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Jacobson Pharma Corporation Limited

雅各臣科研製藥有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 2633

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2022

FINANCIAL HIGHLIGHTS

- The revenue for the financial year ended 31 March 2022 amounted to approximately HK\$1,595.5 million, representing an increase of about 10.3% as compared to that of approximately HK\$1,445.9 million for the corresponding year of 2021.
- Profit from operations for the same year amounted to approximately HK\$260.9 million, representing an increase of about 48.9% as compared to the adjusted profit from operations (excluding the one-off Employment Support Scheme subsidy from the Hong Kong Government) for the corresponding year of 2021 of HK\$175.2 million.
- Profit for the year amounted to approximately HK\$187.7 million, representing an increase of about 78.4% as compared to the adjusted profit (excluding the one-off Employment Support Scheme subsidy from the Hong Kong Government) for the corresponding year of 2021 of HK\$105.2 million.
- The Board recommends payment of a final dividend for the year ended 31 March 2022 of HK2.68 cents per share for the total amount of approximately HK\$51.8 million (2021 final dividend: HK1.50 cents per share). Excluding the 2021 special interim dividend in the form of distribution in specie of JBM Healthcare Shares, total dividend for the year ended 31 March 2022 amounts to HK3.88 cents per share (2021: HK2.30 cents per share).

The Board is pleased to announce the audited consolidated annual results of the Group for the year ended 31 March 2022, together with the comparative figures for the corresponding year of 2021 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| | | Year ended 31 March | |
|---|-------------|----------------------------|------------------|
| | <i>Note</i> | 2022 | 2021 |
| | | HK\$'000 | HK\$'000 |
| Continuing operations | | | |
| Revenue | 4 | 1,595,543 | 1,445,915 |
| Cost of sales | | <u>(975,021)</u> | <u>(884,832)</u> |
| Gross profit | | 620,522 | 561,083 |
| Other net income | 5 | 40,499 | 102,743 |
| Selling and distribution expenses | | (184,087) | (177,412) |
| Administrative and other operating expenses | | <u>(216,046)</u> | <u>(230,174)</u> |
| Profit from operations | | 260,888 | 256,240 |
| Finance costs | 6(A) | (25,687) | (30,144) |
| Share of losses of associates | | (3,555) | (3,676) |
| Share of losses of joint ventures | | <u>(213)</u> | <u>(1,851)</u> |
| Profit before taxation | 6 | 231,433 | 220,569 |
| Income tax | 7 | <u>(43,728)</u> | <u>(34,264)</u> |
| Profit for the year from continuing operations | | <u>187,705</u> | <u>186,305</u> |
| Discontinued operations | | | |
| Profit for the year from discontinued operations | | <u>–</u> | <u>3</u> |
| Profit for the year | | <u>187,705</u> | <u>186,308</u> |
| Other comprehensive income for the year | | | |
| <i>Item that will not be reclassified subsequently to profit or loss, net of nil tax:</i> | | | |
| Revaluation of financial assets at fair value through other comprehensive income | | (26,117) | (17,530) |
| <i>Item that may be reclassified subsequently to profit or loss, net of nil tax:</i> | | | |
| Exchange differences on translation of financial statements of operations outside Hong Kong | | <u>375</u> | <u>3,541</u> |
| Other comprehensive income | | <u>(25,742)</u> | <u>(13,989)</u> |
| Total comprehensive income for the year | | <u>161,963</u> | <u>172,319</u> |

| | Year ended 31 March | |
|---|----------------------------|----------|
| <i>Note</i> | 2022 | 2021 |
| | HK\$'000 | HK\$'000 |
| Profit attributable to: | | |
| Equity shareholders of the Company | 177,666 | 173,713 |
| Non-controlling interests | 10,039 | 12,595 |
| | <hr/> | <hr/> |
| Total profit for the year | 187,705 | 186,308 |
| | <hr/> | <hr/> |
| Profit attributable to equity shareholders of the Company arises from: | | |
| – Continuing operations | 177,666 | 173,710 |
| – Discontinued operations | – | 3 |
| | <hr/> | <hr/> |
| | 177,666 | 173,713 |
| | <hr/> | <hr/> |
| Total comprehensive income attributable to: | | |
| Equity shareholders of the Company | 151,924 | 164,684 |
| Non-controlling interests | 10,039 | 7,635 |
| | <hr/> | <hr/> |
| Total comprehensive income for the year | 161,963 | 172,319 |
| | <hr/> | <hr/> |
| Total comprehensive income attributable to equity shareholders of the Company arises from: | | |
| – Continuing operations | 151,924 | 164,681 |
| – Discontinued operations | – | 3 |
| | <hr/> | <hr/> |
| | 151,924 | 164,684 |
| | <hr/> | <hr/> |
| | HK cents | HK cents |
| Earnings per share | | |
| | 8 | |
| Basic and diluted | | |
| – From continuing operations | 9.27 | 9.07 |
| – From discontinued operations | – | –* |
| | <hr/> | <hr/> |
| Earnings per share for the year | 9.27 | 9.07 |
| | <hr/> | <hr/> |

* The amount represents less than HK0.01 cent.

Note: The results of wholesale and retail segment were classified as discontinued operations of the Group for the year ended 31 March 2021.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | | As at 31 March | |
|--|-------------|-----------------------|-----------------|
| | <i>Note</i> | 2022 | 2021 |
| | | HK\$'000 | HK\$'000 |
| Non-current assets | | | |
| Investment properties | | 230,472 | 207,480 |
| Property, plant and equipment | | 1,503,773 | 1,550,599 |
| Intangible assets | | 1,303,177 | 1,345,075 |
| Interests in associates | | 53,929 | 57,484 |
| Interests in joint ventures | | 4,334 | 4,036 |
| Other non-current assets | | 58,688 | 73,091 |
| Other financial assets | | 412,766 | 458,340 |
| Deferred tax assets | | 10,156 | 10,263 |
| | | 3,577,295 | 3,706,368 |
| Current assets | | | |
| Inventories | | 314,557 | 356,184 |
| Trade and other receivables | <i>10</i> | 380,546 | 317,758 |
| Current tax recoverable | | 4,489 | 6,490 |
| Cash and cash equivalents | | 478,653 | 480,350 |
| | | 1,178,245 | 1,160,782 |
| Current liabilities | | | |
| Trade and other payables | <i>11</i> | 159,411 | 137,722 |
| Bank loans | | 612,178 | 685,909 |
| Lease liabilities | | 33,970 | 35,941 |
| Current tax payable | | 20,825 | 14,334 |
| | | 826,384 | 873,906 |
| Net current assets | | 351,861 | 286,876 |
| Total assets less current liabilities | | 3,929,156 | 3,993,244 |

| | | As at 31 March | |
|--|-------------|-------------------------|------------------|
| | <i>Note</i> | 2022 | 2021 |
| | | HK\$'000 | HK\$'000 |
| Non-current liabilities | | | |
| Bank loans | | 729,472 | 892,210 |
| Lease liabilities | | 34,319 | 34,563 |
| Deferred tax liabilities | | 207,400 | 206,362 |
| | | <u>971,191</u> | <u>1,133,135</u> |
| NET ASSETS | | <u>2,957,965</u> | <u>2,860,109</u> |
| CAPITAL AND RESERVES | | | |
| Share capital | 12 | 19,157 | 19,157 |
| Reserves | | 2,472,159 | 2,370,691 |
| Total equity attributable to equity shareholders of the Company | | 2,491,316 | 2,389,848 |
| Non-controlling interests | | 466,649 | 470,261 |
| TOTAL EQUITY | | <u>2,957,965</u> | <u>2,860,109</u> |

NOTES

1 CORPORATE INFORMATION

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

2 BASIS OF PREPARATION

The financial results set out in this announcement do not constitute the Group's consolidated financial statements for the year ended 31 March 2022 but are extracted from those consolidated financial statements.

The consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the consolidated financial statements for the year ended 31 March 2021, except for the changes in accounting policies as set out in note 3.

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

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

3 CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendments to HKFRSs issued by the HKICPA to its financial statements 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 the Group’s financial statements 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 generic drugs and branded healthcare products. All the revenue for the years ended 31 March 2022 and 2021 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.

- Generic drugs: this segment develops, manufactures and distributes a host of off-patent medicines for various therapeutic use. Currently the activities in this regard are primarily carried out in Hong Kong.
- Branded healthcare: this segment develops, manufactures and/or distributes branded medicines, proprietary Chinese medicines and health and wellness products. Currently the activities in this regard are primarily carried out in Hong Kong.
- Wholesale and retail: this segment sold western and proprietary medicines in Hong Kong.

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

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

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

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

The wholesale and retail segment were classified as discontinued operations of the Group for the year ended 31 March 2021.

(i) Segment revenue and results

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

| | Generic drugs | | Continuing operations Branded healthcare | | Subtotal | | Discontinued operations Wholesale and retail | | Total | |
|--|---------------------|-----------|---|----------|---------------------|-----------|---|----------|---------------------|-----------|
| | Year ended 31 March | | Year ended 31 March | | Year ended 31 March | | Year ended 31 March | | Year ended 31 March | |
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Revenue from external customers at a point in time | 1,191,360 | 1,048,757 | 404,183 | 397,158 | 1,595,543 | 1,445,915 | - | 14,202 | 1,595,543 | 1,460,117 |
| Inter-segment revenue | 247 | 4,616 | 1,956 | 10,543 | 2,203 | 15,159 | - | - | 2,203 | 15,159 |
| Reportable segment revenue | 1,191,607 | 1,053,373 | 406,139 | 407,701 | 1,597,746 | 1,461,074 | - | 14,202 | 1,597,746 | 1,475,276 |
| Reportable segment profit/(loss) (adjusted EBITDA) | 355,988 | 338,415 | 85,741 | 129,203 | 441,729 | 467,618 | - | (18) | 441,729 | 467,600 |

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

| | Continuing operations Year ended 31 March | | Discontinued operations Year ended 31 March | |
|----------------------|--|-----------|--|----------|
| | 2022 | 2021 | 2022 | 2021 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Generic drugs | 1,191,360 | 1,048,757 | - | - |
| Branded healthcare | 404,183 | 397,158 | - | - |
| Wholesale and retail | - | - | - | 14,202 |
| Total | 1,595,543 | 1,445,915 | - | 14,202 |

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

| | Continuing operations | | Discontinued operations | |
|--|-----------------------|------------------|-------------------------|---------------|
| | Year ended 31 March | | Year ended 31 March | |
| | 2022 | 2021 | 2022 | 2021 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Revenue | | | | |
| Reportable segment revenue | 1,597,746 | 1,461,074 | – | 14,202 |
| Elimination of inter-segment revenue | (2,203) | (15,159) | – | – |
| Consolidated revenue | <u>1,595,543</u> | <u>1,445,915</u> | <u>–</u> | <u>14,202</u> |
| Profit | | | | |
| Reportable segment profit/(loss) | 441,729 | 467,618 | – | (18) |
| Elimination of inter-segment profit | (115) | (821) | – | – |
| Reportable segment profit/(loss) derived from Group's external customers | 441,614 | 466,797 | – | (18) |
| Interest income from bank deposits and investments | 1,889 | 2,088 | – | 2 |
| Dividend income from investments | 1,132 | – | – | – |
| Fair value gain on investment properties | 8,046 | 490 | – | – |
| Fair value gain on disposal of other financial assets measured at FVPL | 3,304 | – | – | – |
| Depreciation and amortisation | (192,597) | (191,701) | – | – |
| Finance costs | (25,687) | (30,144) | – | – |
| Impairment losses on intangible assets | (2,500) | – | – | – |
| Share of losses of associates | (3,555) | (3,676) | – | – |
| Share of losses of joint ventures | (213) | (1,851) | – | – |
| Gain on disposal of subsidiaries | – | 3,116 | – | – |
| Gain on deemed disposal of a joint venture | – | 7,457 | – | – |
| Spin-off listing expenses | – | (32,007) | – | – |
| Consolidated profit/(loss) before taxation | <u>231,433</u> | <u>220,569</u> | <u>–</u> | <u>(16)</u> |

(iii) *Geographic information*

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

| | Continuing operations | | Discontinued operations | |
|--|-----------------------|------------------|-------------------------|---------------|
| | Year ended 31 March | | Year ended 31 March | |
| | 2022 | 2021 | 2022 | 2021 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Revenue from external customers | | | | |
| Hong Kong (place of domicile) | 1,428,422 | 1,312,743 | – | 14,202 |
| Mainland China | 79,971 | 46,611 | – | – |
| Macau | 59,619 | 62,512 | – | – |
| Singapore | 12,570 | 6,189 | – | – |
| Others | 14,961 | 17,860 | – | – |
| | <u>1,595,543</u> | <u>1,445,915</u> | <u>–</u> | <u>14,202</u> |

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

| | As at 31 March | |
|-------------------------------------|------------------|------------------|
| | 2022 | 2021 |
| | HK\$'000 | HK\$'000 |
| Specified non-current assets | | |
| Hong Kong (place of domicile) | 3,025,001 | 3,103,681 |
| Mainland China | 47,981 | 50,002 |
| Macau | – | 14 |
| Taiwan | 4,940 | 5,062 |
| Cambodia | 76,451 | 79,006 |
| | <u>3,154,373</u> | <u>3,237,765</u> |

(iv) *Information about major customers*

For the year ended 31 March 2022, the Group's customer base includes one (2021: one) customer of generic drugs and branded healthcare segments with whom transactions have exceeded 10% of the Group's revenue. Revenue from sales of generic drugs and branded healthcare products to this customer, including sales to entities which are known to the Group to be under common control amounted to approximately HK\$569,478,000 (2021: HK\$515,608,000).

5 OTHER NET INCOME

| | Continuing operations | | Discontinued operations | |
|--|-----------------------|----------------|-------------------------|------------|
| | Year ended 31 March | | Year ended 31 March | |
| | 2022 | 2021 | 2022 | 2021 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Commission income | 1,621 | 1,285 | – | – |
| Interest income from bank deposits and investments | 1,889 | 2,088 | – | 2 |
| Dividend income from investments | 1,132 | – | – | – |
| Net foreign exchange gain/(loss) | 53 | (1,576) | – | – |
| Net gain/(loss) on disposals of property, plant and equipment | 687 | (702) | – | – |
| Net loss on disposals of intangible assets | (433) | (1,347) | – | – |
| Net distribution and logistic service income | 11,533 | – | – | – |
| Subcontracting income | 9,090 | 5,309 | – | – |
| Fair value gain on investment properties | 8,046 | 490 | – | – |
| Fair value gain on disposal of other financial assets measured at FVPL | 3,304 | – | – | – |
| Rental income | 914 | 1,604 | – | – |
| COVID-19-related rent concessions | 245 | 1,322 | – | – |
| Gain on disposals of subsidiaries | – | 3,116 | – | – |
| Gain on deemed disposal of a joint venture | – | 7,457 | – | – |
| Government grants (<i>Note</i>) | – | 81,066 | – | 160 |
| Others | 2,418 | 2,631 | – | 100 |
| | 40,499 | 102,743 | – | 262 |

Note: In 2020, the Group successfully applied for funding support from the Employment Support Scheme under the Anti-epidemic Fund, set up by the Hong Kong Government. The purpose of the funding is to provide financial support to enterprises to retain their employees who would otherwise be made redundant. Under the terms of the grant, the Group is required not to make redundancies during the subsidy period and to spend all the funding on paying wages to the employees.

6 PROFIT BEFORE TAXATION

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

(A) Finance costs

| | Continuing operations | | Discontinued operations | |
|---|-----------------------|---------------|-------------------------|----------|
| | Year ended 31 March | | Year ended 31 March | |
| | 2022 | 2021 | 2022 | 2021 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Interest on bank loans and other borrowings | 24,208 | 28,113 | – | – |
| Interest on lease liabilities | 1,479 | 2,031 | – | – |
| | 25,687 | 30,144 | – | – |

(B) Other items

| | Continuing operations | | Discontinued operations | |
|--|-----------------------|----------------|-------------------------|----------|
| | Year ended 31 March | | Year ended 31 March | |
| | 2022 | 2021 | 2022 | 2021 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Depreciation | | | | |
| – owned property, plant and equipment | 101,019 | 100,571 | – | – |
| – right-of-use assets | 44,617 | 51,195 | – | – |
| | <u>145,636</u> | <u>151,766</u> | <u>–</u> | <u>–</u> |
| Amortisation of intangible assets | 46,961 | 39,935 | – | – |
| Impairment losses on intangible assets | 2,500 | – | – | – |
| Auditors' remuneration | | | | |
| – audit services | 6,218 | 9,973 | – | 12 |
| – other services | 2,985 | 3,267 | – | 2 |
| Research and development costs (other than amortisation of capitalised development costs) | 6,647 | 1,780 | – | – |
| Rentals received from investment properties less direct outgoings of HK\$102,000 (2021: HK\$289,000) | 812 | (1,315) | – | – |
| Cost of inventories | 975,021 | 884,832 | – | 13,227 |
| Spin-off listing expenses | – | 32,007 | – | – |
| | <u>–</u> | <u>–</u> | <u>–</u> | <u>–</u> |

7 INCOME TAX

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

| | Continuing operations | | Discontinued operations | |
|---|-----------------------|---------------|-------------------------|-------------|
| | Year ended 31 March | | Year ended 31 March | |
| | 2022 | 2021 | 2022 | 2021 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Current tax | | | | |
| Provision for the year | 40,856 | 42,000 | – | – |
| Under/(over)-provision in respect of prior years | 1,611 | (255) | – | (19) |
| | <u>42,467</u> | <u>41,745</u> | <u>–</u> | <u>(19)</u> |
| Deferred tax | | | | |
| Origination and reversal of temporary differences | 1,261 | (7,481) | – | – |
| | <u>43,728</u> | <u>34,264</u> | <u>–</u> | <u>(19)</u> |

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\$177,666,000 for the year ended 31 March 2022 (2021: HK\$173,713,000) and the weighted average ordinary shares in issue during the year, calculated as follows:

Weighted average number of ordinary shares:

| | Year ended 31 March | |
|--|----------------------------|-------------------------|
| | 2022 | 2021 |
| | '000 | '000 |
| Shares of the Company issued at the beginning of the year | 1,915,677 | 1,916,953 |
| Effect of shares held for Share Award Scheme | <u>–</u> | <u>(786)</u> |
| Weighted average number of ordinary shares in issue during the year | <u>1,915,677</u> | <u>1,916,167</u> |
| | Year ended 31 March | |
| | 2022 | 2021 |
| | HK\$'000 | HK\$'000 |
| Profit attributable to equity shareholders of the Company arises from: | | |
| – Continuing operations | 177,666 | 173,710 |
| – Discontinued operations | <u>–</u> | <u>3</u> |
| | <u>177,666</u> | <u>173,713</u> |

(B) Diluted earnings per share

Diluted earnings per share for the years ended 31 March 2022 and 2021 were the same as the basic earnings per share as there were no potential dilutive ordinary share in existence during both years.

9 DIVIDENDS

(A) Dividends payable to shareholders attributable to the year

| | Year ended 31 March | |
|---|---------------------|----------------|
| | 2022 | 2021 |
| | HK\$'000 | HK\$'000 |
| Interim dividend declared and paid of HK1.20 cents per share (2021: HK0.80 cent per share) | 22,988 | 15,325 |
| Special interim dividend (<i>Note 1</i>) | – | 290,133 |
| Final dividend proposed after the end of the Reporting Period of HK2.68 cents per share (2021: HK1.50 cents per share) (<i>Note 2</i>) | 51,837 | 29,013 |
| | <u>74,825</u> | <u>334,471</u> |

Note 1: A special interim dividend was made by the Company on 5 February 2021 in the form of distribution in specie of 241,777,625 shares in JBM Healthcare on the basis of 1 JBM Healthcare Share for every 8 shares held by shareholders of the Company whose names appear on the register of members of the Company on 29 January 2021. Based on the price of HK\$1.20 per JBM Healthcare Share on 5 February 2021, the special interim dividend represented a distribution of approximately HK15.00 cents per share.

Note 2: The final dividend proposed after the end of the Reporting Period has not been recognised as a liability at the end of the Reporting Period.

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

| | Year ended 31 March | |
|--|---------------------|---------------|
| | 2022 | 2021 |
| | HK\$'000 | HK\$'000 |
| Final dividend in respect of the previous financial year, approved and paid during the year of HK1.50 cents per share (2021: HK2.50 cents per share) | 29,013 | 48,356 |
| Less: Dividend of shares held by Share Award Scheme | (278) | (464) |
| | <u>28,735</u> | <u>47,892</u> |

10 TRADE AND OTHER RECEIVABLES

| | As at 31 March | |
|---------------------------------|----------------|----------------|
| | 2022 | 2021 |
| | HK\$'000 | HK\$'000 |
| Trade receivables | 308,943 | 260,993 |
| Other receivables | 11,933 | 13,691 |
| Deposits and prepayments | 51,426 | 43,061 |
| Amounts due from associates | 1,739 | 13 |
| Amounts due from joint ventures | 6,505 | – |
| | <u>380,546</u> | <u>317,758</u> |

Ageing Analysis

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

| | As at 31 March | |
|-------------------|----------------|----------------|
| | 2022 | 2021 |
| | HK\$'000 | HK\$'000 |
| Less than 1 month | 192,302 | 162,940 |
| 1 to 6 months | 69,940 | 68,981 |
| Over 6 months | 46,701 | 29,072 |
| | <u>308,943</u> | <u>260,993</u> |

11 TRADE AND OTHER PAYABLES

| | As at 31 March | |
|---|----------------|----------------|
| | 2022 | 2021 |
| | HK\$'000 | HK\$'000 |
| Trade payables | 50,460 | 38,590 |
| Salary and bonus payables | 51,587 | 42,049 |
| Payables and accruals for addition of property, plant and equipment | 1,080 | 107 |
| Other payables and accruals | 50,544 | 48,139 |
| Receipts in advance | 3,740 | 3,430 |
| Amount due to an associate | – | 3,407 |
| Amount due to a joint venture | 2,000 | 2,000 |
| | <u>159,411</u> | <u>137,722</u> |

Ageing Analysis

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

| | As at 31 March | |
|-------------------|-----------------------|----------|
| | 2022 | 2021 |
| | HK\$'000 | HK\$'000 |
| Less than 1 month | 31,317 | 26,080 |
| 1 to 6 months | 18,909 | 12,138 |
| Over 6 months | 234 | 372 |
| | <hr/> | <hr/> |
| | 50,460 | 38,590 |
| | <hr/> | <hr/> |

12 SHARE CAPITAL

| | Number of shares '000 | Amount HK\$'000 |
|--|--------------------------------------|----------------------------|
| Issued ordinary shares of HK\$0.01 each: | | |
| At 31 March 2021, 1 April 2021 and 31 March 2022 | <hr/> 1,915,677 | <hr/> 19,157 |

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.

13 SCOPE OF WORK OF AUDITOR

The financial figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2022 as set out in the preliminary announcement have been compared by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by the auditor.

CHAIRMAN'S STATEMENT

Dear Partners and Shareholders,

Executing on our Purpose and Mission

Jacobson delivered a solid performance in FY2022 as we continued to drive strong execution, bolstered our core capabilities and enhanced our product pipeline and portfolio. While the pandemic continues to impact prescribing patterns and disrupt care for patients across the spectrum of disease, there are reasons to be optimistic that a healthier future is within our grasp. The pandemic has demonstrated what is possible when resilience and collaborative science rise to the occasion. Jacobson takes pride in playing a role in the distribution of the Fosun BioNTech Comirnaty Vaccine (the “**Vaccine**”) in Hong Kong and Macau. Approximately 9 million doses of the Vaccine have been safely delivered for administration since the roll-out of the vaccination program and our teams within Jacobson have shown remarkable dedication and agility throughout the year. During the fifth wave of the local outbreak when the demand for essential medicines drastically up-surged, our people once again demonstrated an immense sense of selfless commitment and worked tirelessly in our manufacturing and logistics operations to ensure a continuous supply of essential medicines to the hospitals and patients.

Jacobson is now a diversified and growing pharmaceutical company across essential medicines, specialty, injectables and branded consumer healthcare products. Our mission and purpose – Delivering Health as a Trusted Partner – is central to our pursuit in bettering health by making quality medicines more accessible to those in need. The adaptability and commitment of our people, together with the robustness of our operating systems, enable us to embrace changes and challenges positively. I am immensely proud of how our people have continued to deliver on our purpose in the face of ongoing disruption from the pandemic.

Making Sound Strategic Progress While Delivering Stable Financial Results

Our core essential medicines business achieved steady growth in FY2022, across all therapeutic classes. Attributed to the breadth of our portfolio, extensive and flexible manufacturing capabilities and resilient supply chain, Jacobson has developed a differentiated business model whereby we play a leading role in the supply of essential medicines to hospitals and clinics in Hong Kong. Albeit the challenges of the pandemic, we remain determined and focused on realising our growth strategies. Across Jacobson, there are several notable progress and developments made in FY2022, which include:

- a. Launched a host of specialty products such as Rabeprazole Tablets, Valsartan/Amlodipine Tablets, Telmisartan/Hydrochlorothiazide Tablets, Pregabalin Capsules and Atosiban Injection as the portfolio continues to weigh more on complex products;
- b. Delivered strong growth in lipid regulating agents and angiotensin II antagonist product lines, leveraging an expanded commercial team;

- c. Secured first generic tenders on Atosiban Injection, Idarubicin Injection, Quetiapine Extended Release Tablet and Trimetazidine Modified Release Tablet;
- d. Advanced our specialty medicine development, riding on the positive clinical response on Arsenic Trioxide Oral Solution, thus paving the way for further clinical and registration trials of this novelty composition in China and the United Kingdom.

Our strategy continues to deliver good financial results. We are pleased to report that revenue of generic drugs grew by 13.6% attributing to an adjusted EBITDA of HK\$441.6 million and a net profit for the year of HK\$187.7 million which represented a promising growth of 14.5% and 78.4% respectively versus the preceding year (figures of comparison excluded the one-off Employment Support Scheme subsidy from the Hong Kong Government in FY2021). The cash flow position is strong with a gearing ratio maintained at below 30%. We have recently secured a sum of HK\$1.4 billion syndicated loan from a number of leading banks in the debt market. This would further strengthen our fundamental capital capability which is pivotal for us to pursue our medium and long-term strategic goals. We remain committed to our consistent dividend payment and the Board is pleased to propose a final dividend of HK2.68 cents per share for FY2022 at the forthcoming annual general meeting. Combined with the interim dividend of HK1.20 cents per share, this represents a 68.7% increase in dividend payout over FY2021 (figure of comparison excluded the special interim dividend in the form of distribution in specie of JBM Healthcare Shares in FY2021). This payout is consistent with our long track record of creating values for our shareholders.

Enhanced Focus on Environmental, Social, Governance (“ESG”) Initiatives

We undertake significant efforts to understand and take account of the needs and perspectives of our customers, suppliers, employees and stakeholders and have made progress in our ESG initiatives. This constitutes an integral part of our strategy and is an important reputation driver. With a holistic approach, we have formalised our management structure which would have an overarching oversight of our ESG strategy. The strategy encompasses five priority areas: product responsibility, commitment to employees, environmental stewardship, societal engagement and corporate governance duty. This builds upon the collaborative work of our taskforce alongside a consultant responsible for the key elements of our ESG work streams. The ESG taskforce has compiled our first dedicated ESG report for the financial year, which sets out our prime objectives and achievement against the various performance metrics. The report will be reviewed by the Board with the objective of aligning our ESG strategies with the expectations of various key stakeholders.

Driving for Sustainable Growth

As we look ahead, we aim to build a differentiated portfolio that anticipates future health needs. This ambition is being realised as we add complex and specialty products to our portfolio and pipeline. By executing on our R&D and in-licensing, establishing strong partnerships, expanding our specialty portfolio and building our foothold in key strategic markets, we are poised to diversify and transform our business in order to achieve the next phase of growth.

Building partnership through in-licensing is an integral part of our strategy. In FY2022, we entered into new in-licensing arrangements with various reputable partners whereby adding a number of complex and specialty products into our pipeline. Some of these opportunities will contribute in the near term, while others will help drive long term growth.

While we are taking strides forward in differentiating our portfolio and leveraging our well-established presence in the essential medicines arena, I am excited about how far we have come over the past few years and the foundations we have fortified for the future. On behalf of the Board, I thank you for the confidence you have placed in our Company and am grateful for your contributions on our journey of reinventing medicines and delivering health as a trusted partner.

Sum Kwong Yip, Derek

Chairman and CEO

JACOBSON PHARMA CORPORATION LIMITED

Hong Kong, 29 June 2022

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Though the Hong Kong economy staged a visible recovery in 2021 by regaining a GDP growth of 6.4% after two consecutive years of contraction, the rebound was undercut as the fifth outbreak of the COVID-19 variant Omicron dominated the city in the first quarter of 2022, causing the most severe spread of infections since the pandemic first emerged. The re-imposition of various stringent social distancing and business closure measures has inevitably posed renewed pressure on economic activities and heavily weighed on market sentiment, disrupting the recovery path. However, with the abatement of the outbreak, the epidemic situation has turned stable, which will give way to the gradual resumption of the recovery on the backing of the Government's relief and stimulus measures.

Amid the ongoing impact of COVID-19, the Group remained resilient and continued to evolve to meet challenges. In spite of the challenging market and operating environments, the Group posted a year-on-year growth of 10.3% in its total revenue amounting to HK\$1,595.5 million. The Group remained steadfast in delivering its growth strategies and maintained a steady momentum in fortifying its market position in the generic drugs market in Hong Kong. Riding on its technological knowhow, commercial strengths and operational excellence, the Group continued to strengthen its R&D pipeline, production capability, and portfolio offerings, while expanding footprints into strategically selected markets in Asian and other regions.

In the collective effort fighting against the pandemic, the Group takes pride to serve as the distributor of Fosun BioNTech Comirnaty Vaccine (the “**Vaccine**”) in Hong Kong and Macau. In collaboration with the health authorities, the vaccination program was rolled out in March 2021. As at the end of the Reporting Period, approximately 9 million doses of the Vaccine have been delivered for administration.

When the fifth wave of the epidemic overwhelmed the city and COVID-19 cases spiked sharply, the Group has risen to the challenge of answering the huge surge in demand for essential medications from the healthcare system and the public by ramping up production across its manufacturing facilities, despite the constraints and pressure on daily operation caused by the epidemic.

Being a home-grown pharma company with deep roots in Hong Kong, the Group has a long-standing commitment in contributing to the well-being and success of the city as a responsible corporate citizen. We seek to play a meaningful role in supporting the sustainability of our community with respect to environmental, social and governance (“ESG”) issues. In this regard, we have elevated our focus on ESG, conducted our review and formalised our ESG initiatives, alongside its oversight and management structure to drive its integration into our operations for delivering a well-rounded and sustainable impact.

In summary, the Group has maintained the resilience and stability of its operations in supporting our customers’ need, and implemented anti-epidemic measures to safeguard the health and well-being of our employees during the epidemic. We have also adopted reinforcement measures to enable our colleagues to work flexibly under the COVID-19 protection and restrictions while ensuring our manufacturing facilities continue to operate effectively.

RESULT

Sustained Growth Momentum in Generic Drugs

During the Reporting Period, the generics business of the Group has demonstrated considerable strength despite the impact of the pandemic, presenting a solid growth of 13.6% with revenue at HK\$1,191.3 million. This was driven by the stable growth of 12.6% in its Public Sector, along with a notable recovery of its Private Sector posting growth at 14.5%.

The Group’s subsidiary in consumer branded healthcare, JBM Healthcare, posted a slight growth of 1.8% in sales revenue at HK\$404.2 million during the Reporting Period, which was dragged by the sluggish consumer demand in both domestic and certain overseas markets impacted by the continual outbreak of the pandemic and its associated restrictive measures on cross-border travels and retail activities.

Maintaining a relatively stable margin, the Group’s total gross profit for the year amounted to HK\$620.5 million, increased by HK\$59.4 million or 10.6%. Whereas profit for the year amounted to approximately HK\$187.7 million, representing an increase of about HK\$82.5 million or 78.4% as compared to the adjusted profit (excluding the one-off Employment Support Scheme subsidy received from the Hong Kong Government) for the year ended 31 March 2021 of HK\$105.2 million.

The Group maintained a healthy financial position as supported by its strong cash flows, with adjusted EBITDA of HK\$441.6 million for the Reporting Period and the net gearing ratio decreased significantly from 38.4% as of 31 March 2021 to 29.2% as at the end of the Reporting Period. In addition, the Group had a strong cash position, with cash balance of HK\$478.7 million as at the end of the Reporting Period.

OPERATION PERFORMANCE

Board and Robust Portfolio to Meet Public Demand

As a leading generic drugs supplier in Hong Kong, the Group carries a broad and targeted portfolio of essential and specialty drugs to meet the diverse needs of the healthcare professionals and patients. As a case in particular, the Group was able to ramp up its supply to meet the substantial surge in demand of COVID-19 symptom-relief medications from the healthcare system and the public during the fifth wave of epidemic in Hong Kong. This was reflected by the strong growth in the Group's analgesics (+18.6%), cough & cold preparations (+45.8%) and anti-inflammatory enzymes (+77.5%) product classes.

Medications for the aging population and chronic disease patients continued to exhibit a strong demand. For instance, among the Group's cardiovascular offerings, the lipid regulating product class recorded a strong growth of 37.2% in sales during the Reporting Period, mainly generated by new tender business secured for Rosuvastatin Tablets and Atorvastatin Tablets. In addition, the oncology drug class has shown significant growth of 572.6% contributed by the increased consumption of the new drug Arsenic Trioxide Oral Solution in the Public Sector.

Furthermore, the hypnotics and attention deficit hyperactivity disorder (ADHD) drugs therapeutic classes also exhibited notable growth of 15.2% and 32.2% respectively with continuous increase in consumption by the Public Sector.

During the Reporting Period, the Group also secured first-time public tenders, which included Atosiban Injection, Idarubicin Injection, Quetiapine Extended Release Tablet 200mg, as well as Haloperidol Tablets 5mg and 10mg and Trimetazidine Modified Release Tablet, which also contributed to business growth in the Public Sector.

For the Private Sector, the Group's antihistamines, anti-inflammatory enzymes and analgesics product classes registered robust growth of 28.4%, 42.3% and 61.2% respectively as a result of heightened demand for symptomatic relief medications among the public during the fifth wave of COVID-19 epidemic. Besides, product classes of lipid regulating agents and angiotensin II receptor antagonists also respectively recorded strong growth of 86.4% and 92.3%, in addition to laxatives and antispasmodics products which also posted robust growth of 45.2% and 52.0% respectively over the previous period.

Distribution of Fosun BioNTech Comirnaty Vaccine

The Group acts as the exclusive distributor of the Vaccine in Hong Kong and Macau. The Fosun BioNTech Comirnaty vaccination program was officially rolled out in Hong Kong on 10 March 2021. As of the end of the Reporting Period, the Group delivered approximately 9 million doses of the Vaccine to the health departments in Hong Kong and the Macau government.

The continual impact of COVID-19, especially the fifth wave which Hong Kong endured lately, has irrefutably demonstrated the importance of universal vaccination as the best measure to defend against and ride out the epidemic. Effective social and economic recovery will be highly dependent on our pace of achieving herd immunity through sufficient level of vaccination. Therefore, we are committed to working with the governments and professional partners in accelerating the vaccination rate for Hong Kong and Macau, especially among the elderly. We will continue to collaborate with Fosun Pharma on supplying reinforcement vaccination doses for the public as encouraged by the health authorities.

Continuing Supply of Infection Control Products for Medical Professionals

To meet the high demand for antiseptic alcohol hand rubs due to the COVID-19 outbreak, the Group has taken measures to ensure an adequate supply to hospitals and clinics to help medical and healthcare professionals fight the pandemic.

During the Reporting Period, the Group produced and supplied a total of 390,000 bottles of WHO-formulation alcohol hand rubs to medical practitioners in both the Public and Private Sectors.

In addition, the Group supplied its own branded series of surgical grade face masks, “MedProtect”, to cater to the protective needs of healthcare professionals and the public in Hong Kong, which were manufactured under its PIC/S GMP certified manufacturing facilities with EN ISO 13485:2016 certification. A total of 43,000 boxes of MedProtect face masks with ASTM Level 1 and EN 14683 Type II R standards were supplied to medical professionals during the Reporting Period.

Introduction of New Products

With our continuous effort to introduce quality generics to meet medical and patient needs, the Group has launched a number of new products including Rabeprazole Tablets, Valsartan/Amlodipine Tablets, Telmisartan/Hydrochlorothiazide Tablets, Pregabalin Capsules, Atosiban Injection, and Idarubicin Injection during the Reporting Period.

Additionally, the Group has secured registration approval for a number of new products such as Levetiracetam Tablets, Febuxostat Tablet, Dexmedetomidine Infusion, Pramipexole Extended Released Tablets, Brimonidine/Timolol Eye Drops, Telmisartan/Amlodipine Tablets for upcoming market launches.

R&D Pipeline on Track

We continued to make steady progress with our R&D pipeline during the Reporting Period. A total of 12 products have completed the development process and have been submitted to Department of Health for registration approval.

As of 31 March 2022, there were 172 products in our pipeline, 54 items have been approved for registration, 15 of them have been submitted for registration, 52 items have finished the development stage and were under stability preparation or stability study, plus 25 items were currently under formulation or pre-formulation research development stage.

Enhancements in Production

The Group's manufacturing output has enjoyed a steady improvement during the Reporting Period on back of the recovery in demand as the economy resumed on growth track in 2021. To cater to the recovering demand, our manufacturing planning has adapted with prudent measures to respond to the gradual growth trend and ensure stock optimisation.

The Group operates the first and only active PICS/GMP accredited sterile production line for eye drops and injection products in Hong Kong. The total manufacturing output of the Group's sterile preparations increased by approximately 26.0%, amounting to more than 40 thousand liters during the Reporting Period, which was mainly driven by the relaunch of its Caffeine Citrate Injection. The output of the sterile line is expected to grow with the continued optimisation of production capacity and integration of new products from the Group's R&D pipeline.

The Group continued to enhance its manufacturing capability and capacity for new formulations. With the step acquisition to 100% shareholding in American Unicorn Laboratories Limited in FY2021, the Group will possess the ability to develop and commercialise certain new formulations that were untapped before. In addition, the newly installed oral solid production lines at Jean-Marie Pharmacal Company Limited and Europharm Laboratoires Company Limited, both being wholly-owned subsidiaries of the Group, will enable the Group to further expand its production capacity in advanced solid dosage forms. Expansion plans are also in place among manufacturing facilities of the Group for further enhancement in production capacity to cater for the anticipated growth of demand, in particular from the public healthcare sector.

BUSINESS DEVELOPMENT

In-licenses of Specialised Products

To supplement our R&D pipeline and broaden our portfolio of difficult-to-make specialty drugs, in-licensing is a key strategy of the Group on the front of business development.

During the Reporting Period, the Group signed exclusive in-license agreements for a total of 4 high-performing specialised drugs covering the central nervous system (CNS) and immunomodulatory classes from Europe.

Among them is a branded prescription drug from the originator in France indicated for the treatment of excessive daytime sleepiness (EDS) or cataplexy in adult patients with narcolepsy. The novel drug acts as an antagonist/inverse agonist at Histamine 3 receptors and is considered to be a first-in-class histaminergic medication. It offers a convenient once-a-day and non-stimulant alternative to the existing treatment options delivering better treatment experience.

For the other three items, one is an essential prescription drug from Spain for the treatment of depression and anxiety disorders. The other two are medications for treating multiple myeloma (MM), a cancer form in plasma cells. Three of the items above are eligible for public tender bidding in the coming years, one of which will be the first branded drug in Hong Kong as a new chemical entity (NCE) entitled for an eight year market exclusivity protection.

Among our in-licensing portfolio, a total of 55 products have completed registration in Hong Kong and 114 items are undergoing different stages of the market authorisation process.

In relation to candidacy for tender, there is a total of 82 items among our in-licensing portfolio are eligible for public tender bidding, and tender applications of 22 items have been submitted for the Public Sector as of the end of Reporting Period.

E-commerce Product Ordering Platform to Enhance Sales and Customer Engagement

Digitalisation has played a key role in the continued enhancement of our customer service proposition. It enables us to expand our service offerings to our customers with scale, speed, convenience and connectivity.

In light of the above advantages and to build our digital capability on end-to-end online customer sales and service, we have expedited our plan to enhance and augment our customer relationship management (CRM) system with the establishment of a consolidated e-commerce product ordering platform.

Riding on this newly established e-commerce product ordering platform, medical professionals and selected customers can have easy access to our full range of products, instant interaction with our sales team on product inquiries, and direct placement of orders. By analysing individuals' purchase pattern, the platform will also act as a product promotion and marketing channel, which can facilitate new product launches and sales promotion in the future. As a high value-added service which enhances customer engagement and loyalty, it can also provide systematic order history to the doctors and clinics to streamline their order and inventory management.

In the foreseeable future, the e-commerce product ordering platform will drive greater efficiency in our sales and customer service operations, facilitate customer experience and strengthen our digital infrastructure.

Seize Business Opportunity in the Guangdong-Hong Kong-Macau Greater Bay Area (“GBA”)

Under the “Work Plan for Regulatory Innovation and Development of Pharmaceutical and Medical Device in the Guangdong-Hong Kong-Macau Greater Bay Area (《粵港澳大灣區藥品醫療器械監管創新發展工作方案》)”, designated and approved healthcare institutions operating in the GBA are allowed to use Hong Kong-registered drugs with urgent clinical use, and medical devices used in Hong Kong public hospitals with urgent clinical use.

This is a facilitation measure for Hong Kong residents working and living in the GBA seeking healthcare services. The measure will help attract local and multinational pharmaceutical, biomedical and health technology companies to expand their businesses and benefit patients in the GBA.

The Group, as a major generic drugs supplier in Hong Kong, is well poised to leverage the measure and seize development opportunities in the highly urbanised cities within the area with a total population more than 70 million.

A case in point is the Group’s collaboration with the University of Hong Kong-Shenzhen Hospital in introducing its oral solution treatment for acute promyelocytic leukemia – Arsenic Trioxide Oral Solution, into designated hospitals in the GBA, which will also be part of a multi-center clinical trial that covers Guangdong, Singapore and Hong Kong. The product is planned to conduct a phase 3 multi-center randomised controlled clinical trial in the United Kingdom.

OUTLOOK

Following an encouraging rebound of Hong Kong’s economy in 2021, its growth momentum, however, has been impeded by the fifth local epidemic outbreak in the beginning of 2022. As the epidemic took its course and stabilised in April 2022, conditions have seen improving with the gradual recovery of the market sentiments. We have reasons to be cautiously positive to foresee the continual improvements in the economy buttressed by its strong fundamentals and the government’s robust relief and fiscal stimulus measures, envisaging that the local epidemic can be increasingly put under control and cross-border travel restrictions with Mainland China will be gradually eased.

The unprecedented and lingering impact of COVID-19 has placed the importance of our healthcare system in the spotlight. To this end, the Hong Kong Government has enhanced its health spending budget to HK\$127.9 million, an increase of 30.4%, in fiscal year 2022-2023, pivoting the sustained growth in the public healthcare sector.

In addition, the rising trend of generic drugs consumption has been evident, especially in the Public Sector, which is driven by the increased prevalence of chronic diseases and the aging population in Hong Kong. The adoption of generic drugs substitution policy by governmental institutions would impact positively the growth of the local generic drugs market, which will be further boosted by the expiration of patents for a host of blockbuster drugs in recent and upcoming periods.

To capitalise on the prospects, we will stay focused on advancing our growth strategies and well-positioning ourselves as an eminent provider of essential medicines and specialty drugs in Hong Kong and Asia. We have made steady progress in strengthening our generics portfolio with over 100 differentiated product families marketed in various dosage forms and hold a leading position in a number of therapeutic categories.

To further strengthen our market position, our strategic priorities will center on maximising the commercial opportunities of our portfolio of offerings, strengthening our product pipelines through in-licensing and in-house R&D, building a sound commercial platform on marketing and regulatory affairs management to forge collaboration with regional and international partners, and expanding our presence in strategic markets in Asia.

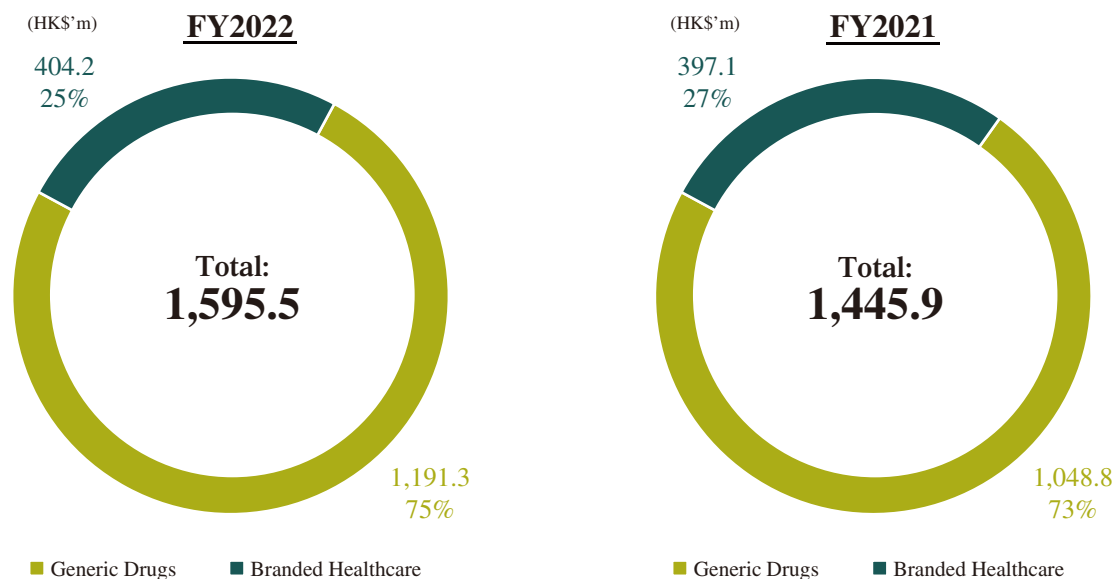
The COVID-19 pandemic has profoundly raised consumer awareness on preventive healthcare. In respect of the branded healthcare business of the Group, we believe the consumer healthcare market will also keep up with its growth momentum, especially in the post COVID-19 era, as a result of the heightened health consciousness, the sedentary lifestyle, as well as the aging population. Apart from the demand for over-the-counter drugs and wellness products such as nutritional supplements, proprietary Chinese medicines and concentrated Chinese medicine granules products will continue to gain a greater popularity by favorable government policy support and growing consumer acceptance. Moreover, the pandemic has also shifted purchasing behaviour from offline to online. The fast-growing PRC cross-border e-commerce platform is expected to lead to notable growth in demand for healthcare products in China. Those growth drivers will continue to benefit the development of the Group's branded healthcare business.

Looking ahead, we have good momentum coming into 2022 and are confident that we will continue to execute assiduously against our strategies to realise the growth opportunities ahead for our business.

FINANCIAL REVIEW

REVENUE

Revenue from Continuing Operations by Operating Segments

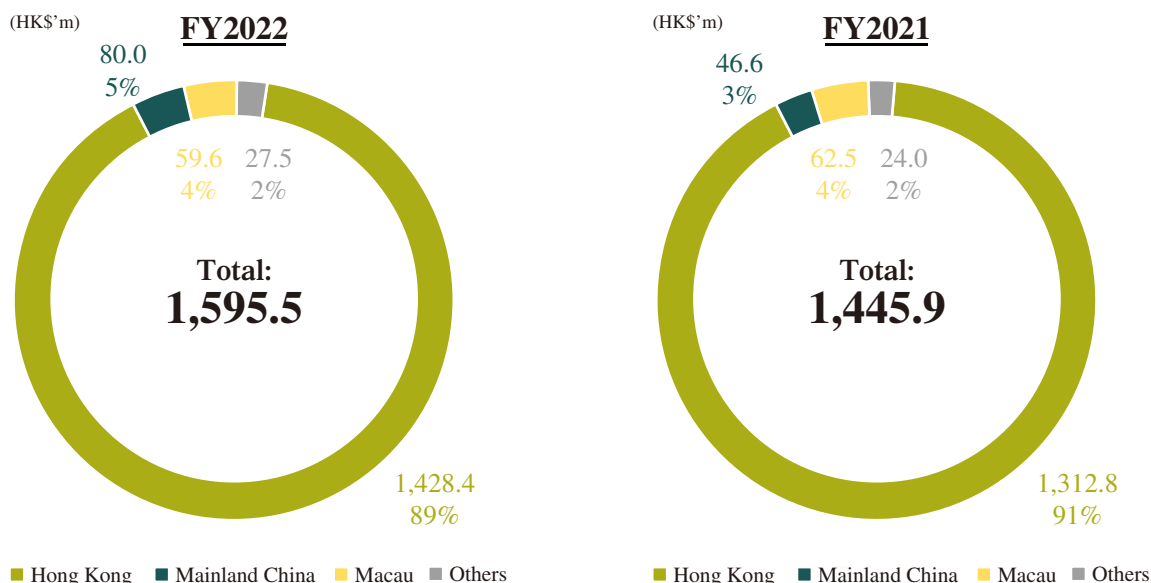


The increase in revenue of HK\$149.6 million or 10.3% compared to FY2021 was contributed by the increase in revenue of HK\$142.5 million or 13.6% in the generic drugs segment and HK\$7.1 million or 1.8% in the branded healthcare segment. The revenue split of the two segments was at the ratio of 75% and 25%.

In the generic drugs segment, both the Private and Public Sectors delivered notable growth during the Reporting Period. With the stabilisation of the COVID-19 epidemic in Hong Kong during the first three quarters of the Reporting Period, demand for private clinics services has resumed and performance of the Private Sector has significantly rebounded. In the last quarter of the Reporting Period, the severe spread and the huge number of infection cases during the fifth COVID-19 outbreak in Hong Kong led to a sharply rising demand for essential symptomatic relief medicines from the healthcare system and the public. The Group responded to meet the surged demand with ramped up production during the relevant period despite operational challenges under the epidemic, resulting in the overall growth of revenue in both the Public and Private Sectors by 12.6% and 14.5% respectively. In addition, newly awarded public tenders, alongside increasing demand for medications driven by the ageing population and prevalence of chronic diseases, also contributed to the solid and stable growth of the Public Sector.

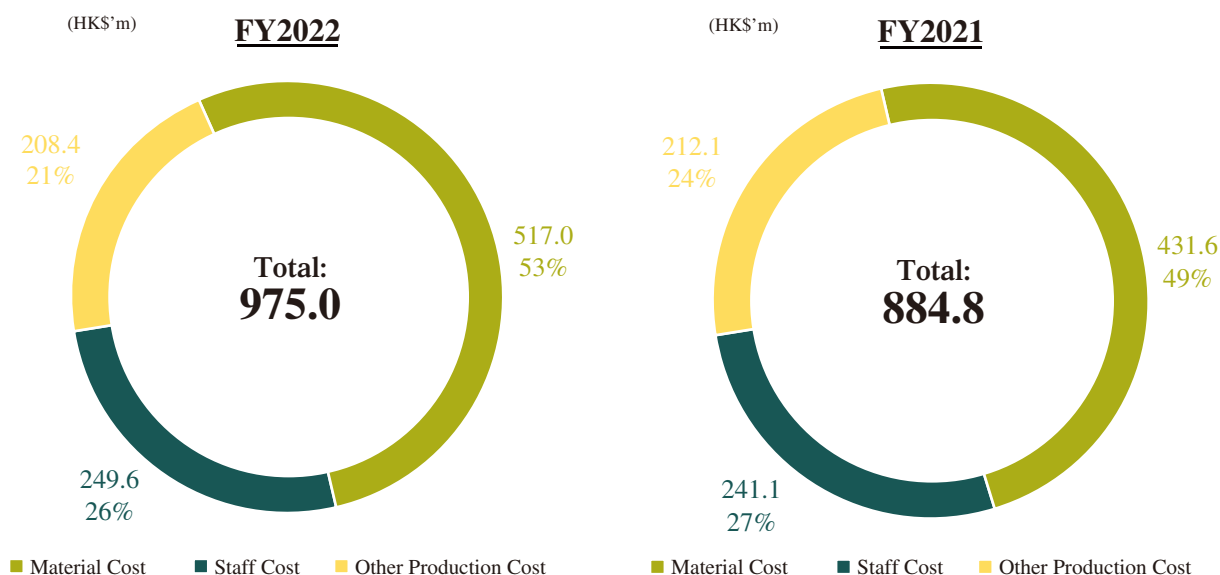
In the branded healthcare segment, the retail consumption sentiment continued to be adversely impacted by COVID-19. However, strong growth has been exhibited by the concentrated Chinese medicine granules business and some notable branded products, such as AIM Atropine Eye Drops and Oncotype DX® Breast Cancer Recurrence Score Test, as well as sales through the cross-border e-commerce platforms during the Reporting Period. This was offset by the significant decline in sales of personal hygiene and infection control products as a result of the stabilisation of the COVID-19 pandemic in Hong Kong and the sales decrease of Po Chai Pills affected by the sluggish consumer demand in both domestic and certain overseas markets caused by the COVID-19 pandemic.

Revenue from Continuing Operations by Geographic Location



Hong Kong continued to be the major revenue stream, representing 89% of the total revenue with an increase of HK\$115.6 million compared to last year, mainly due to the prominent rebound of the Private Sector and the stable growth of the Public Sector for its generic drugs business during the Reporting Period, as a result of the largely stabilised epidemic situation in Hong Kong. The revenue in Mainland China increased by HK\$33.4 million or 71.7%, mainly due to the significant increase in sales of third-party woodlok oil products to various cross-border e-commerce platforms during the Reporting Period. The revenue in Macau and other overseas markets remained relatively stable as compared to last year.

COST OF SALES

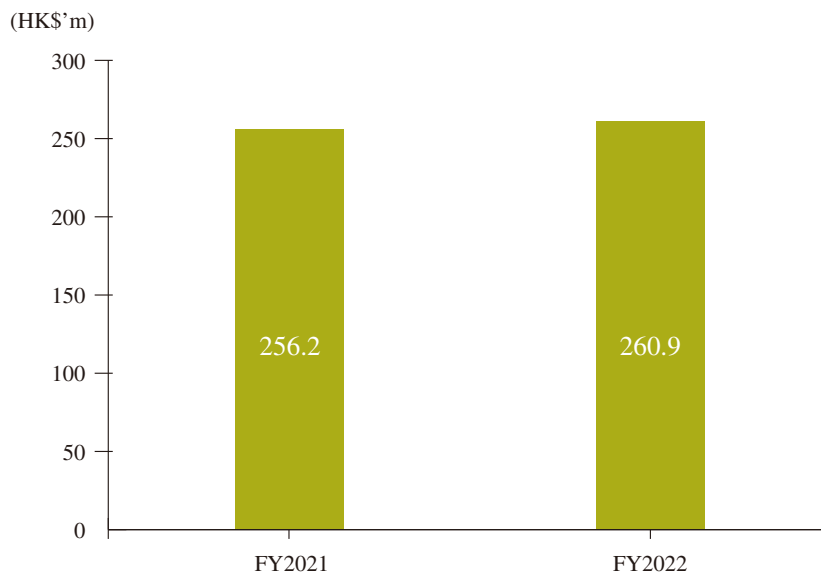


The increase in cost of sales of HK\$90.2 million or 10.2% was generally in line with the overall sales trend of the Group during the Reporting Period. Material cost continued to be the major component contributing approximately 53% of the total cost of sales, while staff cost and other production cost contributed to 26% and 21% respectively.

The increase in material cost of HK\$85.4 million or 19.8% was attributable to the significant increase in sales of third party woodlok oil products to various cross-border e-commerce platforms with relatively low margin compared to existing products of the Group.

The increase in staff cost of HK\$8.5 million or 3.5% was primarily driven by expansion of production as a result of higher demand for essential medicines during the Reporting Period. Other production costs slightly declined by HK\$3.7 million or 1.7% due to implementation of effective cost control measures.

PROFIT FROM OPERATIONS



The increase in profit from operations by HK\$4.7 million or 1.8% to HK\$260.9 million in FY2022 was mainly due to the significant growth in profit from operations of the generic drugs segment of HK\$99.3 million during the Reporting Period, which was offset by the one-off Employment Support Scheme subsidy from the Hong Kong Government of HK\$81.1 million recognised in FY2021 as other net income and the decline in profit from operations of the branded healthcare segment of HK\$13.5 million.

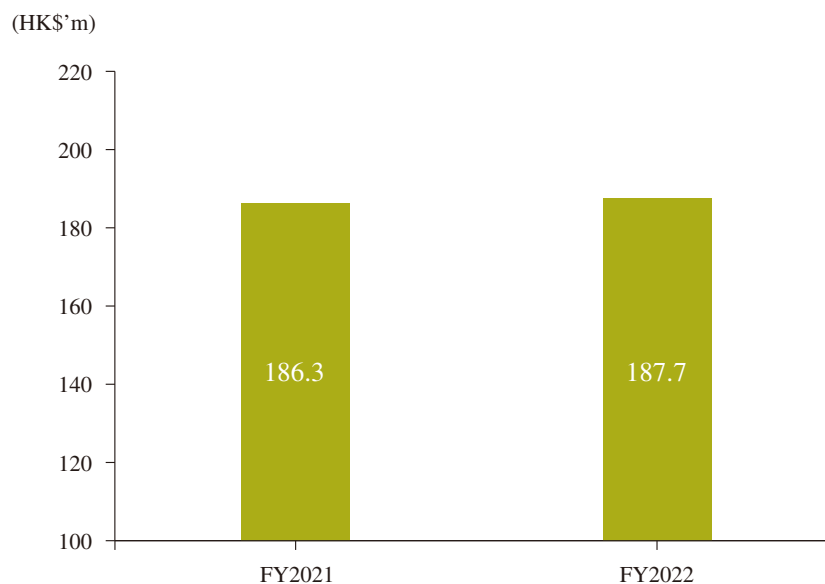
FINANCE COSTS

The decrease in finance costs by HK\$4.5 million or 14.8% was mainly attributable to the lower bank loan balance as a result of partial repayment of bank loans during the Reporting Period.

INCOME TAX

The increase in income tax primarily reflected the higher profit from operations during the Reporting Period compared to FY2021 after excluding the non-taxable one-off Employment Support Scheme subsidy from the Hong Kong Government of HK\$81.1 million and the non-deductible listing expenses for the spin-off of JBM Healthcare of HK\$32.0 million recognised in FY2021.

PROFIT FOR THE YEAR



The increase in profit for the year by HK\$1.4 million or 0.8% to HK\$187.7 million was mainly attributable to the significant growth in profit for the year of the generic drugs segment of HK\$111.7 million due to the stabilisation of the COVID-19 epidemic in Hong Kong, which was offset by the one-off Employment Support Scheme subsidy from the Hong Kong Government of HK\$81.1 million recognised in FY2021 as other net income and the decrease in profit for the year of the branded healthcare segment of HK\$29.2 million owing to the adverse impact by the COVID-19 epidemic on retail consumption in general.

Excluding the one-off Employment Support Scheme subsidy from the Hong Kong Government, the profit for the year increased by HK\$82.5 million or 78.4%.

ASSETS

Investment Properties and Property, Plant and Equipment

The decrease in investment properties and property, plant and equipment principally reflected the depreciation of HK\$145.6 million and disposals of property, plant and equipment with net book value of HK\$8.1 million, which were offset partially by the additions of HK\$120.8 million mainly arose from the acquisitions of property and plant and machinery used by our pharmaceutical manufacturing plants and the fair value adjustment in investment properties of HK\$8.0 million.

Intangible Assets

The decrease in intangible assets was primarily attributable to the amortisation of HK\$47.0 million and impairment losses of HK\$2.5 million during the year, which were offset partially by additions of distribution rights of HK\$1.8 million and capitalisation of development costs of HK\$6.2 million.

Inventories

The decrease in inventories was mainly resulted from the fulfillment of high market demand of essential symptomatic relief medicines during the fifth wave of COVID-19 outbreak in Hong Kong.

Cash and Cash Equivalents

As at 31 March 2022, approximately 93.5% of cash and cash equivalents were denominated in Hong Kong dollars (as at 31 March 2021: 93.7%), while the remaining balances were mainly denominated in United States dollars, Renminbi, Singapore dollars and Macau pataca.

LIABILITIES

Bank Loans

The decrease in bank loans by HK\$236.5 million or 15.0% as at 31 March 2022 was mainly attributable to partial repayment of bank loans during the Reporting Period. As at 31 March 2022, all bank loans of the Group were denominated in Hong Kong dollars.

USE OF PROCEEDS

IPO Proceeds

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

The table below sets forth the status of utilisation of the IPO Proceeds as at 31 March 2021 and 31 March 2022 respectively, and the expected timeline of the use of the unutilised IPO Proceeds:

| Use of IPO Proceeds as set out in the Prospectus | Original application HK\$'000 | As at 31 March 2021 | | Revised allocation as at 9 March 2022* HK\$'000 | As at 31 March 2022 | | Expected timeline for utilising the remaining IPO Proceeds |
|---|-------------------------------------|--|----------------------------------|---|--|----------------------------------|--|
| | | Actual utilised amount HK\$'000 | Unutilised amount HK\$'000 | | Actual utilised amount HK\$'000 | Unutilised amount HK\$'000 | |
| Acquisitions – Expansion of businesses in generic drugs and proprietary medicines | 139,108 | 139,108 | – | 139,108 | 139,108 | – | N/A |
| Acquisitions – Enhancement of distribution network | 104,331 | 104,331 | – | 104,331 | 104,331 | – | N/A |
| Acquisitions – Intangible assets | 69,554 | 69,554 | – | 69,554 | 69,554 | – | N/A |
| Capital investments – Upgrading of manufacturing plants and facilities | 113,197 | 113,197 | – | 113,197 | 113,197 | – | N/A |
| Capital investments – Two specific automated production facilities | 12,000 | 12,000 | – | 12,000 | 12,000 | – | N/A |
| Expansion of bioequivalence clinical studies | 94,331 | 68,241 | 26,090 | 98,449* | 78,001 | 20,448 | On or before 31 March 2025* |
| Establishment of a new joint R&D centre with HKIB | 10,000 | 5,156 | 4,844 | 5,882* | 5,882 | – | N/A |
| Marketing and advertising | 83,465 | 83,465 | – | 83,465 | 83,465 | – | N/A |
| General working capital | 69,554 | 69,554 | – | 69,554 | 69,554 | – | N/A |
| Total | 695,540 | 664,606 | 30,934 | 695,540 | 675,092 | 20,448 | |

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

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

Proceeds from Issuance of New Shares

Upon completion of the subscription of 200,000,000 shares of the Company by Yunnan Baiyao Holdings Company Limited* (雲南白藥控股有限公司) (“**Yunnan Baiyao**”) at the subscription price of HK\$2.06 per share pursuant to a subscription agreement dated 14 August 2018, net proceeds of HK\$411,658,000 were raised from such issuance of shares to Yunnan Baiyao (after the deduction of all related fees and expenses payable in connection with the issuance of shares of HK\$342,000) (the “**Subscription Proceeds**”). There has not been any change to the intended use of the Subscription Proceeds or the allocated amount as disclosed in the announcement of the Company dated 14 August 2018 (the “**Subscription Announcement**”).

The table below sets forth the status of utilisation of the Subscription Proceeds as at 31 March 2021 and 31 March 2022 respectively.

| Use of Subscription Proceeds as set out in the Subscription Announcement | Proposed application HK\$'000 | As at 31 March 2021 | | As at 31 March 2022 | |
|--|-------------------------------------|--|----------------------------------|--|----------------------------------|
| | | Actual utilised amount HK\$'000 | Unutilised amount HK\$'000 | Actual utilised amount HK\$'000 | Unutilised amount HK\$'000 |
| Mergers and acquisitions, strategic alliances and in-licensing of products | 205,829 | 205,829 | – | 205,829 | – |
| Acquisition, expansion and upgrading of operating facilities | 164,663 | 164,663 | – | 164,663 | – |
| General working capital | 41,166 | 41,166 | – | 41,166 | – |
| Total | 411,658 | 411,658 | – | 411,658 | – |

The Subscription Proceeds were used according to the plans disclosed in the Subscription Announcement 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 sound foundation for the Group's future development.

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

* For identification purpose only

CHARGE ON GROUP ASSETS

The carrying value of assets pledged against bank loans decreased from HK\$1,042.2 million as at 31 March 2021 to HK\$495.7 million as at 31 March 2022, which was mainly attributable to the release of pledged assets for bank loans upon their full repayment during the Reporting Period.

NET GEARING RATIO

The net gearing ratio of the Group (bank loans less cash and cash equivalents, divided by total equity multiplied by 100%) decreased from 38.4% as at 31 March 2021 to 29.2% as at 31 March 2022, mainly attributable to the partial repayment of bank loans during the Reporting Period.

FINANCIAL RISK ANALYSIS

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

CONTINGENT LIABILITIES

As at 31 March 2022, the Group did not have any significant contingent liabilities.

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

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

NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

On 6 April 2022, the Company (as guarantor) entered into a facility agreement with an indirect wholly-owned subsidiary of the Company (as borrower) (the “**Borrower**”), certain indirect wholly-owned subsidiaries of the Company (as guarantors) and 14 financial institutions (as lenders) (the “**Lenders**”) pursuant to which the Lenders have agreed to provide a syndicated loan to the Borrower. The facility amount is HK\$1,400,000,000 and the final maturity date of such syndicated loan is 36 months after the date of the facility agreement. The facility amount was used for refinancing the bank loan facilities and to meet general working capital requirements of the Group (excluding the JBM Healthcare Group). For further details, please refer to the Company’s announcement dated 6 April 2022. The facility amount was fully utilised as at the date of this announcement.

PRINCIPAL RISKS AND UNCERTAINTIES

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

- The Group operates in pharmaceutical manufacturing industry and is subject to various regulations; failure to comply with pharmaceutical or other regulations may restrict our business operations. The Group has dedicated quality control and quality assurance team in each manufacturing plant to ensure compliance with relevant regulations.
- The Group made a number of successful acquisitions; however, the Group may not be able to successfully identify, consummate and integrate future mergers or acquisitions. The Group will continue to seek for new acquisition opportunities and perform adequate due diligence to assess the potential acquisition targets.
- The Group operates in generic drugs business and development of new products provides additional growth driver for the Group. However, we may not be able to develop and launch new product according to our schedule. The Group continues to invest in the R&D of new products and engage external experts to enhance our overall R&D capability.
- The Group is also exposed to risks of liability and loss due to defective products as well as damage to the Group's reputation. While the Group has taken out product liability insurance, the insured amount may not be sufficient to cover all damages claimed. The Group has a designated production and quality assurance team to monitor product quality in each manufacturing plant to ensure they are in compliance with respective specifications.

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

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is primarily engaged in manufacturing generic drugs and branded healthcare products, a line of business that does not have any material impact on the environment. The key environmental impact from the Group's operation is related to electricity, water and paper consumption. The Group is fully aware of the importance of sustainable environmental development, and has implemented a number of measures to encourage environmental protection and energy conservation.

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

COMPLIANCE WITH LAWS AND REGULATIONS

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

CORPORATE GOVERNANCE HIGHLIGHTS

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

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

Code provision A.2.1 (which has been renumbered as code provision C.2.1 of part 2 of the CG Code with effect from 1 January 2022) of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

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

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

MODEL CODE FOR SECURITIES TRANSACTIONS

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

AUDIT COMMITTEE

The Board has established an audit committee (the “**Audit Committee**”). Following the resignation of Professor Wong Chi Kei, Ian as a member of the Audit Committee with effect from 14 January 2022, the Audit Committee comprises three independent non-executive Directors, namely Mr. Young Chun Man, Kenneth (Chairman), Dr. Lam Kwing Tong, Alan and Professor Lam Sing Kwong, Simon. The primary duties of the Audit Committee include reviewing and supervising the Group’s financial reporting process, internal control and risk management systems, preparing financial statements and internal control procedures. It also acts as an important link between the Board and the external auditor in matters within the scope of the group audit. The Audit Committee, together with the management of the Company, has reviewed the annual results of the Group for the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

FINAL DIVIDEND

The Board recommends to declare a final dividend of HK2.68 cents per share for FY2022 (FY2021: final dividend of HK1.50 cents per share), subject to the approval of shareholders at the 2022 AGM to be held on 23 September 2022 (Friday), which is expected to be paid on 18 October 2022 (Tuesday) to shareholders whose names appear on the register of members of the Company on 7 October 2022 (Friday), being the record date for determining shareholders’ entitlement to the proposed final dividend. Excluding the 2021 special interim dividend in the form of distribution in specie of JBM Healthcare Shares, the total dividend for FY2022 amounts to HK3.88 cents per share (FY2021: HK2.30 cents per share). The details of final dividend of the Company are set out in note 9 of this announcement.

CLOSURE OF REGISTER OF MEMBERS

In order to determine the entitlement of shareholders of the Company to attend and vote at the 2022 AGM, the register of members of the Company will be closed from 19 September 2022 (Monday) to 23 September 2022 (Friday), both days inclusive, during which period no transfer of shares of the Company will be registered. All transfer documents, accompanied by the relevant share certificates, shall be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong no later than 4:30 p.m. on 16 September 2022 (Friday) for registration.

In order to determine the entitlement of shareholders of the Company to receive the final dividend, the register of members of the Company will be closed from 6 October 2022 (Thursday) to 7 October 2022 (Friday), both days inclusive, during which period no transfer of shares of the Company will be registered. All transfer documents, accompanied by the relevant share certificate, shall be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong no later than 4:30 p.m. on 5 October 2022 (Wednesday) for registration.

PUBLICATION OF THIS 2022 ANNUAL RESULTS ANNOUNCEMENT AND THE 2022 ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and of the Company (www.jacobsonpharma.com). The 2022 Annual Report containing all the information required by the Listing Rules will be published on the respective websites of the Stock Exchange and the Company and will be dispatched to the shareholders of the Company in due course.

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

Hong Kong, 29 June 2022

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

GLOSSARY

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

| | |
|---|--|
| “2022 AGM” | the forthcoming 2022 annual general meeting of the Company |
| “2022 Annual Report” | the annual report of the Company for the year ended 31 March 2022 |
| “adjusted EBITDA” | adjusted earnings before interest, taxes, depreciation and amortisation |
| “AIM Atropine Eye Drops” | refers to AIM Atropine 0.01% Eye Drops, AIM Atropine 0.05% 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 |
| “chief executive” or “controlling shareholder” | each has the meaning as described in the Listing Rules |
| “Board” | the board of directors of the Company |
| “CG Code” | Corporate Governance Code as amended or supplemented from time to time contained in Appendix 14 to the Listing Rules |
| “China”, “Mainland China”, “PRC” or “the PRC” | the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, Macau and Taiwan |
| “Company”, “our Company” or “the Company” | Jacobson Pharma Corporation Limited, an exempted company incorporated in the Cayman Islands with limited liability on 16 February 2016 |
| “COVID-19” | Coronavirus disease 2019 |
| “Director(s)” | the director(s) of the Company |
| “Fosun Pharma” | Shanghai Fosun Pharmaceutical (Group) Co., Ltd. |
| “FY2021” | the year ended 31 March 2021 |
| “FY2022” or “Reporting Period” | the year ended 31 March 2022 |
| “GDP” | Gross Domestic Product |

| | |
|---|---|
| “GMP” | Good Manufacturing Practice, a set of detailed guidelines on practices governing the production of pharmaceutical products designed to protect consumers by minimising production errors and the possibility of contamination |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “HKIB” | The Hong Kong Institute of Biotechnology |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Jacobson”, “Group”, “our Group”, “the Group”, “we”, “us”, or “our” | the Company and its subsidiaries and, in respect of the period before we became the holding company of our present subsidiaries, the businesses operated by such subsidiaries or their predecessors (as the case may be) |
| “JBM Healthcare” | JBM (Healthcare) Limited, an exempted company incorporated in the Cayman Islands with limited liability on 7 January 2020, the issued shares of which were listed on the Main Board on 5 February 2021, an indirect non-wholly owned subsidiary of the Company (stock code: 2161) |
| “JBM Healthcare Group” | JBM Healthcare and its subsidiaries |
| “JBM Healthcare Share(s)” | ordinary share(s) in the share capital of JBM Healthcare with nominal value of HK\$0.01 each |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time |
| “Macau” | the Macau Special Administrative Region of the PRC |
| “Main Board” | Main Board of the Stock Exchange |
| “Model Code” | Model Code for Securities Transaction by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules |
| “Mr. Sum” | Mr. Sum Kwong Yip, Derek, our chairman, executive Director, chief executive officer and our controlling shareholder |
| “PIC/S” | two international instruments, the Pharmaceutical Inspection Convention and the Pharmaceutical Inspection Co-operation Scheme, which seek to promote constructive co-operation in the field of GMP between the participating authorities in different geographic markets |

| | |
|----------------------|---|
| “PIC/S GMP” | Good Manufacturing Practice in accordance with the PIC/S GMP Guide issued by PIC/S |
| “Private Sector” | refers to non-Public Sector |
| “Prospectus” | the prospectus issued by the Company dated 8 September 2016 |
| “Public Sector” | refers to public sector institutions and clinics in Hong Kong |
| “R&D” | research and development |
| “Share Award Scheme” | the share award scheme adopted by our Company on 16 October 2018, the principal terms of which were summarised in the announcement of the Company dated 16 October 2018 |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “WHO” | World Health Organisation |