Jacobson Pharma Corporation Limited

雅各臣科研製藥有限公司

(Incorporated under the laws of the Cayman Islands with limited liability)

Stock Code : 2633

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

FINANCIAL HIGHLIGHTS

- The revenue for the six months ended 30 September 2017 amounted to approximately HK$743.0 million, representing an increase of about 29.1% as compared to that of approximately HK$575.4 million for the corresponding period of 2016.

- Profit from operations for the reporting period amounted to approximately HK$112.7 million, representing an increase of about 43.9% as compared to that of approximately HK$78.3 million for the corresponding period of 2016.

- Profit attributable to the shareholders of the Company for the same period amounted to approximately HK$80.3 million, representing an increase of about 40.6% as compared to that of approximately HK$57.1 million for the corresponding period of 2016.

- The Board recommends a payment of an interim dividend for the six months ended 30 September 2017 of HK0.9 cent per ordinary share for the total amount of approximately HK$16.3 million (six months ended 30 September 2016: HK0.8 cent).

RESULTS

The Board of the Company is pleased to announce the unaudited condensed consolidated interim results of the Group for the six months ended 30 September 2017, together with the comparative figures for the corresponding period in 2016 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2017 – unaudited
(Expressed in Hong Kong dollars)

		Six months ended 30 September	
	Note	**2017** *HK$'000*	2016 *HK$'000*
Revenue	*4*	**743,032**	575,449
Cost of sales		**(464,128)**	(330,837)
Gross profit		**278,904**	244,612
Other income	*5*	**3,702**	4,186
Selling and distribution expenses		**(83,962)**	(72,601)
Administrative and other operating expenses		**(85,940)**	(97,869)
Profit from operations		**112,704**	78,328
Finance costs	*6(a)*	**(13,874)**	(1,905)
Profit before taxation	*6*	**98,830**	76,423
Income tax	*7*	**(15,762)**	(17,133)
Profit for the period		**83,068**	59,290
Item that may be reclassified to profit or loss:			
Exchange differences on translation of financial statements of operations outside Hong Kong		**1,496**	(973)
Other comprehensive income		**1,496**	(973)
Total comprehensive income for the period		**84,564**	58,317
Profit attributable to:			
Shareholders of the Company		**80,329**	57,052
Non-controlling interests		**2,739**	2,238
Total profit for the period		**83,068**	59,290
Total comprehensive income attributable to:			
Shareholders of the Company		**81,825**	56,079
Non-controlling interests		**2,739**	2,238
Total comprehensive income for the period		**84,564**	58,317
		HK cents	HK cents
Earnings per share attributable to shareholders of the Company			
Basic	*8*	**4.42**	4.27
Diluted	*8*	**4.42**	4.27

Details of dividends payable to shareholders of the Company are set out in note 9.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 September 2017 – unaudited
(Expressed in Hong Kong dollars)

	Note	**As at 30 September 2017** *HK$'000*	As at 31 March 2017 *HK$'000*
Non-current assets			
Property, plant and equipment	*10*	**998,092**	1,007,672
Leasehold land		**48,428**	48,839
Investment properties	*10*	**56,000**	–
Intangible assets		**1,086,464**	1,056,801
Non-current assets		**20,595**	20,420
Deferred tax assets		**4,924**	2,423
		2,214,503	2,136,155
Current assets			
Inventories		**288,563**	261,313
Trade and other receivables	*11*	**228,878**	201,470
Current tax recoverable		**8,501**	11,444
Cash and cash equivalents	*12*	**326,340**	359,685
		852,282	833,912
Current liabilities			
Trade and other payables	*13*	**108,959**	108,141
Bank loans		**949,144**	937,486
Obligations under finance leases		**149**	149
Current tax payable		**26,444**	12,713
		1,084,696	1,058,489
Net current liabilities		**232,414**	224,577
Total assets less current liabilities		**1,982,089**	1,911,578
Non-current liabilities			
Obligations under finance leases		**298**	373
Deferred tax liabilities		**139,807**	138,887
		140,105	139,260
NET ASSETS		**1,841,984**	1,772,318
CAPITAL AND RESERVES			
Share capital	*14*	**18,156**	18,156
Reserves		**1,791,153**	1,731,247
Total equity attributable to shareholders of the Company		**1,809,309**	1,749,403
Non-controlling interests		**32,675**	22,915
TOTAL EQUITY		**1,841,984**	1,772,318

NOTES

1 CORPORATE INFORMATION

Jacobson Pharma Corporation Limited (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 (the "Group") is principally engaged in manufacturing and trading of generic drugs and proprietary medicines. The Company's shares were listed on the Main Board of Stock Exchange on 21 September 2016.

2 BASIS OF PREPARATION

The interim financial information has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard ("HKAS") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The interim financial information has been prepared in accordance with the same accounting policies adopted in the consolidated financial statements for the year ended 31 March 2017, except for the accounting policy changes that are expected to be reflected in the consolidated financial statements for the year ending 31 March 2018. Details of any changes in accounting policies are set out in note 3.

3 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued several amendments to Hong Kong Financial Reporting Standards that are first effective for the current accounting period of the Group. None of these developments has had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in the interim financial information.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

In addition, accounting policy that is newly adopted by the Group in the year beginning 1 April 2017 is set out below:

Investment properties

Investment properties are land and/or buildings which are owned or held under a leasehold interest to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use and property that is being constructed or developed for future use as investment property.

Investment properties are stated at fair value, unless they are still in the course of construction or development at the end of the reporting period and their fair value cannot be reliably measured at that time. Any gain or loss arising from a change in fair value or from the retirement or disposal of an investment property is recognised in profit or loss. Rental income from investment properties is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable.

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are manufacturing and trading of generic drugs and proprietary medicines.

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.

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

– Proprietary medicines: this segment develops, manufactures and distributes medicines. Currently the activities in this regard are primarily carried out in Hong Kong.

– Wholesale and retail: this segment sells western and proprietary medicines in Hong Kong.

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

The measure used for reporting segment profit is "adjusted EBITDA" i.e. "adjusted earnings before interest, taxes, depreciation and amortisation", where "interest" is regarded as including interest income and interest expenses and "depreciation and amortisation" is regarded as including impairment losses on non-current assets. To arrive at adjusted EBITDA the Group's earnings are further adjusted for non-recurring items not attributable to the operations of individual segments.

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

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

(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.

	Generic drugs Six months ended 30 September		Proprietary medicines Six months ended 30 September		Wholesale and retail Six months ended 30 September		Total Six months ended 30 September	
	2017	2016	**2017**	2016	**2017**	2016	**2017**	2016
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue from external customers	**542,225**	506,617	**121,183**	68,832	**79,624**	–	**743,032**	575,449
Inter-segment revenue	**1,639**	–	**2,344**	–	**–**	–	**3,983**	–
	543,864	506,617	**123,527**	68,832	**79,624**	–	**747,015**	575,449
Reportable segment profit (adjusted EBITDA)	**125,780**	120,780	**39,794**	8,631	**2,189**	–	**167,763**	129,411

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

	Six months ended 30 September	
	2017	2016
	HK$'000	*HK$'000*
Revenue		
Reportable segment revenue	**747,015**	575,449
Elimination of inter-segment revenue	**(3,983)**	–
Consolidated revenue	**743,032**	575,449
Profit		
Reportable segment profit	**167,763**	129,411
Elimination of inter-segment profit	**(1,520)**	–
Reportable segment profit derived from Group's external customers	**166,243**	129,411
Interest income from bank deposits	**31**	8
Other interest income	**–**	1,634
Gain on disposal of a subsidiary	**–**	2,393
Fair value gain on investment properties	**2,599**	–
Fair value gain on contingent consideration receivable	**237**	–
Listing expenses	**–**	(22,610)
Depreciation and amortisation	**(56,406)**	(32,508)
Finance costs	**(13,874)**	(1,905)
Consolidated profit before taxation	**98,830**	76,423

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

	Six months ended 30 September	
	2017	2016
	HK$'000	*HK$'000*
Revenue from external customers		
Hong Kong (place of domicile)	**696,832**	535,750
China	**18,927**	19,619
Macau	**16,654**	11,178
Singapore	**3,384**	3,624
Others	**7,235**	5,278
	743,032	575,449

The following table sets out information about the geographical location of the Group's property, plant and equipment, leasehold land, investment properties, intangible assets and prepayment for purchase of non-current assets ("specified non-current assets"). The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of property, plant and equipment, leasehold land and investment properties and the location of the operation to which they are allocated, in the case of intangible assets and non-current prepayments.

	As at 30 September 2017	As at 31 March 2017
	HK$'000	*HK$'000*
Specified non-current assets		
Hong Kong (place of domicile)	**2,174,984**	2,103,052
China	**30,289**	30,532
Macau	**140**	148
	2,205,413	2,133,732

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

For the six months ended 30 September 2017, the Group's customer base includes one customer of the generic drugs segment with whom transactions have exceeded 10% of the Group's revenue. Revenue from sales of generic drugs to this customer, including sales to entities which are known to the Group to be under common control amounted to approximately HK$184,158,000 (six months ended 30 September 2016: HK$170,715,000).

5 OTHER INCOME

	Six months ended 30 September	
	2017	2016
	HK$'000	*HK$'000*
Commission income	**336**	235
Interest income from bank deposits	**31**	8
Other interest income	**–**	1,634
Net foreign exchange gain/(loss)	**99**	(90)
Net loss on disposal of property, plant and equipment	**(110)**	(51)
Gain on disposal of a subsidiary	**–**	2,393
Fair value gain on investment properties	**2,599**	–
Fair value gain on contingent consideration receivable	**237**	–
Others	**510**	57
	3,702	4,186

6 PROFIT BEFORE TAXATION

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

	Six months ended 30 September	
	2017	2016
	HK$'000	*HK$'000*
(a) Finance costs		
Interest on bank loans	**13,855**	8,205
Finance charges on obligations under finance leases	**19**	23
	13,874	8,228
Less: Interest expenses capitalised into construction-in-progress and prepayment for acquisition of non-current assets	**–**	(6,323)
	13,874	1,905

	Six months ended 30 September	
	2017	2016
	HK$'000	*HK$'000*
(b) Other items		
Amortisation		
– leasehold land	**818**	583
– intangible assets	**12,826**	7,553
Depreciation *(note 10)*	**42,762**	24,372
Write-down of inventories	**8,011**	5,699
Research and development costs (other than amortisation of capitalised development costs)	**4,234**	251
Listing expenses	**–**	22,610
Equity settled share-based transactions	**3,500**	–

7 INCOME TAX

	Six months ended 30 September	
	2017	2016
	HK$'000	*HK$'000*
Current tax	**17,265**	14,715
Deferred taxation	**(1,503)**	2,418
	15,762	17,133

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 2016: 16.5%) to the six months ended 30 September 2017. 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

The calculation of basic earnings per share is based on the profit attributable to shareholders of the Company of HK$80,329,000 (six months ended 30 September 2016: HK$57,052,000) and the weighted average of 1,815,625,000 ordinary shares (six months ended 30 September 2016: 1,336,407,000 shares) in issue during the interim period, calculated as follows:

	Six months ended 30 September	
	2017	2016
	'000	*'000*
Deemed weighted average number of ordinary shares:		
Shares of the Company issued at the beginning of the period	**1,815,625**	1,312,500
Effect of shares issued under initial public offering *(note 14)*	**–**	23,907
Deemed weighted average number of ordinary shares in issue during the period, used in the basic earnings per share calculation	**1,815,625**	1,336,407

The calculation of diluted earnings per share is based on the profit attributable to shareholders of the Company of HK$80,329,000 (six months ended 30 September 2016: HK$57,052,000) and the weighted average of 1,815,625,000 ordinary shares (six months ended 30 September 2016: 1,336,672,000 ordinary shares in issue during the interim period. The reconciliation of the weighted average number of ordinary shares used in the calculation of the basic earnings per share to that of the diluted earnings per share is as follows:

	Six months ended 30 September	
	2017	2016
	'000	*'000*
Deemed weighted average number of ordinary shares:		
Deemed weighted average number of ordinary shares in issue during the period, used in the basic earnings per share calculation	**1,815,625**	1,336,407
Effect of dilutive potential ordinary shares		
– Over-allotment option	**–**	265
Deemed weighted average number of ordinary shares in issue during the period, used in the diluted earnings per share calculation	**1,815,625**	1,336,672

Diluted earnings per share equals to basic earnings per share for the six months ended 30 September 2017 because the potential ordinary shares outstanding were anti-dilutive.

9 DIVIDENDS

(a) Dividends payable to shareholders attributable to the interim period

	Six months ended 30 September	
	2017	2016
	HK$'000	*HK$'000*
Interim dividend declared and paid after the interim period of HK0.9 cent per share (six months ended 30 September 2016: HK0.8 cent per share)	**16,341**	14,525

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

(b) Dividends payable to shareholders attributable to the previous financial year, approved and paid during the interim period

	Six months ended 30 September	
	2017	2016
	HK$'000	*HK$'000*
Final dividend in respect of the previous financial year, approved and paid during the following interim period, of HK1.4 cents per share (six months ended 30 September 2016: HK$nil)	**25,419**	–

10 PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

(a) Property, plant and equipment

	As at 30 September 2017 *HK$'000*	As at 31 March 2017 *HK$'000*
Cost:		
At 1 April 2017/2016	**1,277,202**	1,057,090
Additions	**33,670**	259,974
Acquisition of subsidiaries	**22**	–
Disposals	**(42,206)**	(34,608)
Exchange difference	**4,169**	(5,254)
At 30 September 2017/31 March 2017	**1,272,857**	1,277,202
Accumulated depreciation:		
At 1 April 2017/2016	**269,530**	241,767
Charge for the year/period	**42,762**	62,264
Written back on disposals	**(40,819)**	(30,570)
Exchange difference	**3,292**	(3,931)
At 30 September 2017/31 March 2017	**274,765**	269,530
Net book value:		
At 30 September 2017/31 March 2017	**998,092**	1,007,672

(b) Investment properties

During the six months ended 30 September 2017, the Group acquired investment properties at a cost of HK$53,401,000 (2016: HK$nil).

The valuations of investment properties at fair value as at 30 September 2017 were performed by the Group's independent valuer using the direct comparison method. As a result of the valuation, a net gain of HK$2,599,000 (2016: HK$nil) has been recognised in profit or loss for the period.

11 TRADE AND OTHER RECEIVABLES

As at the end of the reporting period, the aging analysis of trade receivables (which are includes in trade and other receivables) based on the invoice date and net of allowance for doubtful debts, is as follows:

	As at 30 September 2017 *HK$'000*	As at 31 March 2017 *HK$'000*
Less than 1 month	**115,982**	102,616
1 to 6 months	**66,447**	51,698
Over 6 months	**594**	–
Trade receivables	**183,023**	154,314
Other receivables	**4,237**	2,762
Deposits and prepayments	**41,618**	44,394
	228,878	201,470

12 CASH AND CASH EQUIVALENTS

	As at 30 September 2017 *HK$'000*	As at 31 March 2017 *HK$'000*
Cash at bank and in hand	**326,340**	359,685

13 TRADE AND OTHER PAYABLES

As at the end of reporting period, the aging analysis of trade payables (which are included in trade and other payables), based on the invoice date, is as follows:

	As at 30 September 2017 *HK$'000*	As at 31 March 2017 *HK$'000*
Within 1 month	**23,144**	21,462
1 to 6 months	**11,730**	19,394
Over 6 months	**74**	38
Trade payables	**34,948**	40,894
Salary and bonus payables	**44,642**	38,793
Payables and accruals for addition of property, plant and equipment	**1,229**	1,973
Other payables and accruals	**25,026**	23,326
Receipts in advance	**3,114**	3,155
	108,959	108,141

14 CAPITAL AND RESERVE

(a) Share capital

	Number of shares	Amount
	'000	*HK$'000*
Issued:		
At 1 April 2016	1,312,500	13,125
Issue of ordinary shares under initial public offering	437,500	4,375
Issue of ordinary shares upon exercise of the over-allotment option	65,625	656
At 31 March 2017 and 30 September 2017	1,815,625	18,156

On 21 September 2016, the Company issued 437,500,000 ordinary shares with a par value of HK$0.01 each, at price of HK$1.50 per share by way of a global initial public offering to Hong Kong and international investors. Net proceeds from such issue amounted to HK$620,357,000 (after deducting share issuance expenses of HK$35,893,000) of which HK$4,375,000 and HK$615,982,000 were recorded in share capital and share premium respectively.

On 6 October 2016, the Company issued 65,625,000 ordinary shares with a par value of HK$0.01 each, at price of HK$1.50 per share, by way of the exercise of the over-allotment option under global offering on 3 October 2016. Net proceeds from such issue amounted to HK$95,287,000 (after deducting share issuance expenses of HK$3,150,000) of which HK$656,000 and HK$94,631,000 were recorded in share capital and share premium respectively.

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

On 19 April 2017, pursuant to the Share Incentive Scheme adopted by the Company on 30 August 2016, an executive director of the Company was granted share awards entitling him to acquire an aggregate of 6,000,000 ordinary shares of the Company from the trustee of the Share Incentive Scheme and vested on 21 April 2017. All the share awards granted have been vested during the six months ended 30 September 2017 and there was no outstanding share awards granted as at 30 September 2017. The acquisition price of the share awards was HK$1.6 per ordinary share. The market closing price at that date was HK$1.6 per ordinary share. The fair value of the share awards at grant date was effectively zero.

On 30 June 2017, 36,000,000 share options were granted at a consideration of HK$1 to certain employees, including certain executive directors of the Company and certain directors of subsidiaries of the Company, under the Company's employee share option scheme (no share options were granted during the six months ended 30 September 2016). Each option gives the holder the right to subscribe for one ordinary share of the Company. These share options will become exercisable on 1 October 2017, 2018, and 2019, until 30 September 2018, 2019 and 2020 respectively. The exercise price is HK$2.06 per share, being the weighted average closing price of the Company's ordinary shares immediately before the grant. No options were exercised during the six months ended 30 September 2017 (2016: nil).

LETTER TO SHAREHOLDERS

Dear Shareholders,

In the first half of FY2018, the Group maintained healthy business momentum and executed the necessary growth strategies in line with our original plans and schedule. Business growth has been driven by our relentless commitment towards its mission and values to center on building both operational and functional excellence, as well as maximizing the collaborative effort of our specialist human resources.

Underpinning the financial results in the period under review is a continued focus for the key growth drivers, encompassing first-to-opportunity generics like losartan and mesalazine and proprietary brands like Po Chai Pills, Ho Chai Kung and Shiling Oil.

Losartan saw a staggering growth of over 87.5% in the relevant period, and proprietary medicines such as Po Chai Pills, Ho Chai Kung and Shiling Oil altogether contributed a robust revenue growth of 76.2% versus same period last year. Branded generics with specialized formulation and unique composition such as bisacodyl suppository continued to perform well realizing a year-on-year growth of 29.6%.

As a major player in developing and delivering generic medicines in Hong Kong, Jacobson has a comprehensive offering in terms of product portfolio and value-added customer service. To advance our sales and marketing competence, we have successfully implemented the first phase of a highly regarded customer relationship management tool, a versatile platform developed by the globally renowned specialist *Salesforce.com*. The tool serves to provide updated market intelligence to our sales personnel who transform the information into an effective, forward-thinking strategy.

Steady progress has been made through the integration of businesses acquired in the last financial year, along with a cost rationalization program aiming to derive over HK$20 million annual savings on headcount and non-headcount related overheads across the Group. New organizational structures are in place and all priority integration initiatives have been implemented.

Prospect

1. With delivery of a solid result in the first half of FY2018, particularly from the major growth drivers, we remain adamantly positive that Jacobson will continue to be uniquely positioned as a domestic leader in generics and proprietary medicines. We aim to increase contribution from the recurring revenues alongside an effective cost and synergy management. Jacobson are making headway with both our product pipeline and business development. We have launched the antiviral drug lamivudine in the first half of FY2018 and are positive that it will gain a strong foothold in the public sector. For the remainder of the year, we are focused on implementing the commercial launches of a number of generics including some blockbuster molecules such as atorvastatin, rosuvastatin, ezetimbe and trimetazidine modified release. This will add impetus to Jacobson for sustaining our leadership position in the cardiovascular market segment.

2. Jacobson will continue to take a measured and disciplined approach to R&D investment and capital allocation whilst expecting further progress with its development pipeline, offering potential value through multiple licensing opportunities on both generic drugs as well as biopharmaceuticals. For generics, the in-licensing will be focused on the fast-growing therapeutic classes such as anti-viral and cardiovascular drugs. For biopharmaceuticals, we intend to target the biologics market, which has witnessed robust growth over the years. Several biologics have global sales of more than US$1 billion annually, and many of these molecules such as trastuzumab, rituximab and infliximab will see their patents expiring in subsequent years. Although there are immense technical challenges and regulatory hurdles that we must surpass before entering into this market, the opportunities for financial gain ahead are considerably buoyant. The sales of biologics in Hong Kong amounted to over HK$1 billion in 2016 and are expected to grow rapidly in coming years.

3. Furthering our business development, we continue to expand our footprints in certain strategic markets in Asia, entering into a collaborative framework agreement with strategic partners in Taiwan and Cambodia. Business development in the form of forging strategic partnership with local players in certain emerging markets will be actively pursued. The recent signing of a mutual trade agreement between HKSAR and ASEAN countries will certainly make the sentiment conducive for expanding business opportunities.

4. To sustain a lean and cost efficient operation across all business units of the Group, we are driving a productivity enhancement program through product consolidation, process streamlining and automation. A synergy and savings roadmap has been drawn out and implemented with a three-year timeline to come to fruition.

5. Concerning proprietary medicines, active dialogue and positive progress are underway within the sales development of Po Chai Pills, Flying Eagle Woodlok Oil and Ho Chai Kung in export markets including China, Vietnam and Myanmar. We expect to see tangible development both on geographical reach and sales expansion during the remainder of the year, with a view to bulking up the market presence of our proprietary medicines brands.

Appreciation

We are pleased to garner the trust and support of two renowned financial investors, namely Dignari and Hillhouse, for their subscription of our 3-year convertible notes in an aggregate principal amount of HK$500 million at an initial conversion price of HK$2.50 per conversion share in September 2017. We appreciate their vote of confidence in our business strategies as well as our forward growth prospects.

Last but not least, I wish to thank our shareholders, customers and business partners for their unwavering support and trust being placed upon the Company and the management over the years. I would also like to extend my gratitude to my fellow directors and our employees for their total dedication.

Sincerely,

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

Hong Kong, 22 November 2017

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Generic Drugs

Our concerted efforts on the continued enhancement of sales productivity, product portfolio and customer base in both public and private sectors remain the contributing factors for the steady and positive growth of our generics segment. The Group recorded sales of HK$542.2 million for its generic drugs business, representing a growth of 7.0% for the first six months period ended 30 September 2017 as compared to the same period of last year.

Correspondingly, the revenue from public sector registered a growth of 7.9% to HK$184.2 million with new tenders awarded during the reporting period, as compared to HK$170.7 million for the same period in 2016. On the other hand, the private sector posted a revenue growth of 6.6% to HK$358.0 million as compared to HK$335.9 million for the same period in 2016.

Attributable to the increased prevalence of chronic diseases as well as the escalating aged population, sub-sector markets such as those for gastrointestinal, cardiovascular and central nervous system treatments are forecast with a robust and sustained growth. For the private sector, gastrointestinal and cardiovascular products recorded sales growth of 19.3% and 17.8% respectively as compared to the same period in 2016, which can be attributed to a sales growth of antiulcerants (21.6%) and antihypertensives (23.7%). As a pre-eminent leader in generic medicines in Hong Kong, the Group has been taking a strong market position in a number of the therapeutic categories, actively introducing new products under its R&D pipeline in order to tap into the high growth segments.

Our newly registered products during the reporting period included major off-patent drugs such as rosuvastatin, irbesartan and telmisartan of the cardiovascular class, quetiapine of the central nervous system class and entecavir and lamivudine/zidovudine combination products of the antiviral class which altogether will add impetus to our drive for further growth of market shares in the generics segment, especially for the public sector. The recent launch of losartan witnessed a robust sales growth of 87.5% during the reporting period. We have also been awarded new tenders for the supply of zolpidem to public sector.

Confronted by the rise of aging population and prevalence of chronic diseases, Hong Kong’s public healthcare system is significantly overstretched and placing a severe strain on resources. Government funding has been allocated to the Elderly Health Care Voucher Scheme; the individual elderly patient is awarded an annual voucher of HK$2,000 for both curative and preventive care causing growth in healthcare spending in this segment. As a consequence, an increasingly austere approach has been adopted towards publicly funding drugs with the encouragement of generic drugs use. A pilot program launched by the government diverts eligible patients with hypertension and/or diabetes mellitus who have been attending public outpatient clinics to private doctors under a subsidized scheme of consultation for both chronic and episodic illnesses. The program will offer greater choice and convenience for participating patients accessing primary healthcare services upon full implementation between 2018 and 2019. As the leading generic drugs supplier to both the public and private sectors, the Group is well positioned to tap such market opportunities and further strengthen its product penetration into both sectors.

With the strategy set to replicate its success in Hong Kong, the Group continued to foster its effort on developing the market in Macau, leveraging its leadership position and comprehensive product offerings. A subsidiary office and a dedicated on-the-ground sales team have been established to increase direct selling of a broad portfolio of products to doctors and dispensaries, thus maximizing our market presence.

On the front of the continued enhancement of our sales competence, efficiency and operational excellence, we have completed the first phase development of a mobile customer relationship management (CRM) system developed by a leading provider *Salesforce.com*. The new system was successfully implemented in September 2017. Backed by cloud computing technology, this new system not only enhances the efficiency of sales ordering and shortens goods delivery cycle but also equips our sales force with customer data, thereby fostering greater depth of market intelligence.

Production Capacity

We have made encouraging progress on streamlining our production processes and projects among the Group's manufacturing facilities. During the reporting period, the Group's total production output of three major product dosage forms (solid, semi-solid and liquid) respectively registered positive growth of 17.3% to 1,341 million tablets and capsules, 37.0% to 135 tons and 4.9% to 1,373 kilo-liters as compared to corresponding period of 2016.

Designed for the significant enhancement of the Group's production capacity on solid and liquid dosage forms, our new manufacturing plant at Synco (H.K.) Limited, equipped with advanced and high throughput PIC/S GMP compliant facilities, has commenced operation since September last year. The output of solid dosage form of the new plant during the reporting period accounted for 19.1% of the Group's total annual output of solid dosage form. We expect the percentage will be further increased with more products transferred to the new production facilities.

In addition, our newly acquired business unit, Medipharma, which contributed 18.1% and 13.4% of the total output of semi-solid dosage and liquid dosage forms of the Group respectively, has also significantly increased the Group's production capacity as well as market share for the two dosage forms.

We are the only generic drugs supplier with active and on-going production activities in a number of pharmaceutical dosage forms in Hong Kong including sterile eye drops, suppositories and enemas. Under the new PIC/S certified sterile eye drops production facilities, a total of 2.4 million bottles of eye drops were produced and supplied to the market during the reporting period. These new facilities will augment our production capacity of sterile eye-drops by one hundred percent.

Ho Chai Kung Group and Medipharma, our two newly acquired business units which hold independent production facilities in various dosage forms, additionally help to strengthen the Group's manufacturing capacity on specified formulations, and furthermore enrich its product portfolio to cope with the various needs of both the OTC (over-the-counter) and GP (general practitioner) market segments. Moreover, some popular products under the new acquisitions have been planned for relaunch in the near future including a series of specialised anti-flu formulations, to further unlock the value of the acquired businesses.

Proprietary Medicines

With relentless commitment towards further establishing its proprietary medicines portfolio, The Group continued to enhance brand management, marketing and sales of our proprietary medicines business and expansion of its sales platform in Hong Kong, China, and Asia Pacific regions.

During the reporting period, the total revenue from the proprietary medicines segment of the Group amounted to HK$121.2 million, representing a 76.2% increase as compared with HK$68.8 million for the corresponding period of 2016.

Persistent marketing and brand building efforts have proven positive results. The sales revenue of Po Chai Pills in Hong Kong posted a growth of 8% and 7% in trade and chain stores respectively compared to its corresponding period of 2016.

Puji Pills, with its newly secured OTC (over-the-counter) classification status, has been re-launched in the China market under new strategic distribution agreements with two reputable distributors in Guangdong and Yunnan provinces. Related market and business development activities have been actively carried out by leveraging the high brand awareness of Puji Pills and the extensive distribution network and experience of our distribution partners. With the picking up of sales momentum in China, Puji Pills contributed HK$7.4 million in sales during the reporting period.

The Group continued its drive to explore and expand market coverage in strategically selected markets in Asia including Taiwan, Vietnam, Cambodia, and Myanmar. With respect to this, active dialogue and good progress have been made on the sales development of Po Chai Pills and Flying Eagle Woodlok Oil. We have completed the evaluation of the different local registration requirements for Po Chai Pills and will soon proceed with the filing of applications in the above markets.

Ho Chai Kung, the household brand that the Group acquired in January 2017 which enjoys a strong market position in the analgesics category in the Hong Kong, China and South-East Asia markets, achieved a contribution of HK$45.2 million in revenue to our proprietary medicines business during the reporting period.

Shiling Oil, a well-recognised proprietary medicines brand that we acquired in March 2017, has completed the transfer of its product licenses to our existing plant and resumed normal production, contributing HK$3.4 million in sales revenue during the reporting period. Along with Saplintan, a new marketing campaign for the household brands will be launched to reinforce their brand presence in the market.

Product Development

The Group takes a measured and disciplined approach to R&D with a focus on specialised formulations.

With effective management, our R&D has made steady progress in various projects. During the reporting period, we have an addition of 18 newly selected products to supplement our R&D pipeline. A total of 8 products were successfully registered during the reporting period which are ready for launch and supply in Hong Kong. Two other new products have completed the development process and testing and been submitted for approval by the Department of Health. In addition, 22 products have also finished the formulation development process and are currently undergoing stability studies and tests ready for registration filing in about 6 months at the date of this report.

R&D Collaborations

During this period, we are also making good progress on several collaboration projects with local and overseas R&D institutions.

Collaboration Project with Hong Kong Institute of Biotechnology (HKIB)

The collaboration project with HKIB for "Real-time Monitoring and End Point Determination of Pharmaceutical Powder Blending in Both R&D and Manufacturing by Near-Infrared Spectroscopic (NIRS) Technology" was kick-started in March 2017. This is a government-funded research project for real-time quality control of manufacturing process, being a new pharmaceutical production technology in Hong Kong, largely enhancing the product quality and efficiency of the manufacturing process.

Collaboration with Nano & Advanced Materials Institute Limited (NAMI)

The collaborative research project with NAMI on "Novel Nanoparticles for Pre-clinical Diagnosis for Early Alzheimer Detection and Drug Development" has achieved encouraging progress and recognition since its launch in June 2016 with the winning of the Gold Medal Award at the 45th International Exhibition of Inventions of Geneva.

Thanks to the success of this project, a newly commercialized product patent-filed and trademarked as "NanoAZD™" was launched in April 2017. The product was first promoted at the Alzheimer's Association International Conference in London in July 2017 and received encouraging feedback; recognized for its potential on human applications because of the technological breakthroughs and its safe nature.

Besides the product's application as a contrast agent for new drugs development for Alzheimer's disease, we are also actively exploring the different modes of collaboration with potential research partners for effectively proceeding with the clinical studies of the product. We are positive about its market prospects, gaining a unique position in the market.

Remuneration Policy

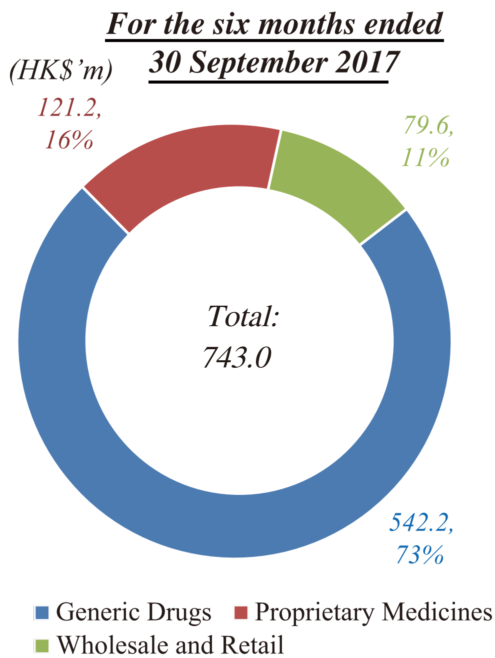
As of 30 September 2017, the Group had a total of 1,910 employees. For the reporting period, the total staff cost of the Group was HK$212.5 million as compared to HK$175.2 million for the six months ended 30 September 2016. All the Group's employees have entered into standard employment contracts with the Group. Remuneration packages for the Group's employees in general comprise one or more of the following elements: basic salary, productivity-related incentives and work performance-related bonus. The Group sets out performance attributes for its employees based on their positions and departments. It periodically reviews their work performance against the Group's targets and requirements. The results of such reviews are used in salary adjustments, bonus awards, promotion justifications and training need analysis. The Group offers various benefit plans to its employees including top-up annual leave entitlement, pension fund, medical insurance and life insurance. Union has been established for the Group's employees in China according to local labour laws. As of 30 September 2017, the Group did not experience any strikes or any labour disputes with its employees which would have or likely to have a material effect on its business.

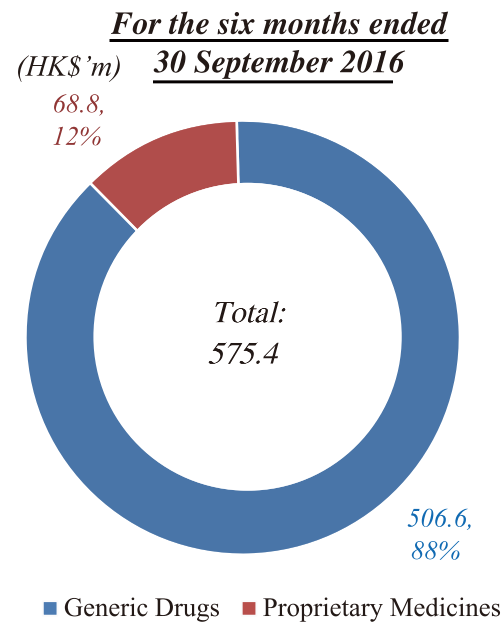
The Group places high values on recruiting, developing and retaining its employees. It maintains high recruitment standards, provides competitive compensation and benefit packages. The Group also emphasizes on training and developing employees. In addition to different skill and knowledge based in-house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

Financial Review

Revenue

Revenue by Operating Segments



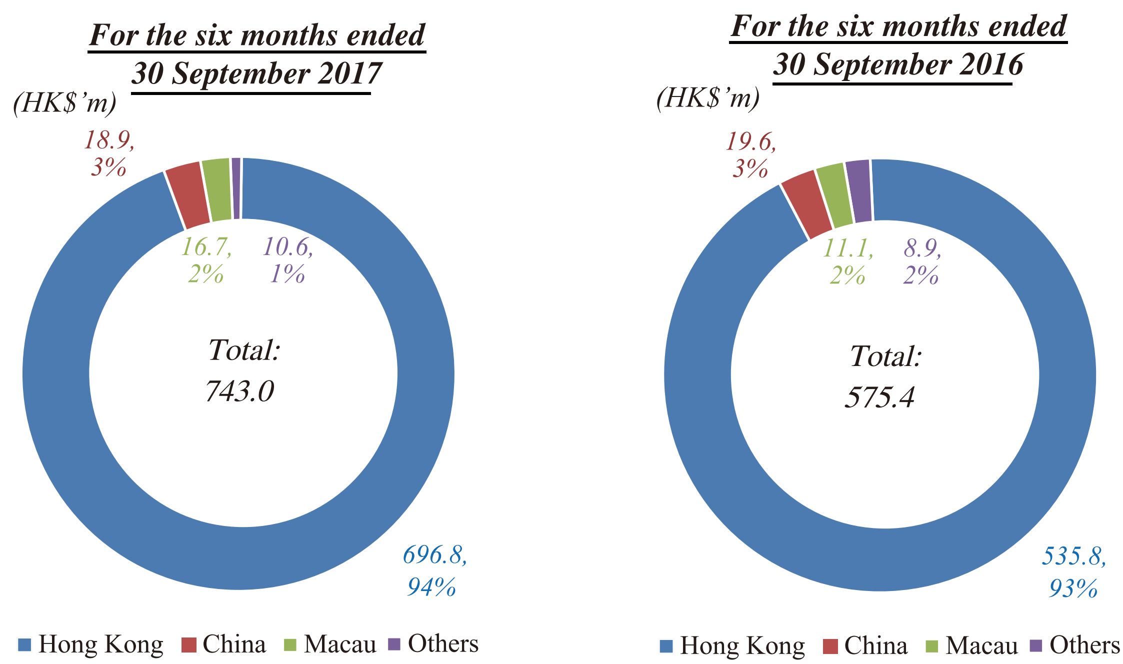


The increase in revenue of HK$167.6 million or 29.1% compared to FY2017 Interim was contributed by the increase in revenue of HK$35.6 million in Generic Drugs, HK$52.4 million in Proprietary Medicines as well as HK$79.6 million from the new Wholesale and Retail segment. Revenue split of the three segments is at the ratio of 73%, 16% and 11%.

In Generic Drugs segment, the increase in revenue reflected the higher revenue from both public sector and private sector, amounted to HK$13.5 million and HK$22.1 million respectively. The growth of revenue in public sector was primarily attributed to the rise of demand in oral anti-diabetic and cardiovascular products along with the contributions from newly awarded tenders and the acquired products from Medipharma. The growth in private sector mainly reflected the rise in average selling price as well as the additional revenue from the acquisition of Medipharma.

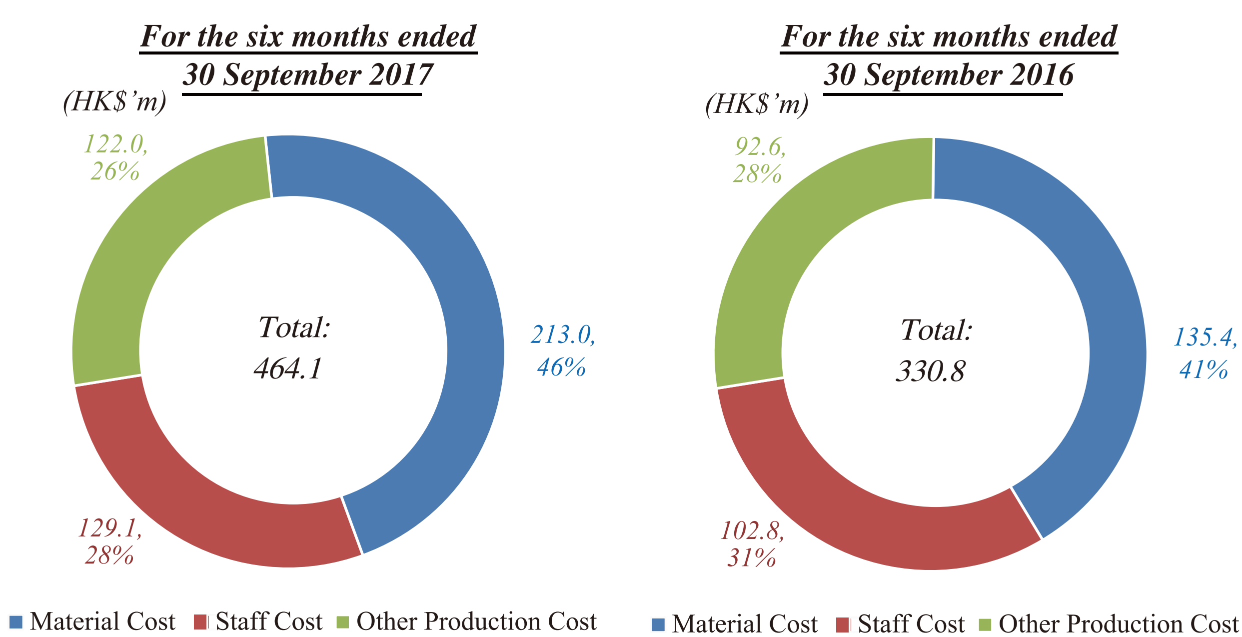
In Proprietary Medicines segment, the increase in revenue was mainly contributed by the sales of Ho Chai Kung brand products, amounted to about HK$45.2 million as well as the strengthening of sales of Po Chai Pills and Tong Tai Chung Woodlok Oil.

Revenue by Geographic Location



Hong Kong continued to be the major revenue stream, representing 94% of the total revenue and contributed an increase in revenue of HK$161.0 million. The slight increase in revenue from other overseas market was mainly due to the increase in export sales in USA which was offset by the decrease in sales in the Indonesia.

Cost of Goods Sold

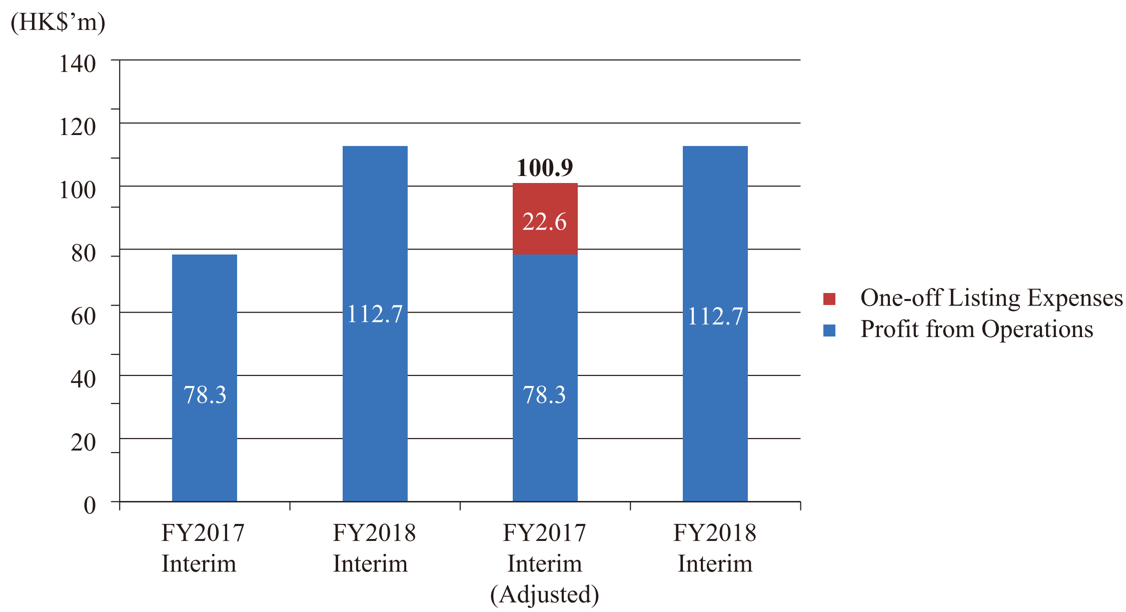


Material cost continued to be the major component in the cost of goods sold which contributed to approximately 46% of the total cost of goods sold. The increase reflected the addition of a new segment of Wholesale and Retail.

The increase in staff cost of HK$26.3 million or by 25.6% reflected the increase in number of headcount primarily due to acquisitions made in the latter half of the previous financial year and the commencement of production at the new manufacturing plants in Tai Po Industrial Estate in September 2016.

The increase in other production cost reflected mainly the additional depreciation and amortisation as well as the use of consumables arising from the commencement of the production at the new manufacturing plant and acquisitions.

Profit from Operations



The profit from operations excluding one-off listing expenses ("adjusted profit from operations") rose from HK$100.9 million to HK$112.7 million or by HK$11.8 million or 11.7%. The enhancement in the profit from operations was principally contributed by the increase in gross profit of HK$34.3 million while offset by the increase in selling and distribution expenses and administrative and other operating expenses by HK$11.4 million and HK$10.7 million respectively.

The increase in selling and distribution expenses and administrative and other operating expenses are mainly due to the acquisitions made in the latter half of the previous financial year and in the reporting period as well as the amortisation of share options value during the reporting period.

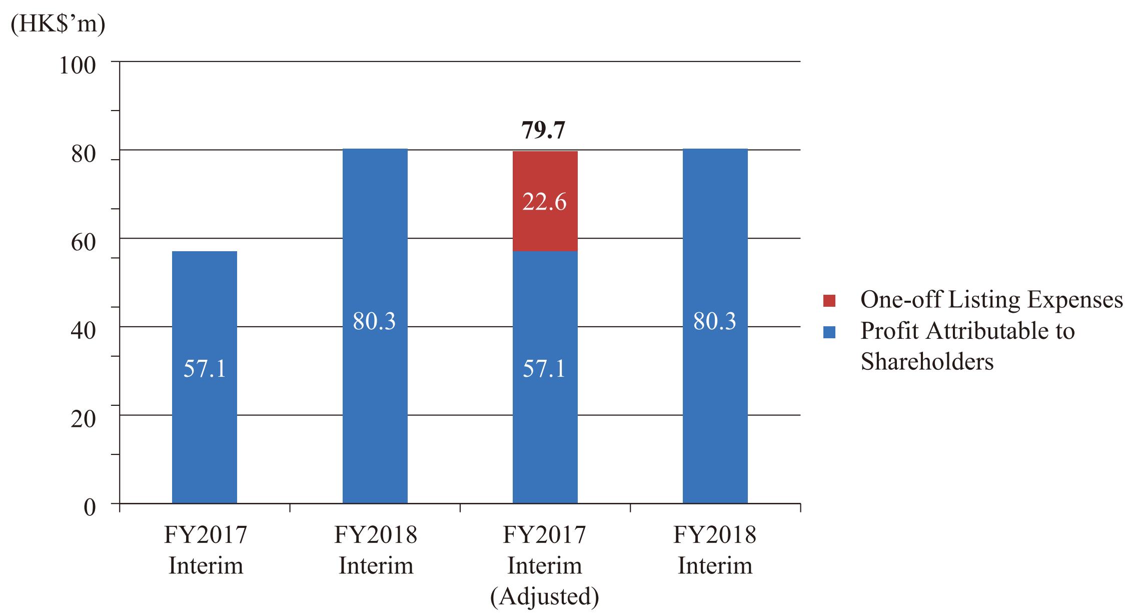
Finance Costs

The increase in finance costs mainly reflected the increase in bank loan balances as well as the effect of cessation of interest capitalisation due to the completion of the construction of new plant in Tai Po Industrial Estate after its commencement of production.

Income Tax

The increase in income tax principally reflected the higher profit before taxation generated. The reduction in effective tax rate was due to non-deductible listing expenses incurred during FY2017 Interim.

Profit Attributable to Shareholders



The increase in profit attributable to shareholders reflected the increase in profit from operations offset by the additional finance costs. The adjusted profit attributable to the shareholders increased by HK$0.6 million or by 0.8% to HK$80.3 million.

Assets

Property, Plant and Equipment

The decrease in property, plant and equipment principally reflected the depreciation of HK$42.8 million and offset by the additions of HK$33.7 million during the reporting period.

Intangible Assets

The increase in intangible assets reflected principally the intangible assets recognised as a result of the acquisition of Hong Ning Hong Group during the reporting period.

Inventories

The increase in inventories mainly represented respective inventories being consolidated after the acquisition of Hong Ning Hong Group as well as the increase in inventories following the enhancement of production capacity.

Cash and Cash Equivalents

As at 30 September 2017, around 59.0% of cash and cash equivalents were denominated in Hong Kong dollars (as at 31 March 2017: 98.9%), while the remaining balances were denominated in United Stated dollars, Renminbi and Singapore dollars.

Liabilities

Bank Loans

The increase in bank loans from HK$937.5 million as at 31 March 2017 to HK$949.1 million as at 30 September 2017 represented additions of bank loans principally for merger and acquisition and capital investment while offset by certain settlements of bank loans during the reporting period.

As at 30 September 2017 and 31 March 2017, all the bank loans of the Group were denominated in Hong Kong dollars.

USE OF PROCEEDS

Net proceeds of HK$695.5 million were raised from the initial public offering of the Company (included proceeds from the over-allotment option exercised by the underwriter amounted to HK$98.4 million and after the deduction of underwriting fees, commissions and expenses paid by us in connection with the initial public offering). The following table sets out the proposed application of the net proceeds and the actual usage up to 30 September 2017:

	Proposed application *HK$'000*	**Actual usage up to 30 September 2017** ***HK$'000***
Acquisitions – Expansion of businesses in Generic Drugs and Proprietary Medicines	139,108	**138,933**
Acquisitions – Enhancement of distribution network	104,331	**8,000**
Acquisitions – Intangible assets	69,554	**69,000**
Capital investments – Upgrading of manufacturing plants and facilities	113,197	**101,300**
Capital investments – Two specific automated production facilities	12,000	**12,000**
Advancement on product development and research capabilities	94,331	**10,816**
Establishment of a new joint R&D centre with HKIB	10,000	**1,533**
Marketing and advertising	83,465	**31,709**
General working capital	69,554	**61,437**
	695,540	**434,728**

LIQUIDITY, CAPITAL RESOURCES AND CAPITAL STRUCTURE

The Group consistently adheres to conservative fund management. The solid capital structure and financial strength continue to provide a solid foundation for the Group's future development.

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 funds raised from the Listing and bank borrowings.

SIGNIFICANT INVESTMENTS AND MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not have any material acquisitions or disposals after the reporting period.

CHARGE ON GROUP ASSETS

The carrying value of assets pledged against bank loans increased from HK$409.3 million as at 31 March 2017 to HK$466.9 million as at 30 September 2017, which was mainly due to investment properties acquired during the reporting period amounted to HK$56.0 million were pledged for bank loans to facilitate related acquisitions.

NET GEARING RATIO

The net gearing ratio of the Group (bank loans less cash and cash equivalents, divided by total equity multiplied by 100%) increased slightly from 32.6% as of 31 March 2017 to 33.8% as of 30 September 2017.

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 of 30 September 2017, the Group did not have any significant contingent liabilities.

NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

Convertible Notes:

On 6 September 2017, the Company entered into subscription agreements with two subscribers, namely Dragons 615 Limited and HH InRe JP, Ltd., and pursuant to which subscribers have agreed to subscribe for 3.5% convertible notes due 2020 in an aggregate principal amount of HK$500 million at an initial conversion price of HK$2.50 per share ("Convertible Notes"). The Company completed the issuance of the Convertible Notes on 3 October 2017.

Dragons 615 Limited is wholly-owned by DCP China Credit Fund I, L.P., which in turn is funded by renowned international institutional investors and a Singapore sovereign fund which is a wholly-owned subsidiary of Temasek Holdings. HH InRe JP, Ltd. is indirectly wholly-owned by Hillhouse InRe Fund, L.P.

For details, please refer to the announcements of the Company dated 6 September 2017 and 3 October 2017.

Share Options:

On 18 October 2017, pursuant to the share option scheme adopted by the Company on 30 August 2016, the Company granted 1,000,000 share options to the grantee to subscribe for 1,000,000 ordinary shares of HK$0.01 each of the Company at an exercise price of HK$2.13 per share. For details, please refer to the announcement of the Company dated 18 October 2017.

CORPORATE GOVERNANCE HIGHLIGHTS

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

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

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

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

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

On 22 November 2017, an executive committee, comprising all the executive Directors of the Board of the Company, was formed with specific written terms of reference setting out its authority and duties to assist the Board of the Company the discharge of their executive functions. The objective of this committee is to facilitate a more efficient day-to-day operations structure and enhance business processes of the Group and to better implement policies as directed or delegated by the Board from time to time.

MODEL CODE FOR SECURITIES TRANSACTIONS

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

AUDIT COMMITTEE

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

REVIEW OF INTERIM RESULTS

The interim results for the six months ended 30 September 2017 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 in the interim report to be sent to shareholders of the Company.

The Audit Committee, together with management of the Company, has also reviewed the interim results for the six months ended 30 September 2017.

INTERIM DIVIDEND

The Board recommends a payment of an interim dividend per ordinary share for the six months ended 30 September 2017 of HK0.9 cent for the total amount of approximately HK$16.3 million (six months ended 30 September 2016: HK0.8 cent). The details of interim dividend of the Group are set out in note 9 of this announcement.

The interim dividend will be paid on 19 December 2017 (Tuesday) to shareholders whose names appear on the register of members of the Company on 28 November 2017 (Tuesday), the record date. In order to receive the interim dividend, the share transfer documents shall be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on 28 November 2017 (Tuesday).

PUBLICATION OF THIS INTERIM RESULTS ANNOUNCEMENT AND THE 2017 INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and of the Company (www.jacobsonpharma.com). The 2017 Interim Report containing all the information required by the Listing Rules will be published on the respective websites of the Stock Exchange and the Company and will be dispatched to the shareholders of the Company in due course.

By order of the Board
Jacobson Pharma Corporation Limited
Wu Lai King
Company Secretary

Hong Kong, 22 November 2017

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

GLOSSARY

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

"adjusted EBITDA"	earnings before interest, taxes, depreciation and amortisation, where "interest" is regarded as including interest income and interest expenses and "depreciation and amortisation" is regarded as including impairment losses on non-current assets, further adjusted for non-recurring items not attributable to the operations of individual segments
"adjusted EBITDA margin"	adjusted EBITDA divided by revenue and multiplied by 100%
"adjusted profit attributable to shareholders"	profit attributable to the Shareholders excluding one-off listing expense
"ASEAN"	The Association of Southeast Asian Nations
"Board"	Board of Directors
"CG Code"	Corporate Governance Code as amended from time to time contained in Appendix 14 to the Listing Rules
"China" or "the PRC"	the People's Republic of China excluding, for the purpose of this interim results announcement, Hong Kong, Macau Special Administrative Region and Taiwan

"Company" or "our Company" or "the Company"	Jacobson Pharma Corporation Limited, an exempted company incorporated in the Cayman Islands with limited liability on 16 February 2016
"Dignari"	Dignari Capital Partners GP Limited, the general partner of DCP China Credit Fund I, L.P. to which Dragons 615 Limited was its wholly-owned limited liability company
"Director(s)"	the director(s) of the Company
"FY2017 Interim"	the six months ended 30 September 2016
"FY2018"	the year ending 31 March 2018
"FY2018 Interim"or "reporting period"	the six months ended 30 September 2017
"2017 Interim Report"	the interim report of the Company for the six months ended 30 September 2017
"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
"Hillhouse"	Hillhouse InRe Fund, L.P. to which HH InRe JP, Ltd. was its indirectly wholly-owned limited liability company
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Ho Chai Kung Group"	Subsidiaries which are engaged in manufacturing and sales of generic drugs and proprietary medicines under the brand name of "Ho Chai Kung"
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Branch Share Registrar"	Tricor Investor Services Limited
"HKIB"	Hong Kong Institute of Biotechnology
"Listing"	the listing of the Shares on the Main Board
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
"Main Board"	Main Board of the Stock Exchange

"Medipharma"	Medipharma Limited
"Model Code"	Model Code for Securities Transaction by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules
"NAMI"	Nano & Advanced Materials Institute Limited
"net debts"	bank loans less cash and cash equivalents
"net gearing ratio"	net debts divided by total equity multiplied by 100%
"PIC/S"	two international instruments, the Pharmaceutical Inspection Convention and the Pharmaceutical Inspection Co-operation Scheme, which seek to promote constructive co-operation in the field of GMP between the participating authorities in different geographic markets
"PIC/S GMP"	Good Manufacturing Practice in accordance with the PIC/S GMP Guide issued by PIC/S
"private sector"	refers to non-public sector
"public sector"	refers to all public institutions and a number of public institutions and clinics in Hong Kong
"R&D"	research and development
"Share(s)"	ordinary share(s) in the capital of the Company with nominal value of HK$0.01 each
"Shareholder(s)"	holder(s) of Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Jacobson", "the Group", "our Group", "we", "us", or "our"	the Company and its subsidiaries