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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

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2020

FINANCIAL HIGHLIGHTS

- The revenue for the financial year ended 31 March 2020 amounted to approximately HK$1,571.5 million, representing an increase of about 6.3% as compared to that of approximately HK$1,478.1 million (restated) for the corresponding year of 2019.

- Profit from operations for the same year amounted to approximately HK$318.2 million, representing a decrease of about 14.1% as compared to that of approximately HK$370.6 million (restated) for the corresponding year of 2019.

- Profit attributable to shareholders of the Company for the same year amounted to approximately HK$215.6 million, representing a decrease of about 13.9% as compared to that of approximately HK$250.6 million (restated) for the corresponding year of 2019.

- The Board recommends payment of a final dividend for the year ended 31 March 2020 of HK2.5 cents per share for the total amount of approximately HK$48.4 million (2019 final dividend: HK3.0 cents per share). Including interim dividend of HK2.0 cents per share, total dividend for the year ended 31 March 2020 amounts to HK4.5 cents per share (2019 total dividend: HK4.5 cents per share).

The Board of the Company is pleased to announce the audited consolidated annual results of the Group for the year ended 31 March 2020, together with the comparative figures for the corresponding year of 2019 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Year ended 31 March **2020** *HK$'000*	2019 *(Notes)* *HK$'000* *(Restated)*
Continuing operations			
Revenue	*3*	**1,571,459**	1,478,125
Cost of sales		**(881,481)**	(803,474)
Gross profit		**689,978**	674,651
Other net income	*4*	**30,091**	37,064
Selling and distribution expenses		**(195,286)**	(168,877)
Administrative and other operating expenses		**(206,566)**	(172,253)
Profit from operations		**318,217**	370,585
Finance costs	*5(A)*	**(55,359)**	(66,198)
Share of profits less losses of associates		**1,993**	4,719
Share of losses of joint ventures		**(1,365)**	–
Profit before taxation	*5*	**263,486**	309,106
Income tax	*6*	**(46,025)**	(55,528)
Profit for the year from continuing operations		**217,461**	253,578
Discontinued operations			
Profit for the year from discontinued operations	*7*	**1,647**	5,100
Profit for the year		**219,108**	258,678
Other comprehensive income for the year			
Item that will not be reclassified subsequently to profit or loss, net of nil tax:			
Revaluation of financial assets at fair value through other comprehensive income		**(39,684)**	96,201
Item that may be reclassified subsequently to profit or loss, net of nil tax:			
Exchange differences on translation of financial statements of operations outside Hong Kong		**(867)**	(3,676)
Other comprehensive income		**(40,551)**	92,525
Total comprehensive income for the year		**178,557**	351,203

	Note	Year ended 31 March **2020** **HK$'000**	2019 *(Notes)* *HK$'000* *(Restated)*
Profit attributable to:			
Shareholders of the Company		**215,631**	250,561
Non-controlling interests		**3,477**	8,117
Total profit for the year		**219,108**	258,678
Profit attributable to shareholders of the Company arises from:			
– Continuing operations		**214,494**	246,795
– Discontinued operations		**1,137**	3,766
		215,631	250,561
Total comprehensive income attributable to:			
Shareholders of the Company		**175,080**	343,086
Non-controlling interests		**3,477**	8,117
Total comprehensive income for the year		**178,557**	351,203
Total comprehensive income attributable to shareholders of the Company arises from:			
– Continuing operations		**173,943**	339,320
– Discontinued operations		**1,137**	3,766
		175,080	343,086
		HK cents	*HK cents*
Earnings per share attributable to shareholders of the Company:	*8*		
Basic and diluted			
– From continuing operations		**10.81**	12.78
– From discontinued operations		**0.06**	0.20
Earnings per share for the year		**10.87**	12.98

Notes:

(i) The Group has initially applied Hong Kong Financial Reporting Standards 16, *Leases* at 1 April 2019 using the modified retrospective approach. Under this approach, the comparative information is not restated. See note 2.

(ii) The results of wholesale and retail segment have been classified as discontinued operations of the Group for the year ended 31 March 2020. In this regard, the Group has restated the comparative information for the year ended 31 March 2019.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 March	
	Note	**2020**	2019
			(Note)
		HK$'000	*HK$'000*
Non-current assets			
Investment properties		**358,000**	356,800
Other property, plant and equipment		**1,135,476**	1,103,919
Intangible assets		**1,310,880**	1,073,487
Interest in associates		**23,367**	148,752
Interest in joint ventures		**92,543**	–
Other non-current assets		**102,657**	72,333
Other financial assets		**376,818**	255,320
Deferred tax assets		**10,083**	5,976
		3,409,824	3,016,587
Current assets			
Inventories		**371,456**	333,831
Trade and other receivables	*10*	**277,954**	277,291
Current tax recoverable		**16,788**	3,043
Other financial assets		**7,687**	–
Cash and cash equivalents		**417,993**	629,842
		1,091,878	1,244,007
Assets of the disposal group classified as held for sale		**78,498**	–
		1,170,376	1,244,007
Current liabilities			
Trade and other payables	*11*	**120,158**	116,932
Bank loans		**538,654**	458,399
Lease liabilities		**47,450**	184
Convertible notes		**–**	466,960
Current tax payable		**10,347**	11,896
		716,609	1,054,371
Liabilities associated with the group classified as held for sale		**10,751**	–
		727,360	1,054,371
Net current assets		**443,016**	189,636
Total assets less current liabilities		**3,852,840**	3,206,223

	Note	As at 31 March 2020 HK$'000	2019 (Note) HK$'000
Non-current liabilities			
Bank loans		**1,014,982**	371,247
Lease liabilities		**47,042**	476
Deferred tax liabilities		**184,723**	147,362
		1,246,747	519,085
NET ASSETS		**2,606,093**	2,687,138
CAPITAL AND RESERVES			
Share capital	*12*	**19,170**	20,156
Reserves		**2,518,570**	2,627,012
Total equity attributable to shareholders of the Company		**2,537,740**	2,647,168
Non-controlling interests		**68,353**	39,970
TOTAL EQUITY		**2,606,093**	2,687,138

Note: The Group has initially applied Hong Kong Financial Reporting Standards 16, *Leases* at 1 April 2019 using the modified retrospective approach. Under this approach, the comparative information is not restated. See note 2.

1 BASIS OF PREPARATION

The financial results set out in this announcement do not constitute the Group's consolidated financial statements for the year ended 31 March 2020 but are extracted from that consolidated financial statements.

The consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the consolidated financial statements for the year ended 31 March 2019, except for the changes in accounting policies set out in note 2.

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

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

2 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a new HKFRS, HKFRS 16, *Leases*, and a number of amendments to HKFRSs that are first effective for the current accounting period of the Group.

Except for HKFRS 16, *Leases*, none of the developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

The Group has initially applied HKFRS 16 as from 1 April 2019. The Group has elected to use the modified retrospective approach and has therefore recognised the cumulative effect of initial application as an adjustment to the opening balance of equity at 1 April 2019. Comparative information has not been restated and continues to be reported under HKAS 17.

The right-of-use assets in relation to leases previously classified as operating leases have been recognised at their carrying amount as if HKFRS 16 had been applied since the commencement dates of the leases, discounted at the Group's incremental borrowing rate at 1 April 2019. The lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate at 1 April 2019. When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate at 1 April 2019 of 3.3% per annum.

At 1 April 2019, the Group has recognised right-of-use assets at HK$77,817,000 and lease liabilities of HK$79,223,000 in relation to leases previously classified as operating leases, adjusted by retained earnings of HK$1,406,000. Leasehold land of HK$45,446,000 was reclassified to right-of-use assets on 1 April 2019.

So far as the impact of the adoption of HKFRS 16 on leases previously classified as finance leases is concerned, the Group is not required to make any adjustments at the date of initial application of HKFRS 16, other than changing the captions for the balances. Accordingly, instead of "obligations under finance leases", these amounts are included within "lease liabilities", and the depreciated carrying amount of the corresponding leased asset is identified as a right-of-use asset.

3 REVENUE AND SEGMENT REPORTING

(A) Revenue

The principal activities of the Group are manufacturing and trading of generic drugs and proprietary medicines. All the revenue for the year ended 31 March 2020 and 2019 is 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.

– Generic drugs: this segment develops, manufactures and distributes a host of off-patent medicines 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 medicine 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 share of profits less losses of associates, share of losses of joint ventures and non-recurring items not attributable to the operations of individual segments.

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

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

As discussed in note 7, the Group no longer carries on the business of wholesale and retail segment. The results of this segment have been classified as discontinued operations of the Group for the years ended 31 March 2020 and 2019.

(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 is set out below.

	Continuing operations						Discontinued operations			
	Generic drugs		Proprietary medicines		Subtotal		Wholesale and retail		Total	
	Year ended 31 March		Year ended 31 March		Year ended 31 March		Year ended 31 March		Year ended 31 March	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
						(Restated)		(Restated)		(Restated)
Revenue from external customers	**1,298,698**	1,253,022	**272,761**	225,103	**1,571,459**	1,478,125	**186,220**	226,516	**1,757,679**	1,704,641
Inter-segment revenue	**1,660**	3,404	**4,910**	2,154	**6,570**	5,558	**–**	–	**6,570**	5,558
Reportable segment revenue	**1,300,358**	1,256,426	**277,671**	227,257	**1,578,029**	1,483,683	**186,220**	226,516	**1,764,249**	1,710,199
Reportable segment profit (adjusted EBITDA)	**384,775**	376,710	**92,000**	81,865	**476,775**	458,575	**6,771**	5,812	**483,546**	464,387

Information regarding the Group's revenue by business segment and market for the year is set out below:

	Continuing operations		**Discontinued operations**	
	Year ended 31 March		**Year ended 31 March**	
	2020	2019	**2020**	2019
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
		(Restated)		(Restated)
Generic drugs	**1,298,698**	1,253,022	**–**	–
Proprietary medicines	**272,761**	225,103	**–**	–
Wholesale and retail	**–**	–	**186,220**	226,516
Total	**1,571,459**	1,478,125	**186,220**	226,516

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

	Continuing operations Year ended 31 March		**Discontinued operations Year ended 31 March**	
	2020	2019	**2020**	2019
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
		(Restated)		(Restated)
Revenue				
Reportable segment revenue	**1,578,029**	1,483,683	**186,220**	226,516
Elimination of inter-segment revenue	**(6,570)**	(5,558)	**–**	–
Consolidated revenue	**1,571,459**	1,478,125	**186,220**	226,516
Profit				
Reportable segment profit	**476,775**	458,575	**6,771**	5,812
Elimination of inter-segment profit	**(529)**	(376)	**–**	–
Reportable segment profit derived from Group's external customers	**476,246**	458,199	**6,771**	5,812
Interest income from bank deposits and the investments	**5,730**	4,744	**34**	1
Depreciation and amortisation	**(166,271)**	(115,732)	**(4,504)**	(184)
Finance costs	**(55,359)**	(66,198)	**(217)**	–
Fair value gain on investment properties	**1,200**	23,374	**–**	–
Fair value gain on contingent consideration receivable	**–**	–	**–**	353
Share of profits less losses of associates	**1,993**	4,719	**–**	–
Share of losses of joint ventures	**(1,365)**	–	**–**	–
Gain on redemption of convertible notes	**8,223**	–	**–**	–
Spin-off listing expense	**(6,911)**	–	**–**	–
Consolidated profit before taxation	**263,486**	309,106	**2,084**	5,982

(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.

	Continuing operations Year ended 31 March		**Discontinued operations Year ended 31 March**	
	2020	2019	**2020**	2019
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
		(Restated)		(Restated)
Revenue from external customers				
Hong Kong (place of domicile)	**1,445,181**	1,371,996	**186,220**	226,516
Mainland China	**34,423**	35,927	**–**	–
Macau	**57,021**	39,853	**–**	–
Singapore	**12,388**	9,932	**–**	–
Others	**22,446**	20,417	**–**	–
	1,571,459	1,478,125	**186,220**	226,516

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

	As at 31 March	
	2020	2019
	HK$'000	*HK$'000*
Specified non-current assets		
Hong Kong (place of domicile)	**2,922,393**	2,657,643
Mainland China	**42,486**	44,936
Macau	**50**	86
Taiwan	**5,429**	6,447
Cambodia	**52,565**	46,179
	3,022,923	2,755,291

(iv) Information about major customers

For the year ended 31 March 2020, the Group's customer base includes one (2019: one) customer of 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$481,176,000 (2019: HK$407,835,000).

4 OTHER NET INCOME

	Continuing operations Year ended 31 March		Discontinued operations Year ended 31 March	
	2020	2019	**2020**	2019
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
		(Restated)		(Restated)
Commission income	**1,346**	1,366	**–**	–
Interest income from bank deposit and the investments	**5,730**	4,744	**34**	1
Net foreign exchange gain/(loss)	**249**	(1,647)	**–**	–
Net (loss)/gain on disposals of other property, plant and equipment	**(356)**	5,049		
Fair value gain on investment properties	**1,200**	23,374	**–**	–
Fair value gain on contingent consideration receivable	**–**	–	**–**	353
Gain on redemption of convertible notes	**8,223**	–	**–**	–
Rental income	**6,089**	2,309	**–**	–
Subcontracting income	**4,848**	–	**–**	–
Others	**2,762**	1,869	**56**	71
	30,091	37,064	**90**	425

5 PROFIT BEFORE TAXATION

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

(A) Finance Costs

	Continuing operations Year ended 31 March		Discontinued operations Year ended 31 March	
	2020	2019	**2020**	2019
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
		(Restated)		(Restated)
Interest on bank loans and other borrowings	**52,788**	66,151	**–**	–
Interest on lease liabilities	**2,571**	47	**217**	–
	55,359	66,198	**217**	–

(B) Other Items

	Continuing operations Year ended 31 March		Discontinued operations Year ended 31 March	
	2020	2019	**2020**	2019
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
		(Restated)		(Restated)
Depreciation				
– owned property, plant and equipment	**86,010**	86,374	**183**	184
– right-of-use assets	**54,221**	1,829	**4,321**	–
	140,231	88,203	**4,504**	184
Amortisation cost of intangible assets	**26,040**	27,529	**–**	–
Impairment losses on trade receivables	**2,600**	–	**–**	–
Auditors' remuneration				
– audit services	**5,576**	5,569	**83**	100
– other services	**3,816**	2,756	**–**	–
Research and development costs (other than amortisation of capitalised development costs)	**3,734**	2,537	**–**	–
Rentals received from investment properties less direct outgoings of HK$782,000 (2019: HK$337,000)	**(5,307)**	(1,972)	**–**	–
Cost of inventories	**881,481**	803,474	**174,740**	211,279
Spin-off listing expense	**6,911**	–	**–**	–

6 INCOME TAX

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

	Continuing operations Year ended 31 March		Discontinued operations Year ended 31 March	
	2020	2019	**2020**	2019
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
		(Restated)		(Restated)
Current tax				
Provision for the year	**49,136**	53,512	**343**	879
(Over)/under-provision in respect of prior years	**(286)**	(161)	**94**	3
	48,850	53,351	**437**	882
Deferred tax				
Origination and reversal of temporary differences	**(2,825)**	2,177	**–**	–
	46,025	55,528	**437**	882

7 DISPOSAL GROUP AND DISCONTINUED OPERATIONS

During the year ended 31 March 2020, the Group committed to disposing of its wholesale and retail business, which represented a reportable and operating segment, namely "wholesale and retail", and commenced negotiation with Million Effort Investment Limited, a company incorporated in the British Virgin Islands with limited liability, an indirectly wholly-owned subsidiary of Tycoon Group Holdings Limited. The sale and purchase agreement was entered on 1 June 2020 and the disposal was completed on 15 June 2020 at a total consideration of approximately HK$41,650,000. The wholesale and retail was classified as a disposal group held for sale and included in a discontinued operation as at 31 March 2020.

The assets and liabilities associated with the disposal group classified as held for sale as at 31 March 2020 are as follows:

	As at 31 March	
	2020	2019
	HK$'000	*HK$'000*
Assets of the disposal group classified as held for sale	**78,498**	–
Liabilities associated with the group classified as held for sale	**10,751**	–

The result of the discontinued operations for the year ended 31 March 2020 is set out below:

	Year ended 31 March	
	2020	2019
	HK$'000	*HK$'000*
Revenue	**186,220**	226,516
Cost of sales	**(174,740)**	(211,279)
Gross profit	**11,480**	15,237
Other net income	**90**	425
Selling and distribution expenses	**(8,562)**	(8,824)
Administrative and other operating expenses	**(707)**	(856)
Profit from operations	**2,301**	5,982
Finance costs	**(217)**	–
Profit before taxation	**2,084**	5,982
Income tax	**(437)**	(882)
Profit for the year from discontinued operations	**1,647**	5,100
Attributable to:		
Equity shareholders of the Company	**1,137**	3,766
Non-controlling interests	**510**	1,334
	1,647	5,100
Cash flow		
Operating cash inflows/(outflows)	**4,651**	(985)
Investing cash inflows/(outflows)	**34**	(3)
Financing cash outflows	**(4,484)**	–
Net cash inflows/(outflows)	**201**	(988)

8 EARNINGS PER SHARE

(A) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to shareholders of the Company of HK$215,631,000 for the year ended 31 March 2020 (2019: HK$250,561,000) and the weighted average ordinary shares in issue calculated as follows:

Weighted average number of ordinary shares:

	Year ended 31 March	
	2020	2019
	'000	*'000*
Shares of the Company issued at the beginning of the year	**2,015,625**	1,815,625
Effect of shares issued	**–**	115,068
Effect of shares repurchased	**(22,856)**	–
Effect of shares held for Share Award Scheme	**(9,748)**	–
Weighted average number of ordinary shares in issue during the year	**1,983,021**	1,930,693

	Year ended 31 March	
	2020	2019
	HK$'000	*HK$'000*
		(Restated)
Profit attributable to equity shareholders of the Company arises from:		
– Continuing operations	**214,494**	246,795
– Discontinued operations	**1,137**	3,766
	215,631	250,561

(B) Diluted earnings per share

Diluted earnings per share equals basic earnings per share for the years ended 31 March 2020 and 2019 because the dilutive potential ordinary shares outstanding were anti-dilutive.

9 DIVIDENDS

(A) Dividends payable to shareholders attributable to the year

	Year ended 31 March	
	2020	2019
	HK$'000	*HK$'000*
Interim dividend declared and paid of HK2.0 cents per share (2019: HK1.5 cents per share)	**39,967**	30,234
Final dividend proposed after the end of the reporting period of HK2.5 cents per share (2019: HK3.0 cents per share)	**48,356**	60,469
	88,323	90,703

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

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

	Year ended 31 March	
	2020	2019
	HK$'000	*HK$'000*
Final dividend in respect of the previous financial year, approved and paid during the year of HK3.0 cents per share (2019: HK2.9 cents per share)	**60,469**	58,453
Less: Dividend of shares held by Share Award Scheme	**(204)**	–
	60,265	58,453

10 TRADE AND OTHER RECEIVABLES

	As at 31 March	
	2020	2019
	HK$'000	*HK$'000*
Trade receivables	**199,911**	214,185
Other receivables	**6,297**	2,526
Contingent consideration receivable	**–**	1,084
Deposits and prepayments	**70,353**	59,496
Amount due from a joint venture	**1,393**	–
	277,954	277,291

Ageing Analysis

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

	As at 31 March	
	2020	2019
	HK$'000	*HK$'000*
Less than 1 month	**132,614**	141,841
1 to 6 months	**65,223**	66,096
Over 6 months	**2,074**	6,248
	199,911	214,185

11 TRADE AND OTHER PAYABLES

	As at 31 March	
	2020	2019
	HK$'000	*HK$'000*
Trade payables	**36,018**	40,458
Salary and bonus payables	**42,975**	38,533
Payables and accruals for additions of property, plant and equipment	**1,180**	2,638
Other payables and accruals	**30,942**	29,965
Receipts in advance	**6,543**	5,338
Amount due to a joint venture	**2,500**	–
	120,158	116,932

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

	As at 31 March	
	2020	2019
	HK$'000	*HK$'000*
Within 1 month	**23,218**	24,085
1 to 6 months	**12,636**	16,290
Over 6 months	**164**	83
	36,018	40,458

12 SHARE CAPITAL

	Number of shares	**Amount**
	'000	*HK$'000*
Authorised:		
Ordinary shares of HK$0.01 each at 31 March 2019 and 2020	5,000,000	50,000
Issued:		
At 1 April 2018	1,815,625	18,156
Issuance of ordinary shares *(Note (i))*	200,000	2,000
At 31 March 2019	2,015,625	20,156
At 1 April 2019	2,015,625	20,156
Shares repurchased *(Note (ii))*	(81,404)	(813)
Shares held for Share Award Scheme	(17,268)	(173)
At 31 March 2020	1,916,953	19,170

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.

Notes:

(i) On 14 August 2018, the Company entered into a subscription agreement with Yunnan Baiyao Holdings Company Limited (雲南白藥控股有限公司) ("Yunnan Baiyao") in respect of 200,000,000 new ordinary shares at the subscription price of HK$2.06 per share. The Company completed the issuance of the ordinary shares to Yunnan Baiyao on 3 September 2018. Net proceeds from such issue amounted to HK$411,658,000 (after the deduction of share issuance costs of HK$342,000) of which HK$2,000,000 and HK$409,658,000 were recorded in share capital and share premium respectively.

(ii) During the year, the Company repurchased a total of 81,404,000 ordinary shares of the Company on the Stock Exchange.

13 SCOPE OF WORK OF AUDITOR

The financial figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2020 as set out in the preliminary announcement have been compared by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by the auditor.

LETTER TO SHAREHOLDERS

Dear Shareholders,

"Continuing Jacobson's evolution: We remain focused on executing our core strategy of transforming Jacobson into a forward-looking regional player with our embedded vision and relentless drive for excellence."

The Jacobson team worked diligently to deliver a resilient performance for the financial year ended 31 March 2020 amidst adverse market conditions caused by the negative impact of social unrest and the coronavirus pandemic. We continued to progress with the evolution of our business in order to sustain our position in the ever-changing landscape in the region. Strength in our key products along with a disciplined focus on operational efficiencies helped us deliver steady growth on sales, gross profit and EBIDTA. Group sales grew by 6.3% to HK$1,571.5 million whilst gross profit posted a net income of HK$690.0 million, up 2.3%. A good achievement in the first half of the year was offset by the negative sentiment we encountered in the last quarter of the year owing to the Covid-19 outbreak. Cash generated from operations reached HK$428.4 million despite the rather difficult sentiment prevailing in the market in the fourth quarter.

Over the course of the year under review, we made noteworthy progress on the multifaceted strategies we set out in our 3-year growth plan. We strengthened our product pipelines, expanded our geographic reach and capabilities, and reinforced our market position by completing two acquisitions. We also divested our majority stakes in non-core wholesale and retail business to better align Jacobson with the new strategic platform to be introduced in our vision statement for 2020.

During the financial year ended 31 March 2020, we submitted over 27 regulatory filings for new drug registration and added 19 new products into our portfolio which include difficult-to-make products such as Perindopril Tablets, Diltiazem Controlled Released Tablets, Atomoxetine Capsules and Mesalazine Enteric Coated Tablets. We are particularly pleased about the progress that we made in establishing bioequivalence profiles for Atomoxetine capsules and Mesalazine tablets, living proof of our ongoing efforts to invigorate our presence in the central nervous system and gastro-intestinal therapeutic categories. On the strategic development front, we have reached a preliminary agreement with Vemedia (the Netherlands) to represent their Excilor skin-tag brand in Taiwan and Excilor pen solution in South Korea as an extension of our ongoing collaboration on the Excilor brand in China. This marks a noteworthy milestone in our relentless drive for business expansion in the Asia and Greater China regions.

Whilst we have delivered well on the pillar strategies this year, there is a significant amount of work underway to transform how we operate, expand our capabilities, and make us more efficient. In our manufacturing operations, we are adding capabilities in areas such as sterile injectables, suppositories and dry granulation facilities. In our sales operations, we will continue to invest in digital technologies to make our work more cost-effective whilst we consider making a foray into the cross-border e-commerce arena where we see ample growth opportunities for us to exploit.

"Embracing transformation: We expect to see a raised awareness and demand on over-the-counter and self-care products which the Jacobson's branded healthcare portfolio is well placed to cater to."

The dynamic and challenging market environment requires us to continually assess our position to ensure that our business remains relevant and strategically aligned. Adapting the business model to acclimatise to evolving circumstances is one of our key strengths and has seen us move from a predominantly generics business to a comprehensive business characterised by proprietary medicines and branded healthcare products. Going forward, we will continue to strive for business excellence across all divisions as we pursue our goal of creating two separate and nimble platforms through a spin-off of our branded self-care business from the Group. This separation initiative serves as a catalyst to reset capabilities and cost base, and helps deliver a value-creation opportunity for both businesses. It is also a significant step forward in terms of shaping Jacobson into a company comprising two enterprises, one being intently focused on its core generic drugs and specialty medicines business whilst the other is principally focused on consumer health and wellness product offerings. Along those lines, we are thrilled to introduce a new vision of self-care in health and a consumer-focused strategy that expands our opportunities and frame of reference for growth. By leveraging our core competencies and riding on the consumer preference towards over-the-counter and self-care products, we are confident that this transformation strategy will create growth opportunities of significant value to our shareholders in the long term.

"Our strength lies in our people: Their total commitment to business excellence remains the key factor for Jacobson's success."

While we know that challenges still lie ahead, given the momentum we have already achieved in consolidating our position we expect to see a healthy and sustained growth for our business in the coming years. Our people and their commitment to excellence is the most important reason for why Jacobson is thriving. While we have had many successes, the past year has been one filled with immense challenges. I would like to recognise the enormous contributions and hard work of our employees whose passion and commitment is the driving force for growth on every front. They are helping us with the transformation shift which I believe will be the key performance driver for Jacobson in years to come. It will take time, but I am confident that this new self-care vision will take hold and bear fruit for us in the long term.

On the whole, we delivered a strong and steady performance despite the tremendous headwinds we faced throughout the year. Looking ahead, we are well-positioned to continue our growth trajectory as we focus on delivering operational excellence, investing in our pipelines and portfolio, and preparing Jacobson for a streamlined spin-off of its consumer health business in 2021. All of these initiatives aim to support future growth and build value creation opportunity that lies ahead of us.

I thank you for the confidence you have placed in our company and am pleased to propose a final dividend of HK2.5 cents per share at the next annual general meeting, which when combined with the interim dividend would represent a full year dividend payout of HK4.5 cents per share.

Sincerely,

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

Hong Kong, 30 June 2020

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Hong Kong's economy has been hit hard by consecutive crises over the past year as a result of the prolonged U.S.– China trade war, social unrest, and the recent outbreak of the Covid-19 pandemic. The magnitude of this impact is unprecedented and has spread to almost every industry in the local economy, resulting in an austere outlook in the short term despite the economy's generally resilient nature.

Pressure has been mounting on the business performance of the Group – particularly with the ongoing coronavirus outbreak which has taken a heavy toll on different local economic sectors resulting in steep falls of commercial activity. Despite these headwinds, the Group posted a 6.3% year-on-year growth to bring its total revenue to HK$1,571.5 million. Gross profit grew by 2.3% to HK$690.0 million and profit attributable to shareholders amounted to HK$215.6 million, a decrease of 13.9% mainly attributable to the one-off revaluation gains recognised in the previous year, the increase in investments and operating expenses in setting up a regional management structure, and one-off professional expenses in preparing for the separation of the Group's consumer health business.

The Group continued to foster its preeminent position in the generic drugs market in Hong Kong through adamant efforts in product portfolio enhancement as well as in market penetration to meet demands from both the Public and Private Sectors. Backed by its strong market position, the generics business of the Group registered an overall positive growth despite being adversely affected by the recessive economy in the last quarter of the year.

The resilience of the Group's proprietary medicines business buttressed by our brand building and product marketing efforts has given us the strength to endure the impact from the highly distressed retail sector. Some of the Group's well-recognised proprietary medicine brands managed to deliver moderate growth even amidst the overwhelming challenges of the retail market.

The Group made solid progress in business development, successfully forging strategic collaborations with multinational partners that cover the in-licensing and technology transfer of complex generic drugs and the representation of reputable branded products in Greater China and Asia. By leveraging its regional commercial operations to tap into the burgeoning consumer healthcare market, the Group is also actively building its branded healthcare business; comprised of a strategically selected portfolio of branded medicines, proprietary Chinese medicines, and health and wellness products including health supplements, personal care products and diagnostic kits. We believe that by building on the reputation, expertise and network resources of the Group, we are competitively positioned to deliver consumer-preferred and science-based products to answer the rising demand for self-care consumer health management in a fast-growing market sector in Greater China and Asia as a whole.

Resilient Generics Business Performance

For the past 12 months in review, Hong Kong has experienced an unprecedented period of social instability amidst the coronavirus pandemic. The economy of Hong Kong – particularly the domestic trade and retail sector – was seriously battered by a deep plunge in visitors from China and overseas due to social unrest; exacerbated by the travel ban, home isolation and social distancing measures put in place because of the Covid-19 outbreak. This has impacted our generics business mostly because of the hard-hit retail market, a significant reduction of private clinic patients due to home-isolation practices, as well as the early end of flu season – a result of the mask-wearing practices of the public for infection prevention during the Covid-19 pandemic.

In spite of this, the Group's generics business managed to achieve a modest increase in revenue, presenting a year-on-year growth of 3.6% to HK$1,298.7 million for the financial year ended 31 March 2020, attributable to the solid foundation of the business and the persistent efforts of the team in fending off challenges.

Broad and Targeted Product Portfolio to Fulfill Market Demands

We have established a strong portfolio of generic drugs and have fostered leadership in a number of therapeutic classes in the Hong Kong. Our broad and targeted portfolio offers a comprehensive suite of generic drugs, providing a one-stop solution for both the Public and Private Sectors to meet the escalating healthcare demand; the result of an aging population and the prevalence of chronic diseases.

The Group's offerings in therapeutic sectors demonstrated strong growth during the Reporting Period. For instance, the Group's oral anti-diabetic and anti-ulcerative product classes registered a robust growth of 42.3% and 34.1% respectively. This growth can be attributed to the award of new public tenders as well as the increasing usage of these essential medicines in disease management.

In addition, the Group's cardiovascular products achieved a sales growth of 28.4% and the Group's non-steroidal anti-inflammatory drugs (NSAIDs) grew by 28.7% due to new businesses secured in the Public Sector.

The Group also secured first-time public tenders for drugs including Perindopril Tablets, Diltiazem Controlled Release Tablets 30mg, Mesalazine Enteric Coated Tablets 500mg, Atomoxetine Capsules 40mg and Thymol Gargle Compound Mouthwash during the Reporting Period.

Within our Private Sector sales, angiotensin II receptor antagonists, beta-blockers and calcium-channel blockers all performed well; recording strong growths of 96.0%, 15.9% and 18.4% respectively during the Reporting Period. Our hypnotic products within central nervous system treatments likewise posted a notable growth of 20.7%. The non-steroidal anti-inflammatory drugs class also delivered a decent growth of 14.1% with the launch of new products including Celecoxib Capsules and Etoricoxib Tablets.

Supply of WHO Alcohol Hand Rub to Public Hospitals for Covid-19 Infection Control

Owing to the Covid-19 outbreak which started in February 2020, there was a massive surge in demand for antiseptic alcohol hand rub in public hospitals. As the major local pharmaceutical manufacturer and supplier, the Group implemented an urgent production plan with specially mobilised resources to ensure that we could produce and supply a sufficient amount of alcohol hand rubs formulated to the WHO's recommendations ("WHO Alcohol Hand Rubs") to public hospitals, clinics, and port health control counters to help medical and healthcare professionals in the fight against the Covid-19 pandemic.

As of 31 March 2020, within 6 weeks the Group has supplied more than 117,000 500ml bottles and 120,000 100ml bottles of WHO Alcohol Hand Rubs to public hospitals and institutions to meet the surging demand.

INTRODUCTION OF NEW PRODUCTS

We are committed to continuing our efforts to introduce quality generics to meet medical and patient needs. During the Reporting Period, we have launched a number of new products including Diltiazem Controlled Release Tablets, Dihydrocodeine Tablets, Perindopril Tablets, Propranolol Oral Solution, Mesalazine Enteric Coated Tablets 500mg and Finasteride Tablets. Due to increased demand, the Group also resumed the supply of Hydroxychloroquine Tablets to meet market needs.

During the Reporting Period, the Group also secured registration approvals for a number of new products under its research and development ("R&D") pipeline, for instances, anti-histamines class Desolratadine Tablets, dermatological class Metronidazole Gel, antipsychotic class Haloperidol Tablets, as well as preparations for Ofloxacin Eye and Ear Drops and Homatropine Hydrobromide Eye Drops.

Extending CRM Platform to E-commerce for Full Sales and Customer Supports

With the successful implementation of our sales effectiveness program powered by an advanced cloud-based customer relationship management ("CRM") digital platform, our sales team has been empowered with mobile ordering capabilities for online inventory information access, and boosted sales efficiency and productivity for order placement in the field.

Upon completing the second-phase of our CRM implementation program, our sales team will be equipped with effective tools for customer targeting through a tailored electronic sales call planning and reporting system designed to strengthen our capability to identify, connect, and serve prospective customers to drive market penetration.

In the third phase of the implementation plan, this CRM platform will be extended and transformed into an e-commerce operating platform for comprehensive sales order and customer service management support. Under the e-commerce platform, business transactions such as order placement, product enquiries, order and shipment confirmation as well as payment settlement can be completed through a simple and efficient online process. Customers can also check their order history – including order patterns and price information – on the platform which will also create additional channels for the sales team to promote products, serve customer enquiries and to answer their needs in a responsive and efficient manner.

Tapping New Market Potentials with High Value-Added Offerings

To supplement our R&D pipeline and broaden our portfolio of specialty drugs to tap into new potentials of the market, the Group has been actively forging collaborations with multinational partners. These cover the in-licensing and technology transfer of high-end generic drugs, biosimilars and medical devices, as well as the representation of finished brand products in the Asia Pacific region leveraging our regional commercial platform.

During the Reporting Period, the Group has signed in-license regional agreements with reputable manufacturers in the Netherlands, Greece, Spain, South Korea and Taiwan for a total of 79 difficult-to-make specialised drugs. These cover several therapeutic classes including cardiovascular, central nervous system, infectious diseases, oncology, gastrointestinal ophthalmology amongst others, as well as an RSV (Respiratory Syncytial Virus) and Influenza rapid diagnostics test kit. Among them, 23 items are eligible for tender bidding in the coming years. Furthermore, the Group has acquired marketing authorisation for 22 of the above items in Hong Kong which have been launched in the Private Sector, with 12 of them participating in public tender during the Reporting Period.

Building Leadership for Represented Brands

Being the exclusive distributor of the Oncotype DX® Breast Cancer Recurrence Score Test by Genomic Health, Inc. – the world's leading provider of genomic-based diagnostic tests – in Hong Kong and Macau, the Group has been delivering encouraging growth for the product with an increasing market share amongst early stage breast cancer patients under the enrollment program in collaboration with the Hong Kong Breast Cancer Foundation. The product has also been successfully listed in the public hospitals of Macau. In total, it has a coverage of more than 60% of the top surgeons and oncologists both in Hong Kong and Macau. As a result of a rising awareness of the benefits of precise diagnosis and personalised treatment for breast cancer, the Group is well-poised to leverage its extensive sales network and close rapport with medical professionals to exploit the potential of the market for the Oncotype DX® test.

The Group is the exclusive distributor of Atropine 0.01%, 0.05% and 0.125% eye drops – which slow down the progression of myopia for young children with clinically-proven efficacy – in the regional markets of Hong Kong, Macau, Singapore, Malaysia and the Guangdong Province of China. Driven by strong sales penetration and ophthalmologists' recommendations, the product has taken up a leading position in the market. Our business development team has also collaborated with the Department of Ophthalmology and Visual Sciences of The Chinese University of Hong Kong in clinical research on "Low-Concentration Atropine for Myopia Prevention Study (LAMP-2)". One of the primary objectives of this study is about changing the clinical paradigm of treatment for myopia progression and prevention.

The Group also entered an exclusive distribution agreement with Vemedia for the marketing and distribution of products under the renowned medicated foot care brand Excilor in the market of Mainland China. Excilor prides itself as a specialist in medicated foot care and enjoys a preeminent position in the over-the-counter (OTC) market for the treatment of nail infections. This strategic partnership synergises the strengths and resources of the Group and Vemedia. By riding on its established market network, the Group aims to build a strong position for the Excilor brand whilst tapping into the fast-growing nail and foot care market in China.

The Group has signed a joint venture agreement with Kin Fung Weisen-U Company Limited to distribute and sell certain Kin Fung Weisen-U products – including the well-recognised gastrointestinal OTC drug "Weisen-U" and the popular nasal spray brand "Flucur Nebuliser" – to new markets in the Asia Pacific region, as well as to explore and develop product extensions set to broaden the proprietary medicine platform of the Group in support of its regional brand strategy.

Targeting the functional food and Food for Special Medical Purpose markets, the Group has also had a head start in the launch of two medical nutrition products in Hong Kong, namely Aterinorm from Difass in Italy and Gynositol from Indigo in France. Arterinorm is a health supplement containing a complex composition of natural substances that are beneficial for the physiological control of cholesterol plasma level with well-documented efficacy. In the consumer nutrition arena, the Group has entered an in-license agreement with Smartfish from Norway in a strategic collaboration to launch its clinically tested health and sports nutrition drinks in Asia. Smartfish is the official supplier of sports nutrition drinks for Tottenham Hotspur Football Club from the English Premier League and the products are currently used by top athletes, both professional and amateur.

Launch of Dr. Freeman® Branded Healthcare Series

The Group launched its first home diagnostic product for influenza/RSV under the proprietary brand name "Dr. Freeman® Flu/RSV Combo" in Hong Kong and Macau. Dr. Freeman® Flu/RSV Combo is a handy one-step home diagnostic test designed to qualitatively determine specific types of Influenza A and B virus and respiratory syncytial virus with test results available in 8 minutes. This product is the first of many home diagnostic products to be launched under the branded healthcare business platform of the Group. As a convenient, speedy and specific self-diagnostic tool for the communicable disease, this product can benefit the public enormously by helping influenza/RSV infected patients seek prompt and effective medical treatment at the onset of the illnesses, especially during peak flu season.

In response to the public's pressing demand for protection against infection at the onset of the coronavirus outbreak, the Group launched a new range of hand disinfectant products under the brand "Dr. Freeman® Infection Control Series". With well-tested efficacy in sterilising the coronavirus, this product line is comprised of two antiseptic handrubs with different alcohol-based formulations recommended by the WHO – widely used for hygienic hand antisepsis and pre-surgical hand preparation. The products are manufactured under the Group's PIC/S GMP accredited manufacturing facilities and employ alcohol ingredients that fully comply with the British Pharmacopoeia and US Pharmacopoeia grade for safe use on the skin. The microbicidal activity of the product formulations are confirmed by WHO reference laboratories according to the European Standards EN 1500.

RESILIENCE OF PROPRIETARY MEDICINE BRANDS

Overshadowed by the political unrest and the coronavirus outbreak hitting the local economy, the performance of the Group's proprietary medicines business also contended with pressure from the ravaged retail sector during the Reporting Period. Nevertheless, with the incorporation of our newly acquired proprietary Chinese medicine business, sales revenue of the Group's proprietary medicine segment posted a 21.2% growth at HK$272.8 million.

Despite the economic distress, proprietary brands such as Ho Chai Kung, the well-recognised heritage brand in the analgesics category, delivered a notable growth of 10.8% versus the same period of last year. Shiling Oil, a medicated oil brand of the Group, presented a growth of 8.4% in overseas markets building on its strong tradition and recognition backed by persistent market development efforts. Both of these demonstrate the resilient performance of the Group's proprietary brands.

To capitalise on the reach and penetration of major cross-border online shopping platforms in China, we have been exploring options and opportunities for marketing and selling the Group's proprietary brand products with this newly introduced e-commerce model. Po Chai Pills, for example, has been successfully listed in the two cross-border e-commerce online platforms in China, namely JD.com (京東全球購) and TMall (天貓國際), where Chinese consumers can directly make purchases of products online with cross-border door delivery service.

Tapping further into the potential of the fast growing cross-border e-commerce in China, we are contemplating developing our self-operating listed flagship stores on leading cross-border e-commerce platforms in collaboration with key strategic partners, with the objective of fully exploiting the demand for proprietary medicines and branded quality healthcare products among Chinese consumers, especially in Southern China and the newly forming Greater Bay Area that represents strong and growing consumption power.

R&D PIPELINE ON TRACK

We continued to make good progress with our product pipeline during the Reporting Period. A total of 6 products, including three strengths of Atomoxetine Capsules, Metronidazole Gel and two strengths of Haloperidol Tablets were successfully registered in the Reporting Period which are ready for launch and supply in Hong Kong. Six other new products including Halometasone Cream, Haloperodol Oral Drops, Rifampicin Oral Suspension and three strengths of Gabapentin Caps have completed the development process and have been submitted to Department of Health for approval. Within the Reporting Period, 6 new items have been added to the pipeline. As of 31 March 2020, there are 113 products in our pipeline, 50 items have been approved for registration, 8 of them have been submitted for registration, 41 items have finished the development stage and are under stability preparation or stability study, and 22 items are currently under formulation research and development.

COLLABORATIVE PROJECTS FOR INNOVATIVE TECHNOLOGIES IN PROGRESS

Technology Transfer and Commercialisation of an Innovative Non-invasive Technology in Prostate Cancer Screening

This innovative non-invasive technology in prostate cancer screening provides a fast and convenient option to verify the results of the 'gold standard' test on prostate cancer screening, i.e. blood prostate-specific antigen (PSA) level, with the benefits of better patient experiences and minimisation of the high rate of false positive PSA results, and the resulting unnecessary prostate biopsy procedures. This technology garnered a Gold Medal in the 47th International Exhibition of Inventions of Geneva 2019.

The task plan of this project has been carried out according to the designated time frame. Multi-center clinical trials in Japan, Korea, the United Kingdom, France, China and Hong Kong are being undertaken at different stages, with a substantial amount of test samples being progressively received from the trial centers for the laboratory test method and home-based test kit application studies. The manufacturing facilities for the newly designed home-based diagnostic kit have been established for accreditation.

Newly Formed Collaboration Project with Hong Kong Institute of Biotechnology (HKIB)

Funded by the Innovation and Technology Fund (ITF) by the government, this new collaborative project with HKIB aims to study whether the use of the Confocal Raman Microscope on specified manufacturing processes will provide the capability to precisely control and manage the manufacturing process and make sure that the complicated formulation, ingredient distribution, and specified in-vivo efficacy can be achieved.

Kickstarted in the first quarter of 2019, this two-year project has now completed the installation and qualification stage of the advanced and sophisticated Raman Microscope in the laboratory setting.

A database containing more than 40 commonly used active pharmaceutical ingredients and more than 80 excipients has been established to quickly screen for constituents in samples. Additionally, a method for analysing the enteric coating of products has been developed which can quickly and effectively analyse the coating composition and film thickness. A method for analysing the composition of solid preparations and the particle size of each component has also been established to perform specific analysis for all solid preparations, thereby improving the speed and rate of success in new product developments.

Collaboration Project on Anti-cancer Drugs Production Industrialisation

Kickstarted in the first quarter of 2020, this project is being developed in collaboration with a Beijing pharma company to industrialise the production of anti-cancer drugs with indications covering non-small cell lung cancer (NSCLC) and chronic myeloid leukemia (CML). The project combines the technological capabilities of advanced raw material drug synthesis and prescription process research with the Group's expertise in formulation technology for industrialising the production of products from scientific research.

ENHANCED CAPACITY AND EFFICIENCY IN PRODUCTION

All of the Group's manufacturing units operated meritoriously during the Reporting Period with the manufacturing output of solid products at 3,136 million tablets and capsules, 333 tonnes of cream, and 2,680 thousand liters of liquid. This corresponds to an output increase of 6.7%, 4.5%, and 8.8%, respectively over the same period last year.

We continued to carry out our production through 11 manufacturing sites in Hong Kong and 1 manufacturing site in Mainland China. The overall manufacturing capacity and efficiency of the Group has been further enhanced by the on-going integration and streamlining program along with effective raw material procurement and production management.

The buffer stock situation has been significantly improved by new installations of high-speed equipment in the Group's PIC/S GMP accredited manufacturing plants which saw a healthy growth of 27.5% and 18.5% in solid dosage and liquid dosage output year-to-date respectively.

One of the Group's PIC/S GMP accredited manufacturing subsidiaries, Jean-Marie Pharmacal Co. Ltd., has been spearheading the formulation refinement and production of Weisen-U (胃仙–U), a well-recognised gastrointestinal drug with its unique dual layer formulation that demands specialised production know-how and capability.

We are committed to continuously evaluating ways by which we can optimise our manufacturing system and increase operational efficiency. The effective integration of our new plants and acquired business units for enhanced production capability and capacity has further strengthened the Group's position as a leading generics manufacturer in Hong Kong to cater to business growth and increased market demand.

OTHER STRATEGIC INVESTMENT

The Group has forged a commercial entry into the biosimilar sector in a strategic collaboration with Shanghai Henlius Biotech, Inc. ("Henlius"). Henlius holds a leading position in the research and development of biosimilar products and was successfully listed on the Main Board of the Stock Exchange on 25 September 2019 (Stock code: 2696). The Group made an investment of USD15.0 million on Henlius in December 2017 and the carrying value of it has increased to HK$164.3 million as of 31 March 2020. Under the collaboration, the Group has an exclusive right to sell and to offer for sale in the markets of Hong Kong, Macau and Cambodia for one of Henlius' products – namely Trastuzumab – which is for use in metastatic breast cancer.

ACQUISITIONS, DISPOSAL AND REDEMPTION OF CONVERTIBLE NOTES

Further Acquisition of 43% Equity Interest in Orizen Capital Limited

On 6 August 2019, the Group acquired a further 43% equity interest of Orizen Capital Limited ("Orizen") at a total consideration of HK$113.4 million, subsequent to the acquisition of a 45% equity interest in Orizen on 11 July 2018. This acquisition represents a compelling opportunity to accelerate the Group's strategy of enhancing the portfolio of its proprietary Chinese medicine business and lays the foundation on which to create a leading branded Chinese medicine business which will be well-positioned to deliver strong sales, cash-flow, and sustainable earnings growth for the Group. We expect that synergies will arise from the complementary basis of the acquired business to fuel the growth of the Group.

Acquisition of 50% Equity Interest in a Pharmaceutical Manufacturing Company

On 9 October 2019, a joint venture company with 50% interest held by the Group acquired 100% equity interest in a pharmaceutical manufacturing company at a consideration of HK$178.0 million. The target company and its subsidiary became a joint venture of the Group after the acquisition. The target company and its subsidiary own a PIC/S accredited production facility for both generic drugs and proprietary Chinese medicines as well as relevant product licenses in Hong Kong, amongst which is a unique oral form of Arsenic Trioxide indicated for Relapsed Acute Leukemia. This joint venture will help reinforce the Group's presence in the oncology sector and raise the Group's market share in the generic drugs and proprietary medicines business segments.

Partial Disposal of 49% Equity Interest in Hong Ning Hong Limited

As of 31 March 2020, the Group held a 70% effective interest in Hong Ning Hong Limited ("Hong Ning Hong"), which was principally engaged in the retail and wholesale of pharmaceutical products and proprietary medicines via its retail outlets. During the Reporting Period, the Group committed to disposing of a 49% equity interest in Hong Ning Hong Limited and commenced negotiation with Million Effort Investment Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of Tycoon Group Holdings Limited ("Tycoon"). The disposal completed on 15 June 2020 at a total consideration of HK$41,650,000 and the Group continues to hold a 21% equity interest in Hong Ning Hong after the disposal. Through this strategic collaboration, the Group and Hong Ning Hong can leverage the market experience, expertise and network of Tycoon in the operation of its wholesale and retail business – particularly Tycoon's retail experience in both offline direct sales through its retail stores in Macau and online sales through its cross-border e-commerce platform. The disposal also allows the Group to reallocate more of its resources to the continued development of its generic drugs and branded healthcare businesses.

Full Redemption of HK$500 million Convertible Notes

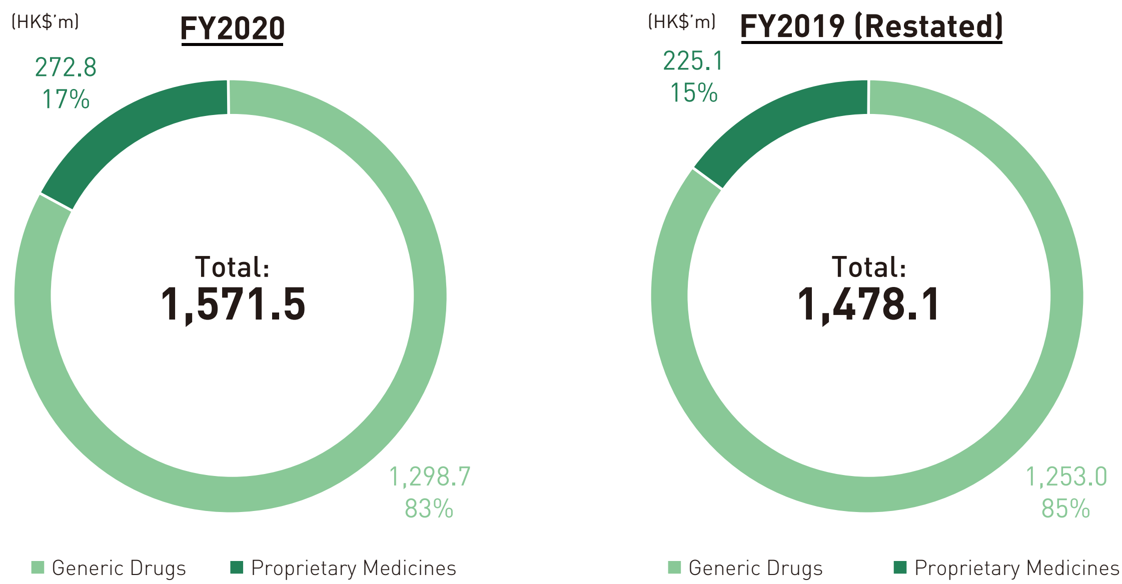
The convertible notes in an aggregate principal amount of HK$500 million which carried a coupon interest rate of 3.5% p.a. were issued by the Company on 3 October 2017 and were supposed to be due in October 2020 (the "Convertible Notes").

The Company has redeemed the Convertible Notes early and in full during the Reporting Period via bank facilities at a lower interest rate and there were no outstanding Convertible Notes as at 31 March 2020. The early redemption of the Convertible Notes allowed the Group to save on interest expenses as well as amortisation costs arising from the Convertible Notes.

FINANCIAL REVIEW

REVENUE

Revenue from Continuing Operations by Operating Segments

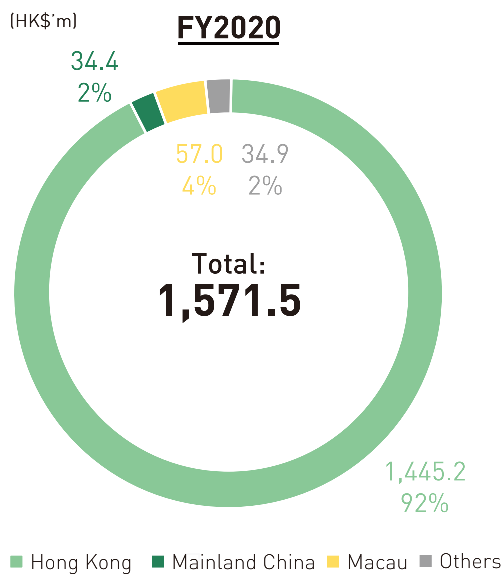


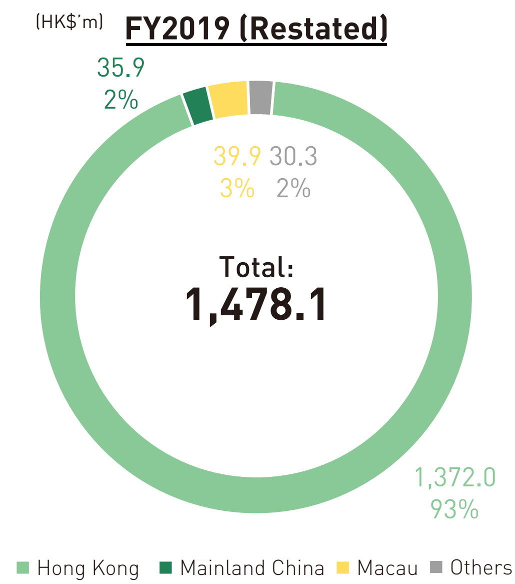
The increase in revenue of HK$93.4 million or 6.3% compared to FY2019 was contributed by the increase in revenue of HK$45.7 million in generic drugs segment and HK$47.7 million in proprietary medicines segment. Revenue split of the two segments are at the ratio of 83% and 17%.

In the generic drugs segment, the increase in revenue reflected mainly the business growth of products in certain therapeutic classes augmented with revenue from disinfectant products. The growth was mainly attributable to expanded product offerings of the Group's broad and targeted portfolio, along with the exacerbating healthcare demands resulted from aging population, prevalence in chronic diseases and the coronavirus pandemic.

In the proprietary medicines segment, the increase in revenue mainly came from the incremental contribution of the newly acquired subsidiaries engaged in the proprietary Chinese medicine business, coupled with a promising performance for Group's proprietary medicine brands such as Ho Chai Kung brand products and Shiling Oil.

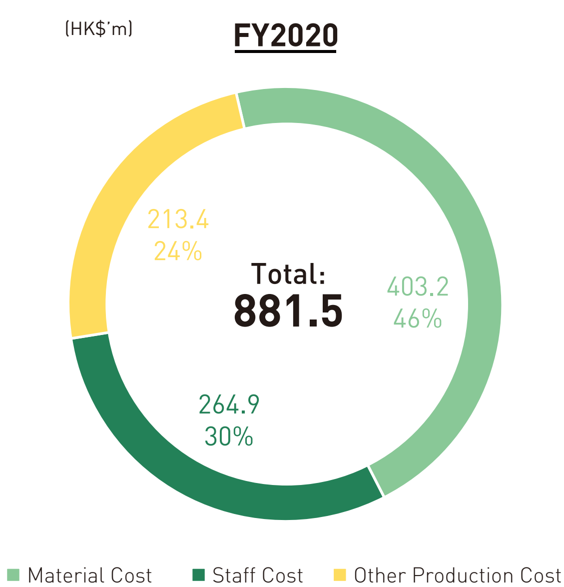
Revenue from Continuing Operations by Geographic Location

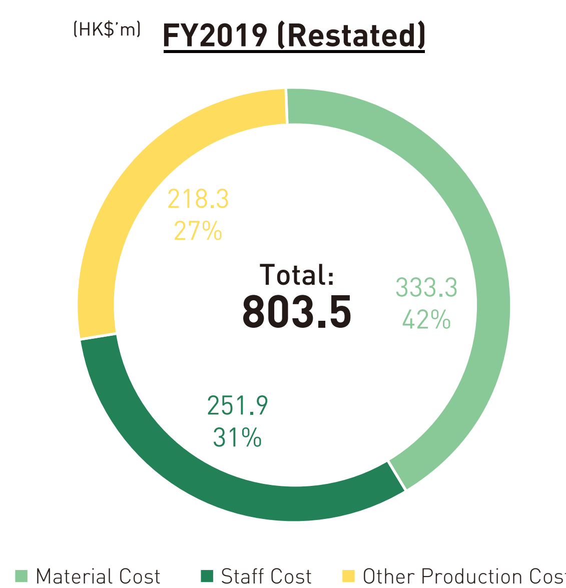




Hong Kong continued to be the major revenue stream, representing 92% of the total revenue and contributed an increase in revenue of HK$73.2 million. The revenue in the Mainland China slightly decreased by HK$1.5 million, mainly due to change in distributors for Po Chai Pills and Flying Eagle Woodlok Oil with effect from early 2020 and therefore supply and sales to the prior distributors were stopped during the Reporting Period. The revenue increase in Macau by HK$17.1 million was mainly contributed by Po Chai Pills and certain in-licensed products. The increase in revenue from other overseas market of HK$4.6 million was mainly due to increase in sales in other Asian markets such as Taiwan, Singapore and Philippines.

Cost of Sales



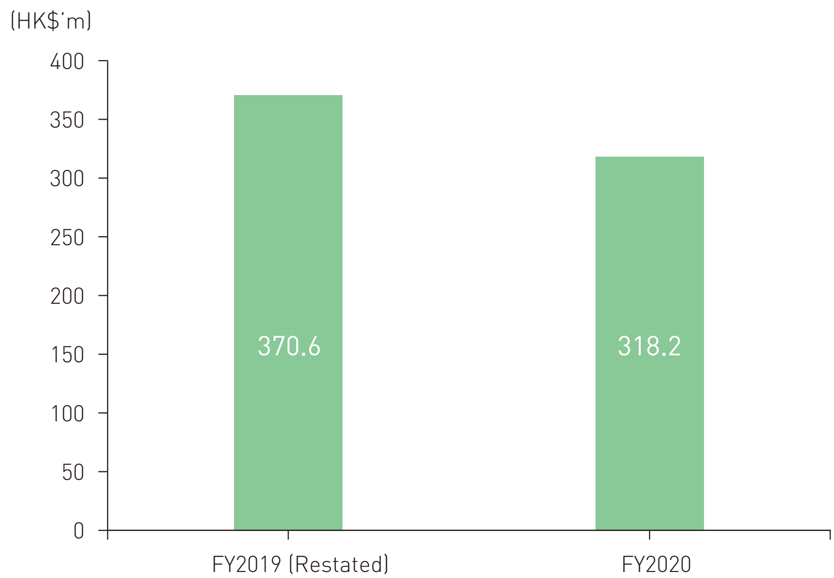


Material cost continued to be the major component constituting approximately 46% of the total cost of sales. The increase in cost of sales of HK$69.9 million or 21.0% is mainly due to the increase in revenue split from in-licensed products and contract-manufacturing products, which had a higher material cost than the self-manufactured products.

The increase in staff cost of HK$13.0 million or 5.2% primarily reflected the increase in number of headcount as a result of the Group's business expansion as well as salary increment.

The decrease in other production cost reflected the continuous decrease in production overheads as a consequence of the implementation of effective optimisation program and cost control measures during the Reporting Period.

Profit from Operations



The profit from operations dropped by HK$52.4 million or 14.1% to HK$318.2 million, mainly due to the decrease in fair value gain on investment properties of HK$22.2 million, the gain on disposals of properties recognised in the previous year of HK$6.4 million, the one-off spin-off listing expenses of HK$6.9 million, and the increase in investments and operating expenses for building the regional management structure and market platform in the Asia Pacific and Greater China regions.

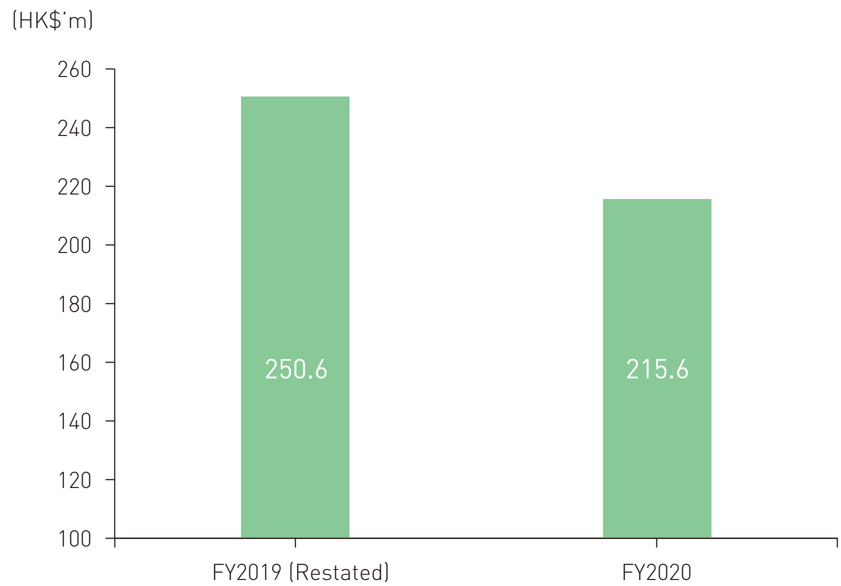
Finance Costs

The decrease in finance costs was mainly attributable to reduction of amortisation costs resulted from early redemption of the Convertible Notes during the Reporting Period, which was partially offset by higher bank loan interest and additional finance costs reported as a result of the adoption HKFRS 16 during the Reporting Period.

Income Tax

The decrease in income tax principally reflected the lower profit before taxation generated. The slight decrease in effective tax rate was due to the decrease in the non-tax deductible finance costs arising from the Convertible Notes which were redeemed during the Reporting Period.

Profit Attributable to Shareholders



The decrease in profit attributable to shareholders reflected the decrease in profit from operations compensated partially by the reduction in finance costs and income tax.

Assets

Investment properties and other property, plant and equipment

The increase in investment properties and other property, plant and equipment principally reflected the additions of HK$106.3 million, the impact of the adoption of HKFRS 16 amounting to HK$77.8 million and the fair value adjustment in investment properties of HK$1.2 million offset partially by the depreciation of HK$144.7 million.

Intangible assets

The increase in intangible assets principally reflected the additions of HK$283.2 million mainly arising from the acquisition of subsidiaries engaged in proprietary Chinese medicine business, along with the capitalisation of development costs of HK$16.0 million, which were offset partially by amortisation of HK$26.0 million.

Inventories

The increase in inventories mainly resulted from the overall sales growth and acquisition of subsidiaries engaged in the proprietary Chinese medicine business.

Cash and cash equivalents

As at 31 March 2020, approximately 88.4% of cash and cash equivalents were denominated in Hong Kong dollars (as at 31 March 2019: 95.6%), while the remaining balances were mainly denominated in USD, Renminbi, Singapore dollars and Taiwan dollars.

Liabilities

Bank loans

The increase in bank loans from HK$829.6 million as at 31 March 2019 to HK$1,553.6 million as at 31 March 2020 represented additions of bank loans which included HK$500 million for refinancing early redemption of the Convertible Notes during the Reporting Period.

As at 31 March 2020, all bank loans of the Group were denominated in Hong Kong dollars.

USE OF PROCEEDS

IPO Proceeds

Net proceeds of HK$695,540,000 were raised from the initial public offering of the Company (included proceeds from the over-allotment option exercised by the underwriter amounted to HK$98,438,000 and after the deduction of underwriting fees, commissions and expenses paid by 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 31 March 2020:

	Proposed application *HK$'000*	**Actual usage up to 31 March 2020** *HK$'000*
Acquisitions – Expansion of businesses in Generic Drugs and Proprietary Medicines	139,108	139,108
Acquisitions – Enhancement of distribution network	104,331	90,288
Acquisitions – Intangible assets	69,554	69,554
Capital investments – Upgrading of manufacturing plants and facilities	113,197	113,197
Capital investments – Two specific automated production facilities	12,000	12,000
Expansion of bioequivalence clinical studies	94,331	56,510
Establishment of a new joint R&D centre with HKIB	10,000	3,920
Marketing and advertising	83,465	83,465
General working capital	69,554	69,554
	695,540	637,596

The net proceeds of HK$695,540,000 were used, or are proposed to be used, according to the intentions previously disclosed by our Company's Prospectus.

Proceeds from issuance of the Convertible Notes

Net proceeds of HK$490,352,000 were raised from the issuance of the Convertible Notes (after the deduction of all related fees and expenses paid by us in connection with the Convertible Notes of HK$9,648,000). The following table sets out the proposed application of the net proceeds and the actual usage up to 31 March 2020.

	Proposed application *HK$'000*	**Actual usage up to 31 March 2020** *HK$'000*
Funding potential mergers and acquisitions as well as forming strategic alliances in the Asia Pacific region *(Note)*	411,352	411,352
Supporting in-licensing and direct investment on technologically-oriented bio-pharmaceutical projects	79,000	79,000
	490,352	490,352

Note: The potential mergers and acquisitions are in relation to proprietary medicines business, pharmaceutical projects as well as forming strategic alliances in the Asia Pacific region.

The net proceeds of HK$490,352,000 were used according to the intentions previously disclosed by our Company's announcements dated 6 September 2017 and 3 October 2017.

Proceeds from Issuance of New Shares

Net proceeds of HK$411,658,000 were raised from the issuance of shares to Yunnan Baiyao (after the deduction of all related fees and expenses payable in connection with the issuance of shares of HK$342,000). The following table sets out the proposed application of the net proceeds and the actual usage up to 31 March 2020:

	Proposed application *HK$'000*	**Actual usage up to 31 March 2020** *HK$'000*
Mergers and acquisitions, strategic alliances and in-licensing of products	205,829	127,251
Acquisition, expansion and upgrading of operating facilities	164,663	164,663
General working capital	41,166	41,166
	411,658	333,080

The net proceeds of HK$411,658,000 were used, or are proposed to be used, according to the intentions previously disclosed by our Company's announcements dated 14 August 2018 and 3 September 2018.

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 sound foundation for the Group's future development.

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

CHARGE ON GROUP ASSETS

The carrying value of assets pledged against bank loans decreased from HK$871.6 million as at 31 March 2019 to HK$751.4 million as at 31 March 2020, which was mainly because a bank loan pledged with HK$100 million trade receivables was fully repaid during the Reporting Period.

NET GEARING RATIO

The net gearing ratio of the Group (bank loans and the Convertible Notes less cash and cash equivalents, divided by total equity multiplied by 100%) increased from 24.8% as of 31 March 2019 to 43.6% as of 31 March 2020. The increase in net gearing ratio was attributable to the cash used in mergers and acquisitions and the additions of bank loans during the Reporting Period.

FINANCIAL RISK ANALYSIS

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

CONTINGENT LIABILITIES

As at 31 March 2020, the Group did not have any significant contingent liabilities.

NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

The Group entered into a cornerstone investment agreement with Tycoon on 19 March 2020 to subscribe for Tycoon's shares in the amount of HK$80.0 million at an offer price of HK$1.49 per share and Tycoon's shares were listed on the Main Board of the Stock Exchange on 15 April 2020 (Stock code: 3390). Tycoon is a provider of a variety of proprietary Chinese medicine, health supplement, skin care, personal care and other healthcare products, predominantly selling and distributing such products in Hong Kong. In addition, Tycoon has been actively engaging in offline direct sales through its retail stores in Macau and online sales through its cross-border e-commerce platform.

On 8 April 2020, the Group completed the acquisition of 100% equity interests in LKC Holdings Limited at a cash consideration of HK$99,150,000 to acquire certain units and car parks in an industrial building in Hong Kong, which are now being occupied by a pharmaceutical manufacturing company of the Group.

PRINCIPAL RISKS AND UNCERTAINTIES

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

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

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

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

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

The Company believes that risk management is essential to the Group's efficient and effective operations. 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 manufacturing generic drugs and proprietary medicines, a line of business that does not have any material impact on the environment. The key environmental impact from the Group's operations 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.

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 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.

MODEL CODE FOR SECURITIES TRANSACTIONS

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

AUDIT COMMITTEE

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Reporting Period, the Company repurchased a total of 81,404,000 Shares at an aggregate consideration of HK$127,634,000 (excluding expenses) on the Stock Exchange as follows:

Month of Shares repurchase	**Total number of Shares repurchased**	**Price paid per Share**		**Aggregate consideration paid (excluding expenses)**
		Highest	**Lowest**	
		HK$	*HK$*	*HK$'000*
December 2019	69,634,000	1.73	1.31	107,212
January 2020	11,770,000	1.74	1.66	20,422
Total	81,404,000			127,634

14,218,000 repurchased Shares and 67,186,000 repurchased Shares were cancelled on 24 December 2019 and 29 April 2020 respectively. Accordingly, the issued share capital of the Company was reduced to 2,001,407,000 Shares and 1,934,221,000 Shares on 24 December 2019 and 29 April 2020 respectively. The repurchases were made with a view to enhancing the earnings per Share.

Save as disclosed above, neither the Company nor its subsidiaries has purchased, sold or redeemed any of the Company's listed securities throughout the Reporting Period.

As at 31 March 2020, there was a total of 2,001,407,000 Shares (31 March 2019: 2,015,625,000 Shares) in issue.

FINAL DIVIDEND

The Board recommends to declare a final dividend of HK2.5 cents per share for the FY2020 (2019: final dividend of HK3.0 cents per share), subject to the approval of shareholders at the 2020 AGM to be held on 23 September 2020 (Wednesday), which is expected to be paid on 13 October 2020 (Tuesday) to shareholders whose names appear on the register of members of the Company on 30 September 2020 (Wednesday), being the record date for determining shareholders' entitlement to the proposed final dividend. Including the interim dividend of HK2.0 cents per share paid on 23 December 2019, the total dividend for the FY2020 amounts to HK4.5 cents per share (2019 total dividend: HK4.5 cents per share). The details of final dividend of the Group are set out in note 9 of this announcement.

CLOSURE OF REGISTER OF MEMBERS

In order to determine the entitlement of shareholders of the Company to attend and vote at the 2020 AGM, the register of members of the Company will be closed from 18 September 2020 (Friday) to 23 September 2020 (Wednesday), 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 branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on 17 September 2020 (Thursday) for registration.

In order to determine the entitlement of shareholders of the Company to receive the final dividend, the register of members of the Company will be closed from 29 September 2020 (Tuesday) to 30 September 2020 (Wednesday), both days inclusive, during which period no transfer of shares of the Company will be registered. All transfer documents, accompanied by the relevant share certificate, shall be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on 28 September 2020 (Monday) for registration.

PUBLICATION OF THIS 2020 ANNUAL RESULTS ANNOUNCEMENT AND THE 2020 ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and of the Company (www.jacobsonpharma.com). The 2020 Annual Report containing all the information required by the Listing Rules will be published on the respective websites of the Stock Exchange and the Company and will be dispatched to the shareholders of the Company in due course.

By order of the Board
Jacobson Pharma Corporation Limited
YIM Chun Leung
Executive Director and Company Secretary

Hong Kong, 30 June 2020

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 (also as Company Secretary) and Ms. Pun Yue Wai as executive Directors, Professor Lam Sing Kwong, Simon as non-executive Director, and Dr. Lam Kwing Tong, Alan, Mr. Young Chun Man, Kenneth and Professor Wong Chi Kei, Ian as independent non-executive Directors.

GLOSSARY

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

"2020 AGM"	the forthcoming 2020 annual general meeting of the Company
"2020 Annual Report"	the annual report of the Company for the year ended 31 March 2020
"associate(s), chief executive(s), controlling shareholder(s)"	each has the meaning as described in the Listing Rules
"Board"	the Board of Directors
"CG Code"	Corporate Governance Code as amended from time to time contained in Appendix 14 to the Listing Rules
"China", "Mainland China" or "the PRC"	the People's Republic of China excluding, for the purpose of this Annual Report, 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
"Director(s)"	the director(s) of the Company
"FY2019"	the year ended 31 March 2019
"FY2020" or "Reporting Period"	the year ended 31 March 2020
"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
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Jacobson", "Group", "our Group", "the Group", "we", "us", or "our"	the Company and its subsidiaries and, in respect of the period before we became the holding company of our present subsidiaries, the businesses operated by such subsidiaries or their predecessors (as the case may be)

"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
"Model Code"	Model Code for Securities Transaction by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules
"Mr. Sum"	Mr. Sum Kwong Yip, Derek, our chairman, executive Director, chief executive officer and one of our controlling shareholders
"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
"Prospectus"	the prospectus issued by the Company dated 8 September 2016
"Public Sector"	refers to public sector institutions and clinics in Hong Kong
"Share(s)"	ordinary share(s) in the capital of the Company with nominal value of HK$0.01 each
"Share Award Scheme"	the share award scheme adopted by our Company on 16 October 2018, the principal terms of which are summarised in the announcement of the Company dated 16 October 2018
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"WHO"	World Health Organisation