健倍苗苗
JBM (Healthcare) Limited

JBM (Healthcare) Limited

Incorporated in the Cayman Islands with limited liability

Stock Code: 2161

Movement inspires

Interim Report 2021

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Wong Yat Wai, Patrick
(Chief Executive Officer)
Dr. Chu Ka Wing

Non-executive Directors

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

Independent Non-executive Directors

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

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

AUTHORISED REPRESENTATIVES

Mr. Wong Yat Wai, Patrick
Dr. Chu Ka Wing

COMPANY SECRETARY

Ms. Au Man Yee, Teresa

REGISTERED OFFICE

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

HONG KONG HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS

Unit 2303-07, 23/F
Tower 1, Millennium City 1
388 Kwun Tong Road
Kwun Tong, Kowloon
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR

Tricor Investor Services Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

AUDITOR

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

COMPLIANCE ADVISOR

Ping An of China Capital
(Hong Kong) Company Limited

PRINCIPAL BANKERS

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

PUBLIC RELATIONS CONSULTANT

Strategic Public Relations Group

INVESTOR RELATIONS

Email: jbmhealthcare@sprg.com.hk

STOCK CODE

2161

COMPANY WEBSITE

www.jbmhealthcare.com.hk

Financial Highlights

	Six months ended 30 September 2021 HK$'000	Six months ended 30 September 2020 HK$'000	Change
Revenue			
– Branded medicines	63,425	61,307	+3.5%
– Proprietary Chinese medicines	106,467	104,170	+2.2%
– Health and wellness products	19,480	30,628	–36.4%
Total	189,372	196,105	–3.4%
Gross profit	75,080	102,406	–26.7%
Gross profit margin (%)	39.6%	52.2%	
Profit attributable to equity shareholders of the Company	10,040	21,650	–53.6%
Profit margin attributable to equity shareholders of the Company (%)	5.3%	11.0%	
Adjusted EBITDA[(1)]	39,320	68,025	–42.2%
Adjusted EBITDA margin (%)[(2)]	20.8%	34.7%	
Return on equity (%)[(3)]	1.7%	7.1%	

	As at 30 September 2021 HK$'000	As at 31 March 2021 HK$'000	Change
Total assets	1,349,817	1,381,193	–2.3%
Total liabilities	395,243	434,250	–9.0%
Total equity	954,574	946,943	+0.8%

(1) Adjusted EBITDA is calculated based on 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 or losses of joint ventures and an associate and non-recurring items not attributable to the operations of individual segments, including spin-off listing expenses.

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

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

Our Vision and Mission

Enabling Better Health Through Self-care

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

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

健倍苗苗
JBM (Healthcare) Limited

Corporate Profile

Dynamic and Forward-Thinking Branded Healthcare Partner in Asia

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

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

Our Competitive Strengths

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

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

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

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

Jacobson Pharma Group has been a leading generic drug company in Hong Kong. As its subsidiary, we are a unique field player with drug expertise and a heritage that continues to foster a corporate culture of prioritizing product efficacy and quality. We attract industry talents with pharmaceutical or medical backgrounds that enable us to identify and secure third-party brands and products with a niche in the market. We believe third-party brand owners and product originators are also more inclined to choose to partner with us because of the reputation and high market standing of Jacobson Pharma Group in the pharmaceutical sector.

We also adhere to the high standard of quality control inherited from a pharmaceutical company with over 30 experienced quality management personnel for establishing and implementing strict quality management procedures to ensure safety, efficacy and quality of products. In addition, we are one of the few GMP-accredited proprietary Chinese medicine manufacturers in Hong Kong.

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

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

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

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

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

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

Management Discussion and Analysis

Business Review

During the Reporting Period, the economies of Hong Kong and most of its neighboring regions continued to be impacted by the pandemic. Although we saw emerging signs of recovery, market sentiment was still swayed with new threats of virus variants. The ongoing pandemic-related travel restrictions have kept more than 99% of inbound tourists away in Hong Kong compared with the pre-pandemic level. Domestic consumption of medicines and cosmetics in the first half of 2021 registered a 2.1% drop over the previous period under the backdrop of an uneven recovery of retail consumption provisionally estimated at 8.4% by the Hong Kong Government.

Results

The adverse impact of COVID-19 continued to contribute to the sluggish consumer demand in both domestic and certain overseas markets during the Reporting Period. The lingering pandemic-related travel restrictions and social distancing measures across the regions have exerted pressure on the sales and selling price of certain products of the Group.

The branded healthcare portfolio of the Group was affected by a plunge of visitors from China and overseas under travel restrictions to control the COVID-19 pandemic. The revenue of the Group amounted to approximately HK$189.4 million during the Reporting Period, representing a modest decrease of 3.4% against the previous period. Gross profit decreased by 26.7% to approximately HK$75.1 million, mainly due to considerable slow down of Po Chai Pills sales and pandemic impact on selling price of certain products during the Reporting Period. The profit attributable to equity shareholders amounted to approximately HK$10.0 million, a decrease of 53.6% as a result of the drop in gross profit, alongside the base effect of the one-off pandemic impact relief subsidy from the Hong Kong Government in the amount of about HK$6.1 million during the previous period.

Responding to such a challenging market sentiment, the Group spared no effort in realising business opportunities in the market. During the Reporting Period, the Group launched a number of new products in both the proprietary Chinese medicine and health and wellness products segments and made sound progress on the building up of cross-border e-commerce platform. Furthermore, the Group has continued to optimise its resources in realising the growth strategies whilst pragmatically strive for cost savings through cost control initiatives.

Operating Performance

The resilience of the Group's branded healthcare business rests upon its broad and yet targeted product offerings from notable brands in the segments of branded medicines, proprietary Chinese medicines, and health and wellness products including health supplements, personal care products, and diagnostic kits. It is also bolstered by our brand management capability and established sales network in Hong Kong. The Group has been making headway with its cross-border e-commerce platform bridging an access of our products with the target consumers in Mainland China.

Branded Medicines

The branded medicines segment delivered a 3.5% increase in revenue during the Reporting Period, mainly driven by the growth momentum of AIM Atropine Eye Drops, along with increments in sales of some notable branded products such as Contractubex Ointment (德國秀碧除疤膏), Pantogar Capsules (瑞士倍髮加) and Rowatanal Cream (諾華痔瘡膏).

As a leading brand for children's myopia control in Hong Kong, AIM Atropine Eye Drops continued to foster its market penetration with a notable increase of 63.2% in sales during the Reporting Period. Owing to the increased time spent indoors and on the computer screen for online learning by school children during the pandemic, the exacerbation of myopia problem and its control has become an important eye health issue that require parents' awareness and action. As a continuing eye health education effort, AIM Atropine 0.01% Eye Drops promoted the importance of early control on children's myopia progression through digital platforms and educational booklets distribution in children eye-care in clinics. By collaborating with social organisations, we will also extend our education program in primary schools to reach out to 10,000 students to advocate important eye-care messages. This Group-sponsored education program was rolled out by various phases starting from November 2021.

In regard to Ho Chai Kung, one of our household brands well-recognised in the analgesics OTC category, however, recorded a modest decline in sales by 7.4% during the Reporting Period due to the dampened retail market.

Proprietary Chinese Medicines

The sales revenue of the proprietary Chinese medicines segment of the Group delivered an increase of 2.2%, amounting to approximately HK$106.5 million during the Reporting Period.

Amidst the slow recovery of the retail and distribution markets in Hong Kong, the segment's overall sales benefited from the robust double-digit growth of its CCMG business. There was gradual recovery of public demand for Chinese medicine services during the Reporting Period. Carrying and distributing more than 700 single-flavor and compound CCMG products, the Group has direct access to an extensive network of Chinese medicine practitioners in Hong Kong. Our own CCMG brand has been a leading brand among Chinese medicine practitioners in Hong Kong, selling our CCMG products to a substantial portion of active Chinese medicine practitioners in Hong Kong. The Group is therefore well-positioned to capture the potential growth of demand for the CCMG market.

As we sell most of our proprietary Chinese medicine products through retail channels, the pandemic has continued to impact local sales due to the deep plunge of tourists from China with the ongoing travel restrictions. Sales of Po Chai Pills, one of our heritage brands, witnessed a considerable slow down during the Reporting Period because local trade and retailers were cautious about the dampened market demand and responded with a reduced inventory level. However, with the resumption of social and economic activities in most Asian countries, sales of Po Chai Pills in Indonesia, Malaysia, and Singapore rebounded notably by 78.0% during the Reporting Period. This also applied to sales of Shiling Oil in key Carribean Island markets with a substantial rebound to approximately HK$6.0 million during the Reporting Period, compared to approximately HK$1.6 million in the previous period.

Health and Wellness Products

The health and wellness products segment of the Group registered a decrease of 36.4% in sales during the Reporting Period, which was mainly attributed to the receded consumer demand for infection prevention products with the stabilised control on the pandemic, as opposed to the surge in the previous period.

Nevertheless, the business of Oncotype DX® Breast Cancer Recurrence Score Test maintained its robust growth, posting a 27.9% increase during the Reporting Period.

Amongst early-stage breast cancer patients, the popularity and share of patients of Oncotype DX® Breast Cancer Recurrence Score Test continued to grow as driven by our collaborated education and financial assistance programs.

Our ongoing collaboration with Hong Kong Breast Cancer Foundation (HKBCF) leverages its financial assistance program in supporting patients of government hospitals to obtain the diagnostic score test and has continued to drive notable business growth. We also actively promote the product education and financial assistance program through targeted online, social platform and outdoor advertisements to enhance patient awareness and understanding.

The BITE-X (寶寶手指水), a German manufactured baby product for preventing nail-biting and thumb-sucking, also registered a notable sales growth of 110.7% during the Reporting Period, thanks to its solid sales performance via the cross-border e-commerce channel.

Business Developments

On the business development front, we continue to implement our growth strategies to cement our competitive position as a forward-looking branded healthcare player in Asia.

Our ability to continuously identify products that satisfy changing consumer preferences, expand the variety of quality products in our portfolio, and manage the brands effectively is key to our future growth and success.

New Product Offerings

We have made good progress in new product launches during the Reporting Period. These include Weisen-U Digestive Enzyme, a new line extension of Weisen-U, which has been pilot-launched through our cross-border e-commerce channels and will soon be extended to retail and online shops in Hong Kong.

We have also launched an enhanced version of Smartfish, a Norway-origin and clinically-substantiated omega-3-enriched nutritional drink, with upgraded formulation and pack volume to offer greater customer appeal and satisfaction. To strengthen its market penetration, we have strategically extended its channel coverage into major supermarket chains and selected retail outlets at high-end residential locations, apart from the traditional health and beauty chain stores. Integrated online and offline marketing programs have also been rolled out to create consumer awareness, educate product benefits and build brand differentiation to support the launch.

Building on our aim in enhancing our portfolio on medical consumables and home diagnostic devices with a market niche, we have launched Dr. Freeman® H. Pylori Home Test Kit with an exclusive listing in Watson's. Dr. Freeman® H. Pylori Home Test Kit is the third member of the series after Dr. Freeman® Flu/RSV Combo Test Kit and Dr. Freeman® COVID-19 Test Kit. More home diagnostic products will enter the market according to the development plan, with their availability further expanding into China market through cross-border e-commerce channels.

We have signed an exclusive agreement with DebX from Netherlands to launch a novel desiccant agent for chemical debridement, DEBRICHEM® in Asia. It is an innovative product transforming the treatment option for chronic infection wounds. DEBRICHEM® is a patented acidic gel certified as a single-use topical medical device for effectively and efficiently eliminating the biofilm and infection through debridement chemically instead of surgically. We have drawn up its launch plan and have scheduled to introduce this novel product to public hospitals in the first quarter of 2022.

Acceleration on E-commerce Development

On the strategic front of tapping into the potential of the fast-growing PRC cross-border e-commerce, we continue to drive our flagship stores and business developments on the major online sales platforms.

Contrary to the sluggish performance of the physical retail market impacted by the pandemic, the growth and development in our e-commerce business have accelerated during the Reporting Period. We have further established a new retail flagship store at JD Worldwide (京東國際), in addition to the other two self-operated flagship stores on Tmall Global Marketplace (天貓賣場型旗艦店) and JD-HK Open Platform (京東國際開放平台店舖).

We have also established our B2B commercial operation and successfully enlisted as designated platform supplier of OTC products to Tmall and AliHealth. Tmall and AliHealth e-shops represent the largest online OTC marketplace in China. Through the access of and daily business interactions with the platform buyers and operators, we can build strong rapport for future collaboration and keep abreast of the fast-evolving market trends and developments to support our strategic planning and drive our e-commerce business growth in China.

Moreover, we have formed strategic collaborations with reputable branded healthcare operators in Hong Kong by leveraging our e-commerce capabilities and their portfolios of renowned cosmeceutical brands to tap the fast-growing medical beauty market in China through the cross-border e-commerce channels.

Capturing Growth Potential in Chinese Medicines

Driven by improved health consciousness and favorable government policies in promoting the development of traditional Chinese medicines, the popularity and consumer acceptance of proprietary Chinese medicines have greatly developed over the years. In particular, the cooperation between governments in facilitating the entry of traditional Chinese medicine products into the Greater Bay Area is expected to pose great opportunities for manufacturers and market practitioners in Hong Kong.

The scheduled opening of the first Chinese medicine hospital in Hong Kong in 2025, which provides 400 beds and clinical practices for the Chinese medicine faculties of three leading universities in Hong Kong, will further drive the growth of local Chinese medicines market in the future.

To capture the foreseeable growth of the Chinese medicines market, we have been adding newly developed products to our CCMG portfolio, along with introducing Chinese medicine-based supplements and healthcare products, which will be progressively launched to market through our extensive distribution network of Chinese medicine practitioners.

Outlook

Having endured the prolonged impact of COVID-19, the economy of Hong Kong is poised for a mild recovery with an 8.1% increase in total retail sales during the first eight months of 2021, despite an uneven revival among the categories. This has been helped by the stabilised COVID-19 situation, increasing vaccination rate, improved labour market and government's boost through the Consumption Voucher Scheme.

Although the Group remains optimistic about the business recovery in the near future and the future outlook for the healthcare industry, the consumer market in Hong Kong this year will remain challenging with the delayed reopening of the border between Hong Kong and Mainland China.

COVID-19 has changed consumers' purchasing habits, driving them increasingly from shopping offline to online. We believe that the trend of the at-home economy will continue to spur rapid growth of the online business across the markets, as reflected in the positive development of the Group's e-commerce business amidst the pandemic. As most of the e-commerce revenue was derived from Mainland China, the Group will capitalise on its competitive strengths to realise the growth potential in our cross-border e-commerce business developments.

Given the favorable government policy support on the development of traditional Chinese medicines, the Group, as a key proprietary Chinese medicine and CCMG market player in Hong Kong, is well poised to tap on the potential of the burgeoning market with a sizable population of over 70 million in the Greater Bay Area.

Set against the backdrop of an aging population, the sedentary lifestyle, and the heightened health consciousness, especially in the post-COVID-19 era, we believe the consumer healthcare market will continue with its growth momentum. The Group will remain resolutely focused on delivering quality branded healthcare products to consumers with the mission of enabling better health through self-care.

Remuneration Policy

As at 30 September 2021, the Group had a total of 231 employees. For the Reporting Period, the total staff cost of the Group was approximately HK$35.3 million, compared to approximately HK$36.3 million for the six months ended 30 September 2020.

All the employees have signed the standard employment contracts with the Group. Employees' remuneration packages incorporate one or more of the following items: basic salary, sales incentive, productivity-related incentives and discretionary performance bonus. The Group sets out performance attributes for the employees based on their positions and job levels. Performance appraisal is conducted regularly to review employees' performance against the Group's strategic objectives and targets. Management and sales related staff members have their performance measured against key performance indicators (KPIs). The result of performance appraisal will be taken into consideration when assessing salary adjustments, bonus awards, promotion, staff development plans and training needs. To maintain the competitiveness in the labour market, the Group provides different staff benefits including annual leave entitlement, mandatory provident fund, group medical insurance and group life insurance. The Group did not experience any strike or labour dispute that would have significant impact on the business during the Reporting Period.

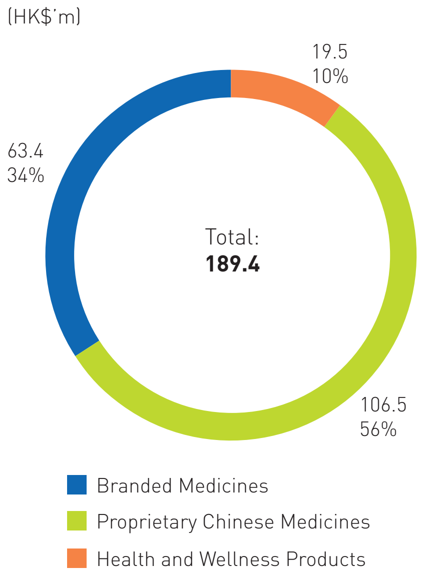
Employees are the most valuable assets to the Group. Therefore, the Group has implemented a comprehensive recruitment procedure for selecting the right candidates, provides competitive compensation and benefit packages to attract and retain talents. The Group also emphasises on training and developing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

Financial Review

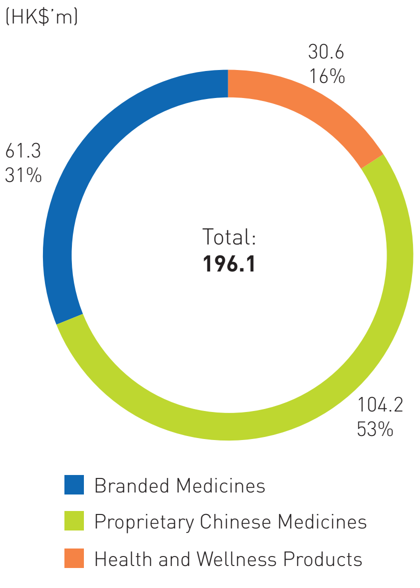
Revenue

Revenue by Operating Segments

FY2022 Interim



FY2021 Interim



The slight decrease in revenue of HK$6.7 million or 3.4% compared to FY2021 Interim was due to the decrease in revenue of HK$11.1 million in the health and wellness products segment, partly compensated by the increase of HK$2.1 million and HK$2.3 million in the branded medicines and proprietary Chinese medicines segments respectively. The revenue split of the three segments was at the ratio of 56%, 34% and 10%.

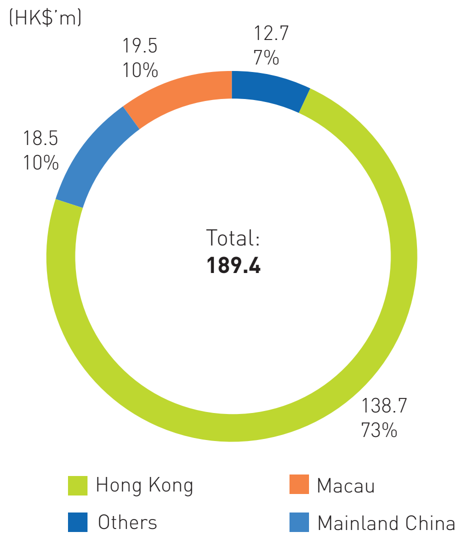
In the branded medicines segment, AIM Atropine Eye Drops delivered a promising growth despite the disruption by the pandemic on the consultation visits of children to hospitals and ophthalmologists. Ho Chai Kung brand products also demonstrated considerable resilience with decline in sales revenue by 7.4% during the Reporting Period.

In the proprietary Chinese medicines segment, the increase in revenue is primarily contributed by the strong growth in sales revenue of CCMG business as a result of rising health awareness, as well as the significant increase in sales through cross-border e-commerce platforms. This is offset by the sluggish consumer demand of Po Chai Pills due to lingering travel restrictions across the region caused by the pandemic.

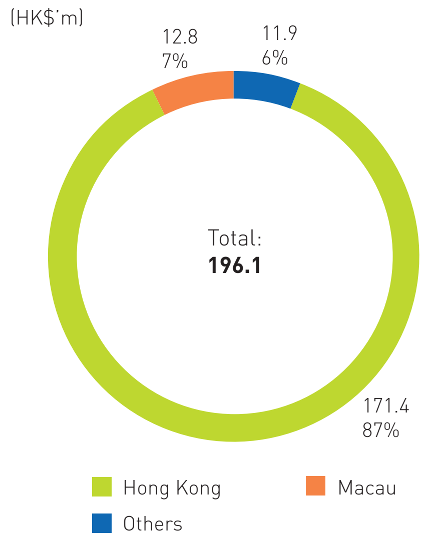
In the health and wellness products segment, the revenue from personal hygiene and infection control products decreased significantly as a result of the stabilisation of COVID-19 pandemic in Hong Kong, partly compensated by the increase in sales of Oncotype DX® Breast Cancer Recurrence Score Test during the Reporting Period.

Revenue by Geographic Locations

FY2022 Interim

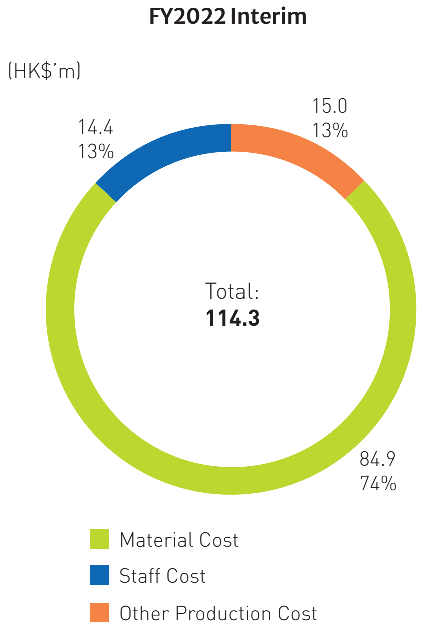


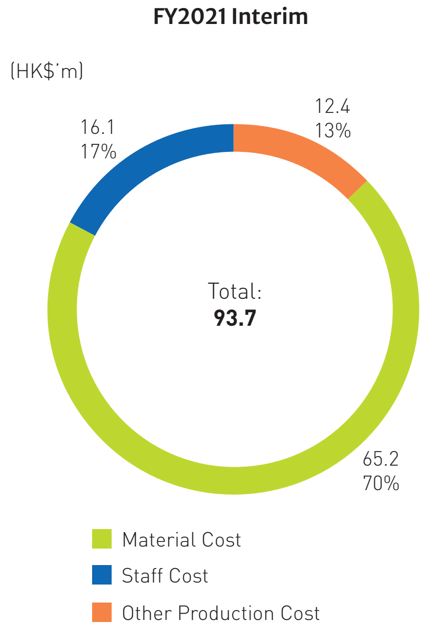
FY2021 Interim



Hong Kong continued to be the major revenue stream, representing 73% of the total revenue with a decrease in revenue of HK$32.7 million, which is mainly due to the significant decrease in sales of Po Chai Pills and personal hygiene and infection control products. The revenue in Mainland China increased by HK$18.5 million, mainly due to the increase in sales of Puji Pills after the change in distributor, and the significant increase in sales via cross-border e-commerce platforms during the Reporting Period. The revenue increase in Macau by HK$6.7 million was mainly contributed by the increase in sales of AIM Atropine Eye Drops. The slight increase in revenue from other overseas markets by HK$0.8 million was mainly due to the increase in sales in Singapore and Canada, partly offset by the decrease in sales in Ireland.

Cost of Sales



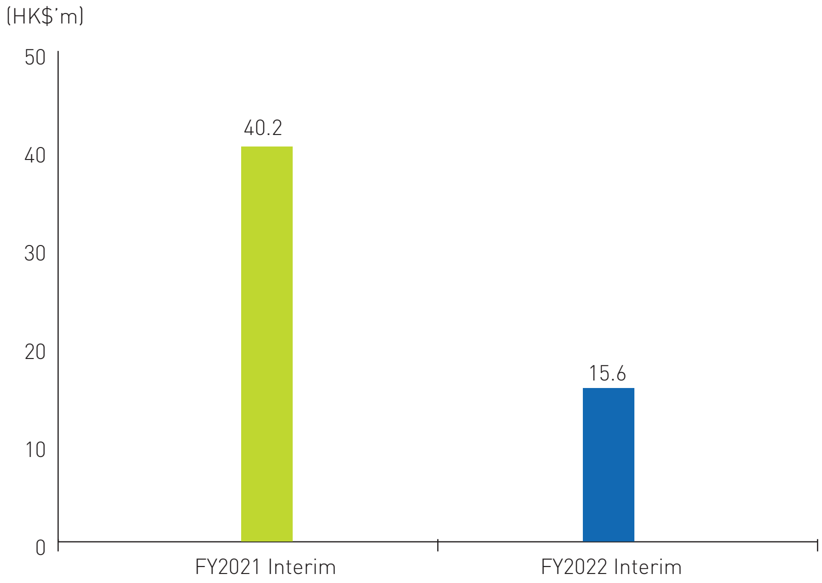


Material cost continued to be the major component which constituted approximately 74% of the total cost of sales. The increase in material cost of HK$19.7 million or 30.2% was mainly due to procurement of third party woodlok oil products for sale to cross-border e-commerce platforms with relatively low margin compared to existing products of the Group.

The decrease in staff cost of HK$1.7 million or 10.6% was mainly attributed to the implementation of optimisation program and cost control measures by the Group during COVID-19 pandemic.

The increase in other production costs of HK$2.6 million or 21.0% was because the Group entered into a lease agreement in second half of FY2021 for use of a GMP accredited production facility.

Profit from Operations



The profit from operations dropped by HK$24.6 million or 61.2% to HK$15.6 million was mainly due to decrease in gross profit of HK$27.3 million and the one-off Employment Support Scheme subsidy from the Hong Kong Government of HK$6.1 million recognised in FY2021 Interim as other net income, which was compensated partially by the one-off spin-off listing expenses of HK$7.0 million incurred in FY2021 Interim.

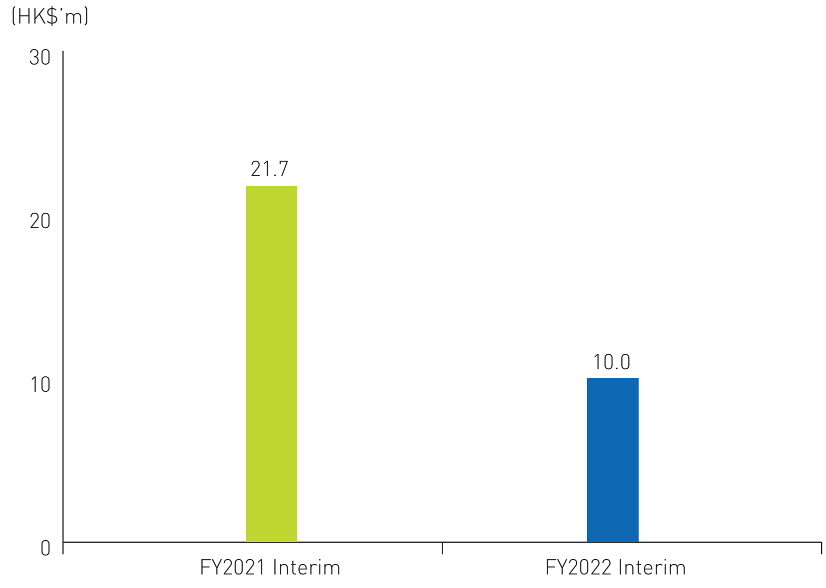
Finance Costs

The finance costs in FY2022 Interim was mainly attributable to a committed banking facility, while the finance costs in FY2021 Interim mainly represented interest expenses for an amount due to the immediate holding company, as part of the reorganisation for the spin-off and separate listing of the Company in the Stock Exchange in February 2021. The decrease in finance costs was mainly due to lower average balance of interest-bearing liabilities in FY2022 Interim compared with FY2021 Interim.

Income Tax

The decrease in income tax primarily reflected the lower profit before taxation generated during the Reporting Period. The increase in effective tax rate is mainly due to the non-taxable Employment Support Scheme subsidy from the Hong Kong Government recognised in FY2021 Interim.

Profit Attributable to Equity Shareholders



The decrease in profit attributable to equity shareholders mainly reflected the decrease in profit from operations, partly compensated by the decrease in finance costs and income tax.

Assets

Property, plant and equipment

The increase in property, plant and equipment principally reflected the additions of HK$16.6 million, offset partially by the depreciation of HK$13.9 million and disposals with net book value of HK$0.6 million.

Intangible assets

The decrease in intangible assets was principally attributable to amortisation of HK$9.8 million.

Inventories

The decrease in inventories by HK$7.7 million or 16.0% mainly reflected the stringent inventory control measures in order to optimise the inventory level during the time of COVID-19 pandemic and the reduction in sales level.

Cash and cash equivalents

Approximately 85.8% of cash and cash equivalents as at 30 September 2021 were denominated in Hong Kong dollars (as at 31 March 2021: 90.5%), while the remaining balance was denominated in Euros, United Stated dollars, Renminbi and Singapore dollars.

Liabilities

Bank loans

The decrease in bank loans from HK$235.0 million as at 31 March 2021 to HK$205.0 million as at 30 September 2021 solely represented partial repayment of bank loan. As at 30 September 2021, the bank loan of the Group was denominated in Hong Kong dollars.

Use of Proceeds

Use of IPO proceeds

Net proceeds of HK$10,523,000 were raised from the initial public offering of the Company (after the deduction of underwriting fees, commissions and expenses paid by the Company in connection with the initial public offering) (the "**IPO Proceeds**"). There has not been any change to the intended use of the IPO Proceeds or the allocated amount as disclosed in the Prospectus issued by the Company.

The table below sets forth the status of utilisation of the IPO Proceeds as at 30 September 2021 and the expected timeline of the use of the unutilised IPO Proceeds:

		As at 31 March 2021		As at 30 September 2021		
Use of IPO Proceeds as set out in the Prospectus	Proposed Application HK$'000	Actual utilised amount HK$'000	Unutilised amount HK$'000	Actual utilised amount HK$'000	Unutilised amount HK$'000	Expected timeline for utilising the remaining IPO proceeds
Portfolio development and brand management of proprietary Chinese medicines	5,000	741	4,259	1,714	3,286	On or before 31 March 2022
Payments for obtaining additional distribution rights from third-party brand owners	4,523	–	4,523	–	4,523	On or before 31 March 2022
General working capital	1,000	1,000	–	1,000	–	N/A
Total	10,523	1,741	8,782	2,714	7,809	

The Group intends to apply the remaining IPO Proceeds according to the plans disclosed in the Prospectus as shown above.

Liquidity, Capital Resources and Capital Structure

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

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

Charge on Group Assets

The carrying value of assets pledged against bank loans was HK$77.8 million as at 30 September 2021 (as at 31 March 2021: HK$79.0 million).

Net Gearing Ratio

The net gearing ratio of the Group (bank loans less cash and cash equivalents, divided by total equity multiplied by 100%) slightly increased from 14.9% as of 31 March 2021 to 15.2% as of 30 September 2021. The increase in net gearing ratio was attributable to purchases of property, plant and equipment 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 of 30 September 2021, the Group did not have any significant contingent liabilities.

Events after the Reporting Period

No significant event has taken place subsequent to 30 September 2021 and up to the date of this interim report.

Significant Investment Held, Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

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

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 outbreak of COVID-19 has weakened consumer sentiment and adversely impacted retail spending in Hong Kong as local economic activities and the number of visitors declined as a result of various social distancing measures and travel restrictions implemented from time to time. As we sell the majority of our products through retail channels, such as major modern trade chain stores, registered pharmacies and drug stores, the COVID-19 outbreak has negatively affected the sales of many of our branded healthcare products. Any further prolonged outbreak of COVID-19 may materially and adversely impact on our business and financial performance going forward.

– Our success is attributable to the well-established brands of our products and our ability to manage the brands effectively. We devoted significant resources in brand marketing, promotion and management to enhance their appeal and recognition. However, the marketing and promotional initiatives may not always be successful. Furthermore, our business could be negatively impacted if any of our products suffers substantial harm to its brand reputation due to product recall, defects, product misuse, negative or inaccurate reports, postings on social media etc.

– Our branded healthcare products typically compete in three market segments, namely the branded medicines, proprietary Chinese medicines and health and wellness products markets, which are highly competitive and rapidly evolving with frequent introduction of new brands and products and high consumer expectations on quality and value. We face intense competition from existing competitors and new entrants, including multinational companies, as well as domestic manufacturers and distributors of products that have competing market positioning or similar efficacies that can be used as substitutes for our products.

– The nature of our business exposes us to the risk of product liability, personal injury or wrongful death claims that are inherent in the development, manufacture and sales of consumer products. Manufacturers or vendors of defective products could be subject to civil liability for loss or physical injury to any affected person. In Hong Kong, manufacturers of defective products could also be subject to criminal liability and have their business licenses revoked. In the event a lawsuit is brought against us, we may have to incur substantial costs to defend the lawsuit or be held liable for significant damages, and we may be unable to seek full indemnification from our suppliers, third-party manufacturers or third-party brand owners or be fully covered by our insurance for our liability and costs.

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

Environmental Policies and Performance

The Group is primarily engaged in production, sales and distribution of branded healthcare products and proprietary Chinese medicines which does not have any material impact on the environment. The key environmental impacts from the Group's operation are related to electricity, water and paper consumption. The Group is fully aware of the importance of sustainable environmental development, and has implemented a number of measures to encourage environmental protection and energy conservation.

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

Compliance With Laws and Regulations

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

Other Information

Corporate Governance Highlights

The Board is committed to maintaining high corporate governance standards.

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

The Company has applied the code provisions as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to the Listing Rules as its own code of corporate governance.

The Company has complied with all the code provisions of the CG Code and adopted most of the recommended best practices set out therein throughout the six months ended 30 September 2021.

Model Code for Securities Transactions

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" (the "**Model Code**") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions of the Directors. All Directors confirmed that they have complied with the required standard as set out in the Model Code throughout the Reporting Period.

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

Review of Interim Results

The interim results for the six months ended 30 September 2021 are unaudited, but have been reviewed by KPMG, in accordance with Hong Kong Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, issued by the Hong Kong Institute of Certified Public Accountants, whose unmodified review report is included on page 22. The Audit Committee, together with management of the Company, has also reviewed the interim results for the six months ended 30 September 2021.

Interim Dividend

The Board does not recommend the payment of interim dividend for the six months ended 30 September 2021.

Change of Information on Directors

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

Mr. Luk Ting Lung, Alan resigned from the head of private banking and trust services at Hang Seng Bank Ltd., a company whose shares are listed on the Stock Exchange (stock code: 0011), with effect from 12 September 2021.

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

As at 30 September 2021, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, including interests or short positions which they were taken or deemed to have under such provisions of the SFO, or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to section 347 of the SFO and the Model Code were as follows:

(I) Interests in Shares of the Company

Name of Director	Capacity/Nature of Interest	Number of shares	Approximate percentage of issued share capital of the Company	Long position/ Short position/ Lending pool
Mr. Sum [(1)]	Beneficial owner Interests in controlled corporation Settlor of trusts	622,594,375	69.67%	Long position
Mr. Wong Yat Wai, Patrick	Beneficial owner	204,500	0.02%	Long position
Dr. Chu Ka Wing	Beneficial owner	113,750	0.01%	Long position
Mr. Yim Chun Leung	Beneficial owner	3,727,500	0.42%	Long position
Mr. Yeung Kwok Chun, Harry	Beneficial owner	125,000	0.01%	Long position
Mr. Chan Kam Chiu, Simon	Beneficial owner	12,500	0.01%	Long position

Note:

(1) Jacobson Pharma is owned as to approximately 43.98%, 14.86% and 0.1% by Kingshill, Queenshill and Mr. Sum (in his personal capacity), respectively. Each of Lincoln's Hill and Kingshill is wholly-owned by Trust Co under The Kingshill Trust, a discretionary trust established by Mr. Sum (as the settlor) with Mr. Sum and his family members as the discretionary beneficiaries. Trust Co is in turn wholly-owned by UBS Trustees (B.V.I.) Limited (the trustee of The Kingshill Trust) through its nominee, UBS Nominees Limited. Queenshill is wholly-owned by Mr. Sum. By virtue of the SFO, Mr. Sum is deemed to be interested in the 622,594,375 shares of the Company in which Jacobson Pharma, Lincoln's Hill and Queenshill are interested.

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

(II) Interests in shares of Jacobson Pharma (an associated corporation of the Company)

Name of Director	Capacity/Nature of Interest	Number of shares	Approximate percentage of issued share capital of Jacobson Pharma	Long position/ Short position/ Lending pool
Mr. Sum [(1)]	Beneficial owner Interests in controlled corporation Settlor of trusts	1,140,276,000	58.95%	Long position
Mr. Wong Yat Wai, Patrick	Beneficial owner	1,636,000	0.08%	Long position
Dr. Chu Ka Wing	Beneficial owner	910,000	0.05%	Long position
Mr. Yim Chun Leung	Beneficial owner	29,820,000	1.54%	Long position
Mr. Yeung Kwok Chun, Harry	Beneficial owner	1,000,000	0.05%	Long position
Mr. Chan Kam Chiu, Simon	Beneficial owner	100,000	0.01%	Long position

Note:

(1) Mr. Sum is the registered and beneficial owner of 2,000,000 shares in Jacobson Pharma. Queenshill, a company wholly-owned by Mr. Sum, also held 287,592,000 shares in Jacobson Pharma. By virtue of the SFO, Mr. Sum is deemed to be interested in the 287,592,000 shares held by Queenshill. UBS Trustees (B.V.I.) Limited, the trustee of The Kingshill Trust, holds the entire issued share capital of Trust Co through its nominee, UBS Nominees Limited. Trust Co holds the entire issued share capital of Kingshill. Kingshill in turn holds 850,684,000 shares in Jacobson Pharma. The Kingshill Trust is a discretionary trust established by Mr. Sum (as the settlor) with Mr. Sum and his family members as the discretionary beneficiaries (directly and through The Queenshill Trust). By virtue of the SFO, Mr. Sum, as the settlor and a discretionary beneficiary of The Kingshill Trust and The Queenshill Trust, is deemed to be interested in the 850,684,000 shares of Jacobson Pharma held by Kingshill.

Save as disclosed above, so far as known to any Directors as at 30 September 2021, none of the Directors or chief executive of the Company or any of their close associates had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, including interests and short positions which they were taken or deemed to have under such provisions of the SFO, or which were required to be recorded in the register to be kept by the Company pursuant to section 352 of the SFO, or which were required, pursuant to section 347 of the SFO and the Model Code, to be notified to the Company and the Stock Exchange.

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

As at 30 September 2021, within the knowledge of the Directors, the following persons or corporations had or deemed or taken to have an interest or a short position in the shares or underlying shares of the Company which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Interests in Shares of the Company

Name of shareholder	Capacity/Nature of Interest	Number of shares	Approximate percentage of issued share capital of the Company	Long position/ Short position/ Lending pool
JBM Group BVI[(1)]	Beneficial owner	480,222,375	53.74%	Long position
Jacobson Pharma[(1)(2)]	Interests in controlled corporation	480,222,375	53.74%	Long position
Kingshill[(2)]	Interests in controlled corporation	480,222,375	53.74%	Long position
Lincoln's Hill[(2)]	Beneficial owner	106,335,500	11.90%	Long position
Trust Co[(2)]	Interests in controlled corporation	586,557,875	65.63%	Long position
UBS Trustees (B.V.I.) Limited[(2)]	Interests in controlled corporation Trustee	586,557,875	65.63%	Long position
Mr. Sum[(2)]	Beneficial owner Interests in controlled corporation Settlor of trusts	622,594,375	69.67%	Long position

Notes:

(1) JBM Group BVI is wholly-owned by Jacobson Pharma. By virtue of the SFO, Jacobson Pharma is deemed to be interested in the Shares held by JBM Group BVI.

(2) Jacobson Pharma is owned as to approximately 43.98%, 14.86% and 0.1% by Kingshill, Queenshill and Mr. Sum (in his personal capacity), respectively. Each of Lincoln's Hill and Kingshill is wholly-owned by Trust Co under The Kingshill Trust, a discretionary trust established by Mr. Sum (as the settlor) with Mr. Sum and his family members as the discretionary beneficiaries. Trust Co is in turn wholly-owned by UBS Trustees (B.V.I.) Limited (the trustee of The Kingshill Trust) through its nominee, UBS Nominees Limited. Queenshill is wholly-owned by Mr. Sum. By virtue of the SFO, (i) each of Kingshill, Trust Co, UBS Trustees (B.V.I.) Limited and Mr. Sum is deemed to be interested in the Shares in which Jacobson Pharma is interested; (ii) each of Trust Co, UBS Trustees (B.V.I.) Limited and Mr. Sum will be deemed to be interested in the Shares in which Lincoln's Hill is interested; and (iii) Mr. Sum is deemed to be interested in the 622,594,375 shares of the Company in which Queenshill is interested.

Share Award Scheme

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

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

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

The Share Award Scheme does not constitute a share option scheme or an arrangement analogous to a share option scheme for the purpose of Chapter 17 of the Listing Rules, and is a discretionary scheme of the Company.

Unless otherwise terminated or altered, the Share Award Scheme should be valid and effective for a period of ten years commencing from 18 January 2021. Pursuant to the Share Award Scheme, the Trustee will purchase existing shares of the Company from the market or subscribe for new ordinary shares from the Company out of the money contributed by the Group, and such shares will be held on trust for selected participants of the scheme until such awarded shares are vested with the relevant selected participants. At no point in time shall the Trustee be holding more than 5% of the total number of shares of the Company in issue under the Share Award Scheme. In addition, unless approved by the Board, the Award Committee shall not grant any awarded shares to any selected participant if the granting of such awarded shares would result in the total number of shares vested or to be vested in the relevant selected participant during any 12 month period exceeding 1% of the total issued shares of the Company (save and except that any grant of awarded shares to an independent non-executive Director should not result in the total number of shares vested or to be vested in that person (under the Share Award Scheme or otherwise) during any 12 month period exceeding 0.1% of the total issued shares of the Company). Details of the rules of the Share Award Scheme were set out in the Prospectus.

Up to 30 September 2021, the Trustee has not yet purchased any existing shares of the Company from the market. During the Reporting Period, no Share was issued nor granted to any selected participant under the Share Award Scheme.

Arrangement to Purchase Shares or Debentures

Other than the Share Award Scheme, at no time during the Reporting Period was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debt securities including debentures of, the Company or any other body corporate.

Review Report to the Board of Directors

JBM (Healthcare) Limited
(Incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial report set out on pages 23 to 37 which comprises the consolidated statement of financial position of JBM (Healthcare) Limited (the "**Company**") as of 30 September 2021 and the related consolidated statement of profit or loss and other comprehensive income and statement of changes in equity and condensed consolidated cash flow statement for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34.

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

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 September 2021 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, *Interim financial reporting.*

KPMG
Certified Public Accountants

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

26 November 2021

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 September 2021 – unaudited (Expressed in Hong Kong dollars)

	Note	Six months ended 30 September 2021 HK$'000	2020 HK$'000
Revenue	4	189,372	196,105
Cost of sales		(114,292)	(93,699)
Gross profit		75,080	102,406
Other net income	5	970	7,010
Selling and distribution expenses		(38,671)	(43,452)
Administrative and other operating expenses		(21,762)	(18,703)
Listing expenses		–	(7,042)
Profit from operations		15,617	40,219
Finance costs	6(A)	(3,403)	(3,937)
Share of (loss)/profit of an associate		(749)	51
Share of losses of joint ventures		(285)	(45)
Profit before taxation	6	11,180	36,288
Income tax	7	(2,905)	(7,301)
Profit for the period		8,275	28,987
Other comprehensive income for the period			
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		(249)	526
Other comprehensive income for the period		(249)	526
Total comprehensive income for the period		8,026	29,513
Profit attributable to:			
Equity shareholders of the Company		10,040	21,650
Non-controlling interests		(1,765)	7,337
Total profit for the period		8,275	28,987
Total comprehensive income attributable to:			
Equity shareholders of the Company		9,791	22,176
Non-controlling interests		(1,765)	7,337
Total comprehensive income for the period		8,026	29,513
		HK cents	HK cents
Earnings per share			
Basic and diluted	8	1.12	2.83

The notes on pages 27 to 37 form part of this interim financial report.

Consolidated Statement of Financial Position

At 30 September 2021 – unaudited (Expressed in Hong Kong dollars)

	Note	As at 30 September 2021 HK$'000	As at 31 March 2021 HK$'000
Non-current assets			
Property, plant and equipment	10	192,169	190,070
Intangible assets		841,909	851,750
Interest in an associate		16,156	16,905
Interests in joint ventures		4,262	4,036
Other non-current assets		8,046	6,741
Other financial assets	12	25,321	25,321
Deferred tax assets		2,646	2,062
		1,090,509	1,096,885
Current assets			
Inventories		40,357	48,016
Trade and other receivables	11	157,272	141,248
Current tax recoverable		1,675	668
Cash and cash equivalents	13	60,004	94,376
		259,308	284,308
Current liabilities			
Trade and other payables and contract liabilities	14	36,967	56,970
Bank loans		60,000	60,000
Leases liabilities		14,730	12,882
Current tax payable		11,924	7,290
		123,621	137,142
Net current assets		135,687	147,166
Total assets less current liabilities		1,226,196	1,244,051
Non-current liabilities			
Banks loans		145,000	175,000
Leases liabilities		27,245	20,036
Deferred tax liabilities		99,377	102,072
		271,622	297,108
NET ASSETS		954,574	946,943
CAPITAL AND RESERVES			
Share capital	15	8,937	8,937
Reserves		905,562	895,771
Total equity attributable to equity shareholders of the Company		914,499	904,708
Non-controlling interests		40,075	42,235
TOTAL EQUITY		954,574	946,943

The notes on pages 27 to 37 form part of this interim financial report.

Consolidated Statement of Changes in Equity

For the six months ended 30 September 2021 – unaudited (Expressed in Hong Kong dollars)

	Attributable to equity shareholders of the Company								
	Share capital HK$'000	Share premium HK$'000	Capital reserve HK$'000	Exchange reserve HK$'000	Fair value reserve (non-recycling) HK$'000	Retained earnings HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 April 2020	10	537,214	(60,596)	(917)	–	181,619	657,330	57,374	714,704
Profit for the period	–	–	–	–	–	21,650	21,650	7,337	28,987
Other comprehensive income	–	–	–	526	–	–	526	–	526
Total comprehensive income for the period	–	–	–	526	–	21,650	22,176	7,337	29,513
Deemed distribution	–	–	–	–	–	(307)	(307)	–	(307)
Dividends declared by a subsidiary attributable to non-controlling interests	–	–	–	–	–	–	–	(3,480)	(3,480)
Capitalisation of amount due to the immediate holding company	–	–	70,000	–	–	–	70,000	–	70,000
Capitalisation issue	7,210	(7,210)	–	–	–	–	–	–	–
Issuance of new shares and acquisition of non-controlling interests	1,270	125,730	(10,642)	–	–	–	116,358	(19,358)	97,000
At 30 September 2020	8,490	655,734	(1,238)	(391)	–	202,962	865,557	41,873	907,430
At 1 April 2021	8,937	703,540	(1,238)	277	(10,720)	203,912	904,708	42,235	946,943
Profit for the period	–	–	–	–	–	10,040	10,040	(1,765)	8,275
Other comprehensive income	–	–	–	(249)	–	–	(249)	–	(249)
Total comprehensive income for the period	–	–	–	(249)	–	10,040	9,791	(1,765)	8,026
Dividends declared by a subsidiary attributable to non-controlling interests	–	–	–	–	–	–	–	(398)	(398)
Partial disposal of a subsidiary without loss of control	–	–	–	–	–	–	–	3	3
At 30 September 2021	8,937	703,540	(1,238)	28	(10,720)	213,952	914,499	40,075	954,574

The notes on pages 27 to 37 form part of this interim financial report.

Condensed Consolidated Cash Flow Statement

For the six months ended 30 September 2021 – unaudited (Expressed in Hong Kong dollars)

	Note	Six months ended 30 September	
		2021	2020
		HK$'000	HK$'000
Operating activities			
Cash generated from operations		**10,941**	53,140
Income tax paid		**(2,557)**	(2,090)
Net cash generated from operating activities		**8,384**	51,050
Investing activities			
Payment for purchase of property, plant and equipment and intangible assets		**(3,512)**	(18,264)
Payment for investments in joint ventures		**(511)**	(1,668)
Interest received		**12**	130
Net cash used in investing activities		**(4,011)**	(19,802)
Financing activities			
Capital element of lease rentals paid		**(4,701)**	(5,732)
Interest element of lease rentals paid		**(528)**	(220)
Repayment of bank loans		**(30,000)**	–
Other borrowing costs paid		**(2,875)**	–
Dividends paid to non-controlling interests		**(398)**	(1,200)
Issuance of new shares		**–**	97,000
Decrease in amount due to an intermediate holding company		**–**	(9,364)
Decrease in amount due to the immediate holding company		**–**	(123,717)
Decrease in amount due from an intermediate holding company		**–**	10,793
Net cash used in financing activities		**(38,502)**	(32,440)
Net decrease in cash and cash equivalents		**(34,129)**	(1,192)
Cash and cash equivalents at 1 April		**94,376**	72,790
Effect of foreign exchange rate changes		**(243)**	526
Cash and cash equivalents at 30 September	13	**60,004**	72,124

The notes on pages 27 to 37 form part of this interim financial report.

Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars unless otherwise indicated)

1 Corporate Information

The Company is an exempted company with limited liability incorporated in the Cayman Islands. The Company is an investment holding company. The Company and its subsidiaries are principally engaged in manufacturing and trading of proprietary medicines and distributing health and wellness products. The Company's shares were listed on the Main Board on 5 February 2021.

2 Basis of Preparation

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange, including compliance with Hong Kong Accounting Standard ("**HKAS**") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). It was authorised for issue on 26 November 2021.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the consolidated financial statements for the year ended 31 March 2021, except for the accounting policy changes that are expected to be reflected in the consolidated financial statements for the year ending 31 March 2022. Details of any changes in accounting policies are set out in note 3.

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

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2020/21 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**").

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

The financial information relating to the financial year ended 31 March 2021 that is included in this interim financial report as comparative information does not constitute the Company's annual consolidated financial statements for the financial year but is derived from those financial statements.

3 Changes in Accounting Policies

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

- Amendment to HKFRS 16, *Covid-19-related rent concessions beyond 30 June 2021*
- Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16, *Interest rate benchmark reform – phase 2*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended HKFRSs are discussed below:

Amendment to HKFRS 16, *COVID-19-Related Rent Concessions Beyond 30 June 2021 (2021 Amendment)*

The Group previously applied the practical expedient in HKFRS 16 such that as lessee it was not required to assess whether rent concessions occurring as a direct consequence of the COVID-19 pandemic were lease modifications, if the eligibility conditions are met. One of these conditions requires the reduction in lease payments affect only payments originally due on or before a specified time limit. The 2021 amendment extends this time limit from 30 June 2021 to 30 June 2022. There is no significant impact to the Group's financial position and financial performance for the application of the amendment.

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16, *Interest Rate Benchmark Reform – Phase 2*

The amendments provide targeted reliefs from (i) accounting for changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities as modifications, and (ii) discontinuing hedge accounting when an interest rate benchmark is replaced by an alternative benchmark rate as a result of the reform of interbank offered rates ("**IBOR reform**"). The amendments do not have an impact on this interim financial report as the Group does not have contracts that are indexed to benchmark interest rates which are subject to the IBOR reform.

4 Revenue and Segment Reporting

(A) REVENUE

The principal activities of the Group are manufacturing and trading of proprietary medicines and distributing health and wellness products. All the revenue for the six months ended 30 September 2021 and 2020 was recognised in accordance with HKFRS 15, *Revenue from Contracts with Customers.*

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

(B) SEGMENT REPORTING

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

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

4 Revenue and Segment Reporting (Continued)

(B) SEGMENT REPORTING (Continued)

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

The measure used for reporting segment profit is gross profit.

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

No inter-segment sales have occurred during the six months ended 30 September 2021 and 2020.

(i) Segment revenue and results

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

	Branded medicines		Proprietary Chinese medicines		Health and wellness products		Total	
	Six months ended 30 September		Six months ended 30 September		Six months ended 30 September		Six months ended 30 September	
	2021 HK$'000	2020 HK$'000	**2021 HK$'000**	2020 HK$'000	**2021 HK$'000**	2020 HK$'000	**2021 HK$'000**	2020 HK$'000
Revenue from external customers and reportable segment revenue recognised at a point in time	**63,425**	61,307	**106,467**	104,170	**19,480**	30,628	**189,372**	196,105
Reportable segment gross profit	**38,889**	40,662	**28,838**	49,620	**7,353**	12,124	**75,080**	102,406

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

	Six months ended 30 September	
	2021 HK$'000	2020 HK$'000
Revenue		
Reportable segment revenue and consolidated revenue	**189,372**	196,105
Profit		
Reportable segment gross profit	**75,080**	102,406
Other net income	**970**	7,010
Selling and distribution expenses	**(38,671)**	(43,452)
Administrative and other operating expenses	**(21,762)**	(18,703)
Listing expenses	**–**	(7,042)
Finance costs	**(3,403)**	(3,937)
Share of (loss)/profit of an associate	**(749)**	51
Share of losses of joint ventures	**(285)**	(45)
Consolidated profit before taxation	**11,180**	36,288

4 Revenue and Segment Reporting (Continued)

(B) SEGMENT REPORTING (Continued)

(iii) Geographic information

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

	Six months ended 30 September 2021 HK$'000	2020 HK$'000
Revenue from external customers		
Hong Kong (place of domicile)	**138,747**	171,412
Mainland China	**18,473**	–
Macau	**19,494**	12,798
Singapore	**5,233**	1,700
Others	**7,425**	10,195
	189,372	196,105

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

	As at 30 September 2021 HK$'000	As at 31 March 2021 HK$'000
Specified non-current assets		
Hong Kong (place of domicile)	**1,044,772**	1,050,959
Mainland China	**17,770**	18,543
	1,062,542	1,069,502

(iv) Information about major customer

For the six months ended 30 September 2021, the Group's customer base includes one (six months ended 30 September 2020: one) customer of branded medicines and proprietary Chinese medicines segments with whom transactions have exceeded 10% of the Group's revenue. Revenue from sales of branded medicines and proprietary Chinese medicines to this customer amounted to HK$39,506,000 (six months ended 30 September 2020: HK$59,764,000).

5 Other Net Income

	Six months ended 30 September 2021 HK$'000	2020 HK$'000
Commission income	**786**	562
Interest income from bank deposits	**12**	130
Government grants	**–**	6,113
Net foreign exchange loss	**(120)**	(104)
Net gain/(loss) on disposal of property, plant and equipment	**9**	(171)
Others	**283**	480
	970	7,010

6 Profit Before Taxation

Profit before taxation is arrived at after charging:

(A) FINANCE COSTS

	Six months ended 30 September 2021 HK$'000	2020 HK$'000
Interest on bank loans	**2,875**	–
Interest expense on amount due to the immediate holding company	**–**	3,717
Interest on lease liabilities to		
– third parties	**91**	149
– fellow subsidiaries	**437**	71
	3,403	3,937

(B) OTHER ITEMS

	Six months ended 30 September 2021 HK$'000	2020 HK$'000
Depreciation		
– owned property, plant and equipment	**6,614**	6,506
– right-of-use assets	**7,259**	5,468
	13,873	11,974
Amortisation of intangible assets	**9,841**	8,919
Write-down of inventories	**141**	134

7 Income Tax

	Six months ended 30 September 2021 HK$'000	2020 HK$'000
Current tax	**6,184**	9,727
Deferred taxation	**(3,279)**	(2,426)
	2,905	7,301

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 2020: 16.5%) to the six months ended 30 September 2021. Taxation for overseas subsidiaries is similarly calculated using the estimated annual effective rates of taxation that are expected to be applicable in the relevant countries.

8 Earnings Per Share

(A) BASIC EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of HK$10,040,000 (six months ended 30 September 2020: HK$21,650,000) during the period, and the weighted average ordinary shares in issue calculated as follows:

	Six months ended 30 September 2021 '000	2020 '000
Shares of the Company issued at the beginning of the period	**893,686**	722,000
Effect of shares issued	**–**	43,721
Weighted average number of ordinary shares in issue during the period	**893,686**	765,721

The weighted average number of ordinary shares in issue for the six months ended 30 September 2020 was calculated based on the assumption that 722,000,000 shares were in issue at the beginning of the period, taking into consideration the effect of the capitalisation issue.

(B) DILUTED EARNINGS PER SHARE

Diluted earnings per share for the six months ended 30 September 2021 and 2020 were the same as the basic earnings per share as there were no potentially dilutive ordinary shares in existence during both periods.

9 Dividends

The Board does not recommend the payment of an interim dividend in respect of the six months ended 30 September 2021 (six months ended 30 September 2020: Nil).

On 29 May 2020 and 28 July 2020, Orizen Capital Limited ("**Orizen**"), an indirect non-wholly owned subsidiary of the Company, declared dividends of HK$2,280,000 and HK$1,200,000 to its non-controlling interests respectively. On 21 April 2021, Orizen declared dividends of HK$398,000 to its non-controlling interests.

10 Property, Plant and Equipment

Right-of-use assets

During the six months ended 30 September 2021, the Group entered into a number of lease agreements for use of warehouses, office buildings and production building housing, and therefore recognised the additions to right-of-use assets of HK$14,360,000 (six months ended 30 September 2020: HK$2,993,000).

11 Trade and Other Receivables

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 30 September 2021 HK$'000	As at 31 March 2021 HK$'000
Less than 1 month	**53,301**	64,578
1 to 6 months	**27,088**	43,404
Over 6 months	**65,294**	25,830
Trade receivables	**145,683**	133,812
Other receivables	**740**	747
Deposits and prepayments	**6,844**	6,689
Amounts due from joint ventures	**4,005**	–
	157,272	141,248

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

	As at 30 September 2021 HK$'000	As at 31 March 2021 HK$'000
Current	**76,002**	100,504
Less than 1 month past due	**14,059**	5,541
1 to 3 months past due	**35,292**	1,856
Over 3 months past due	**20,330**	25,911
	145,683	133,812

12 Other Financial Assets

	As at 30 September 2021 HK$'000	As at 31 March 2021 HK$'000
Equity securities designated at fair value through other comprehensive income ("**FVOCI**") (non-recycling) – Unlisted	**25,321**	25,321

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

13 Cash and Cash Equivalents

	As at 30 September 2021 HK$'000	As at 31 March 2021 HK$'000
Cash at bank and in hand	**60,004**	94,376

14 Trade and Other Payables and Contract Liabilities

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 30 September 2021 HK$'000	As at 31 March 2021 HK$'000
Less than 1 month	**10,153**	9,231
1 to 6 months	**5,942**	3,671
Over 6 months	**182**	111
Trade payables	**16,277**	13,013
Salary and bonus payables	**5,896**	5,690
Other payables and accruals	**10,638**	33,460
Amounts due to joint ventures	**2,008**	2,000
Amounts due to fellow subsidiaries	**593**	1,104
Contract liabilities	**1,555**	1,703
	36,967	56,970

15 Capital and Reserves

Share capital

	Number of shares '000	Amount HK$'000
Authorised:		
Ordinary shares of HK$0.01 each at 31 March 2021, 1 April 2021 and 30 September 2021	5,000,000	50,000
Issued:		
At 31 March 2021, 1 April 2021 and 30 September 2021	893,686	8,937

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.

16 Fair Value Measurement of Financial Instruments

(A) FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

(i) Fair value hierarchy

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

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

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

The following tables present the Group's financial assets that were measured at fair value at 30 September 2021 and 31 March 2021.

	Fair value at 30 September 2021	**Fair value measurements at 30 September 2021 categorised into**		
		Level 1	**Level 2**	**Level 3**
	HK$'000	**HK$'000**	**HK$'000**	**HK$'000**
Financial assets at FVOCI – Unlisted	**25,321**	**–**	**–**	**25,321**

	Fair value at 31 March 2021	Fair value measurements at 31 March 2021 categorised into		
		Level 1	Level 2	Level 3
	HK$'000	HK$'000	HK$'000	HK$'000
Financial assets at FVOCI – Unlisted	25,321	–	–	25,321

There were no transfers between Level 1 and Level 2 or transfers into or out of Level 3 during the six months ended 30 September 2021. As at 30 September 2021 and 31 March 2021, the fair value of the financial assets at FVOCI were determined using discounted cash flow method (31 March 2020: with reference to the pricing of the recent transactions or offerings of the investee's shares) as there was no recent transaction or offering of the investee's shares. Accordingly, the fair value measurement was transferred from Level 2 to Level 3 during the year ended 31 March 2021. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the Reporting Period in the which they occur.

16 Fair Value Measurement of Financial Instruments (Continued)

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

(ii) Information about Level 3 fair value measurement

	Valuation technique	Significant unobservable input	Discount rate
Unlisted financial assets at FVOCI	Discounted cash flow method	Discount rate	13.2% (31 March 2021: 13.1%)

The fair value of unlisted equity instruments is determined using discounted cash flow method. The fair value measurement is negatively correlated to discount rate. As at 30 September 2021, it is estimated that with all variable held constant, a decrease/increase in discount rate by 1% would have increased/decreased the Group's other comprehensive income by HK$4,217,000/HK$3,461,000 (31 March 2021: increased/decreased the Group's other comprehensive income by HK$4,376,000/HK$3,572,000).

(B) FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES CARRIED AT OTHER THAN FAIR VALUE

The carrying amounts of the Group's financial instruments carried at amortised cost were not materially different from their fair values as at 30 September 2021 and 31 March 2021.

17 Capital Commitments

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

	As at 30 September 2021 HK$'000	As at 31 March 2021 HK$'000
Authorised and contracted for – Purchase of intangible assets	**21,857**	**13,537**

18 Material Related Party Transactions

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

(A) KEY MANAGEMENT PERSONNEL EMOLUMENTS

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

	Six months ended 30 September	
	2021 HK$'000	2020 HK$'000
Short-term employee benefits	**1,744**	1,951
Post-employment benefits	**18**	18
	1,762	1,969

18 Material Related Party Transactions (Continued)

(B) TRANSACTIONS WITH RELATED PARTIES

(i) Before listing of the Company

	Six months ended 30 September 2020 HK$'000
Sales to fellow subsidiaries	4,475
Sales to a related party [(#)]	929
Purchase from fellow subsidiaries	2,575
Logistics services fee to a fellow subsidiary	3,447
Overseas sales administrative services fee to fellow subsidiaries	1,701
Interest expense on the amount due to immediate holding company	3,717

The related party is an associate of a fellow subsidiary of the Company.

(ii) After listing of the Company

	Six months ended 30 September 2021 HK$'000
Logistics services fee to a fellow subsidiary	**1,814**
Sales to a fellow subsidiary (Manufacturing Services Agreement)	**1,136**
Purchase from a fellow subsidiary (Manufacturing Services Agreement)	**160**
Overseas sales administrative services fee to fellow subsidiaries	**411**

Glossary

"AIM Atropine Eye Drops"	refers to AIM Atropine 0.01% Eye Drops and AIM Atropine 0.125% Eye Drops procured from Aseptic Innovative Medicine Co. Ltd., an anticholinergic agent as a sterile topical preservative-free ophthalmic solution that is commonly used in the treatment of myopia, mydriasis and cycloplegia
"associate(s), chief executive(s), connected person(s), substantial shareholder(s)"	each has the meaning as described in the Listing Rules
"Audit Committee"	the audit committee of the Company
"Award Committee"	the award committee of the Company
"Board"	the board of directors of the Company
"BVI"	the British Virgin Islands
"CCMG"	concentrated Chinese medicine granule, traditional Chinese herbal medicines processed through modern extraction and concentration technologies to arrive at a granular form for easy dispensary and administration
"Chairman"	the chairman of the Board
"China", "Mainland China", "PRC" or "the PRC"	the People's Republic of China excluding, for the purpose of this interim report, Hong Kong, Macau and Taiwan
"Company", "our Company" or "the Company"	JBM (Healthcare) Limited, an exempted company incorporated in the Cayman Islands with limited liability on 7 January 2020
"Controlling Shareholder(s)"	refers to Mr. Sum, Jacobson Pharma, JBM Group BVI, Kingshill, Queenshill and Lincoln's Hill, each being a controlling shareholder within the meaning of the Listing Rules
"COVID-19"	Coronavirus disease 2019
"Director(s)"	the director(s) of the Company
"FY2021"	the year ended 31 March 2021
"FY2021 Interim"	the six months ended 30 September 2020
"FY2022 Interim" or "Reporting Period"	the six months ended 30 September 2021
"GMP"	Good Manufacturing Practice, a set of detailed guidelines on practices governing the production of pharmaceutical products designed to protect consumers by minimising production errors and the possibility of contamination
"Greater Bay Area"	the "Guangdong-Hong Kong-Macau Greater Bay Area", referring to the region linking two special administrative regions, namely Hong Kong and Macau, and the nine cities in Guangdong Province, namely Guangzhou, Shenzhen, Zhuhai, Foshan, Zhongshan, Dongguan, Huizhou, Jiangmen and Zhaoqing and forming an integrated economic and business hub under PRC government's scheme
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

"Independent Third Party"	any entity or person who, to the best knowledge of our Directors, is not a connected person of our Company within the meaning ascribed thereto under the Listing Rules
"Jacobson Pharma"	Jacobson Pharma Corporation Limited (雅各臣科研製藥有限公司), a company with limited liability incorporated under the laws of the Cayman Islands, the shares of which are listed on the Main Board (stock code: 2633)
"Jacobson Pharma Group"	Jacobson Pharma and its subsidiaries, including our Group
"JBM", "Group", "our Group", "the Group", "we", "us" or "our"	the Company and its subsidiaries and, in respect of the period before we became the holding company of our present subsidiaries, the businesses operated by such subsidiaries or their predecessors (as the case may be)
"JBM Group BVI"	JBM Group (BVI) Limited, a company with limited liability incorporated under the laws of the BVI on 24 December 2019, being one of our Controlling Shareholders
"Kingshill"	Kingshill Development Limited, a limited liability company incorporated under the laws of BVI on 8 July 1998, being one of our Controlling Shareholders
"Lincoln's Hill"	Lincoln's Hill Development Limited, a company with limited liability incorporated under the laws of the BVI on 12 November 2020, being one of our Controlling Shareholders
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
"Macau"	the Macau Special Administrative Region of the PRC
"Main Board"	Main Board of the Stock Exchange
"Mr. Sum"	Mr. Sum Kwong Yip, Derek, our Chairman, non-executive Director, being one of our Controlling Shareholders
"over-the-counter" or "OTC"	a term used to describe medicines that can be sold directly to a consumer without a prescription from a healthcare professional, as compared to prescription drugs, which are sold only to consumers possessing a valid prescription
"Prospectus"	the prospectus issued by the Company dated 26 January 2021
"Queenshill"	Queenshill Development Limited, a company with limited liability incorporated under the laws of the BVI on 12 December 2012, being one of our Controlling Shareholders
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
"Share(s)"	ordinary share(s) in the capital of the Company with nominal value of HK$0.01 each
"Share Award Scheme"	the share award scheme adopted by our Company on 18 January 2021, a summary of the principal terms of which is set forth in the Prospectus
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"The Kingshill Trust"	a discretionary trust established by our non-executive Director and Chairman, Mr. Sum (as the settlor), on 16 May 2016 with Mr. Sum and his family members as the discretionary beneficiaries
"Trust Co"	Kingshill Development Group Inc., a company incorporated in the BVI which is wholly-owned by UBS Nominees Limited as nominee for UBS Trustees (B.V.I.) Limited, the trustee of The Kingshill Trust, which holds the entire issued share capital of Kingshill and Lincoln's Hill