b>

### 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 allowances is as follows:

	As at 30 September 2024 HK\$'000	As at 31 March 2024 HK\$'000
Less than 1 month	22,485	26,972
1 to 6 months	92,740	68,662
Over 6 months	425	10,480
	<b>115,650</b>	<b>106,114</b>

The ageing analysis of trade receivables (net of loss allowance) by due date is as follows:

	As at 30 September 2024 HK\$'000	As at 31 March 2024 HK\$'000
Current	90,350	86,090
Less than 1 month past due	11,939	10,676
1 to 3 months past due	8,744	7,958
Over 3 months past due	4,617	1,390
	<b>115,650</b>	<b>106,114</b>

## 12 Other financial assets

	As at 30 September 2024 HK\$'000	As at 31 March 2024 HK\$'000
Equity securities designated at fair value through other comprehensive income ("FVOCI") (non-recycling)		
– Unlisted	5,600	10,103

The Group designated its investment in equity securities at FVOCI (non-recycling) under HKFRS 9, *Financial Instruments* which is represented by the investment in Smartfish AS. Such designation was chosen as the investments are held for strategic purposes. No dividends were received on the investment since acquisition.

## 13 Cash and cash equivalents

	As at 30 September 2024 HK\$'000	As at 31 March 2024 HK\$'000
Cash at bank and in hand	155,685	140,806

## 14 Trade and other payables and contract liabilities

	As at 30 September 2024 HK\$'000	As at 31 March 2024 HK\$'000
Trade payables		
– third parties	17,033	22,171
Salary and bonus payables	12,208	7,027
Other payables and accruals	87,494	80,538
Amount due to a joint venture	2,000	2,000
Amounts due to related parties	766	658
Contract liabilities	4,893	6,054
	124,394	118,448

### AGEING ANALYSIS

As at the end of 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 30 September 2024 HK\$'000	As at 31 March 2024 HK\$'000
Less than 1 month	11,945	14,905
1 to 6 months	4,945	7,122
Over 6 months	143	144
	17,033	22,171

## 15 Capital and reserves

### (A) SHARE CAPITAL

	Number of shares '000	Amount HK\$'000
<b>Authorised:</b>		
Ordinary shares of HK\$0.01 each at 31 March 2024, 1 April 2024 and 30 September 2024	5,000,000	50,000
<b>Issued:</b>		
At 31 March 2024 and 1 April 2024	831,248	8,312
Ordinary shares acquired for Share Award Scheme (note 15(B))	(10,500)	(105)
Ordinary shares vested for Share Award Scheme (note 15(B))	5,400	54
Repurchase and cancellation of ordinary shares (note 15(C))	(12,148)	(121)
At 30 September 2024	814,000	8,140

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.

### (B) EQUITY SETTLED SHARE-BASED TRANSACTIONS

#### Share Award Scheme

The Share Award Scheme was adopted by the Company on 18 January 2021 and amended on 21 September 2023. Pursuant to the Share Award Scheme, the directors of the Company 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 18 January 2021.

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 Company's board of directors but such purchases will not result in the trustee holding at any time more than 5% of the total issued shares of the Company.

In addition, unless approved by the Company's board of directors, no awarded shares will be granted to any individual if granting of such awarded shares would result in the total number of shares granted to the individual during any 12-month period exceeding 1% 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 of the Company).

During the six months ended 30 September 2024, the trustee of the Share Award Scheme acquired 10,500,000 shares through purchases on the open market at a total cost of HK\$10,552,000. During the six months ended 30 September 2023, the trustee of the Share Award Scheme acquired 5,700,000 shares through purchases on the open market at a total cost of HK\$6,299,000.

During the six months ended 30 September 2024, the Company has granted a total of 5,400,000 shares to an eligible grantee on 2 July 2024 and the said 5,400,000 shares were vested to the said eligible grantee on 14 August 2024 at nil consideration.

The Company granted a total of 6,000,000 awarded shares to an eligible grantee on 30 March 2023 and the said 6,000,000 awarded shares were vested to the said eligible grantee on 18 May 2023 at nil consideration.

## 15 Capital and reserves (Continued)

### (C) PURCHASE OF OWN ORDINARY SHARES

During the Reporting Period, the Company repurchased and cancelled its own ordinary shares on the Stock Exchange as follows:

Month/year of Shares repurchase	Number of Shares repurchased and cancelled	Highest price paid per Share HK\$	Lowest price paid per Share HK\$	Aggregate price paid HK\$'000
March 2024 (Note)	12,000	0.90	0.89	11
April 2024	338,000	0.92	0.89	302
July 2024	7,000,000	1.00	0.98	6,988
August 2024	4,810,000	0.95	0.90	4,562

Note: The ordinary shares were repurchased in March 2024 and subsequently cancelled in April 2024.

## 16 Fair value measurement of financial instruments

### FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

#### (i) Fair value hierarchy

HKFRS 13, *Fair value measurement* categorises fair value measurements into a three-level hierarchy. The level into which fair value is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

The Group engages external valuer for assessing the valuations for the unlisted equity investments which is categorised into Level 3 of the fair value hierarchy. The Group prepares analysis of changes in fair value measurement at each interim and annual report date. Discussion of the valuation process and results with the board of directors is held twice a year, to coincide with the reporting dates.

The following table presents the Group's financial assets that were measured at fair value at 30 September 2024.

	Fair value at 30 September 2024 HK\$'000	Fair value measurements at 30 September 2024 categorised into		
		Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000
<b>Financial assets:</b>				
Financial assets at FVOCI				
– Unlisted	5,600	–	–	5,600

	Fair value at 31 March 2024 HK\$'000	Fair value measurements at 31 March 2024 categorised into		
		Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000
<b>Financial assets:</b>				
Financial assets at FVOCI				
– Unlisted	10,103	–	–	10,103

There were no transfers between Level 1 and Level 2 or transfers into or out of Level 3 during the six months ended 30 September 2024 and year ended 31 March 2024.

The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the Reporting Period in the which they occur.

## 16 Fair value measurement of financial instruments (Continued)

### FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE (Continued)

#### (ii) Information about level 3 fair value measurement

	Valuation technique	Significant unobservable input	Discount rate
Unlisted financial assets at FVOCI	Discounted cash flow method	Discount rate	15% (31 March 2024: 15%)

The fair value of unlisted equity instruments is determined using discounted cash flow method. The fair value measurement is negatively correlated to discount rate. As at 30 September 2024, it is estimated that with all variable held constant, a decrease/increase in discount rate by 1% would have increased/decreased the Group's other comprehensive income by HK\$1,414,000/HK\$1,164,000 (31 March 2024: increased/decreased by HK\$1,925,000/HK\$1,609,000).

## 17 Capital commitments

Capital commitments outstanding at the end of each reporting period not provided for in the interim/annual financial report were as follows:

	As at 30 September 2024 HK\$'000	As at 31 March 2024 HK\$'000
Authorised and contracted for		
– Purchase of intangible assets	13,641	22,356
– Purchase of property, plant and equipment	7,216	12,284
	<b>20,857</b>	<b>34,640</b>

## 18 Material related party transactions

In addition to the transactions and balances disclosed elsewhere in the interim financial report, the Group entered into the following material related party transactions:

### (A) KEY MANAGEMENT PERSONNEL EMOLUMENTS

Emoluments for key management personnel of the Group, who are also Directors of the Company, are as follows:

	Six months ended 30 September	
	2024 HK\$'000	2023 HK\$'000
Short-term employee benefits	2,333	1,590
Post-employment benefits	18	9
Equity compensation benefits	5,616	5,926
	<b>7,967</b>	<b>7,525</b>

## 18 Material related party transactions (Continued)

### (B) TRANSACTIONS WITH RELATED PARTIES

	Six months ended 30 September	
	2024 HK\$'000	2023 HK\$'000
Logistic services fee to fellow subsidiaries	–	1,715
Logistic services fee to related parties	2,431	467
Sales to fellow subsidiaries (Manufacturing Services Agreement)	–	1,381
Sales to related parties (Manufacturing Services Agreement)	2,455	705
Purchase from fellow subsidiaries (Manufacturing Services Agreement)	–	50
Purchase from related parties (Manufacturing Services Agreement)	30	–
Overseas sales administrative services fee to fellow subsidiaries	–	387
Overseas sales administrative services fee to related parties	238	65

## 19 Non-adjusting events after the Reporting Period

On 11 November 2024, indirect wholly-owned subsidiaries of the Company (“**Seller**”) entered into a sales and purchase agreement with an indirect wholly-owned subsidiary of Jacobson Pharma Corporation Limited in relation to the sale of its 20.1% equity interests in an indirect non-wholly owned subsidiary at a consideration of HK\$46,230,000 to the Seller. No adjustment has been made in this interim financial report in this regard.

## Glossary

“associate(s), chief executive(s), connected person(s), substantial shareholder(s)”	each has the meaning as described in the Listing Rules
“Audit Committee”	the audit committee of the Company
“Award Committee”	the award committee of the Company
“Board”	the board of directors of the Company
“BVI”	the British Virgin Islands
“CCMG”	concentrated Chinese medicine granules, traditional Chinese herbal medicines processed through modern extraction and concentration technologies to arrive at a granular form for easy dispensary and administration
“CG Code”	Corporate Governance Code contained in Appendix C1 to the Listing Rules
“Chairman”	the chairman of the Board
“China”, “Mainland China”, “PRC” or “the PRC”	the People’s Republic of China excluding, for the purpose of this interim report, Hong Kong, Macau and Taiwan
“Company”, “our Company” or “the Company”	JBM (Healthcare) Limited, an exempted company incorporated in the Cayman Islands with limited liability on 7 January 2020
“Controlling Shareholder(s)”	refers to Mr. Sum, Queenshill and Lincoln’s Hill, each being a controlling shareholder within the meaning of the Listing Rules
“Director(s)”	the director(s) of the Company
“FY2024”	the year ended 31 March 2024
“FY2024 Interim”	the six months ended 30 September 2023
“FY2025”	the year ending 31 March 2025
“FY2025 Interim” or “Reporting Period”	the six months ended 30 September 2024
“GMP”	Good Manufacturing Practice, a set of detailed guidelines on practices governing the production of pharmaceutical products designed to protect consumers by minimising production errors and the possibility of contamination
“Greater Bay Area”	the “Guangdong–Hong Kong–Macau Greater Bay Area”, referring to the region linking two special administrative regions, namely Hong Kong and Macau, and the nine cities in Guangdong Province, namely Guangzhou, Shenzhen, Zhuhai, Foshan, Zhongshan, Dongguan, Huizhou, Jiangmen and Zhaoqing and forming an integrated economic and business hub under PRC government’s scheme
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	any entity or person who, to the best knowledge of our Directors, is not a connected person of our Company within the meaning ascribed thereto under the Listing Rules



“JBM”, “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)
“Lincoln’s Hill”	Lincoln’s Hill Development Limited, a company with limited liability incorporated under the laws of the BVI on 12 November 2020, being one of our Controlling Shareholders
“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, non-executive Director, being one of our Controlling Shareholders
“over-the-counter” or “OTC”	a term used to describe medicines that can be sold directly to a consumer without a prescription from a healthcare professional, as compared to prescription drugs, which are sold only to consumers possessing a valid prescription
“Prospectus”	the prospectus issued by the Company dated 26 January 2021
“Queenshill”	Queenshill Development Limited, a company with limited liability incorporated under the laws of the BVI on 12 December 2012, being one of our Controlling Shareholders
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
“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 18 January 2021 and amended on 21 September 2023
“Share Option Scheme”	the share option scheme adopted by our Company on 6 August 2024
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“The Kingshill Trust”	a discretionary trust established by our non-executive Director and Chairman, Mr. Sum (as the settlor), on 16 May 2016 with Mr. Sum and his family members as the discretionary beneficiaries
“treasury shares”	has the meaning as described in the Listing Rules
“Trust Co”	Kingshill Development Group Inc., a company incorporated in the BVI which is wholly-owned by UBS Nominees Limited as nominee for UBS Trustees (B.V.I.) Limited, the trustee of The Kingshill Trust, which holds the entire issued share capital of Lincoln’s Hill
“Yunnan Baiyao Group”	Yunnan Baiyao Group Co., Ltd.* (雲南白藥集團股份有限公司), a joint stock limited company incorporated in the PRC with limited liability

\* For identification purpose only