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JBM (Healthcare) Limited
健倍苗苗(保健)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2161)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

FINANCIAL HIGHLIGHTS

- The revenue for the six months ended 30 September 2023 amounted to approximately HK$326.8 million, representing an increase of about 38.0% as compared to that of approximately HK$236.8 million for the corresponding period of 2022.

- Profit from operations for the same period amounted to approximately HK$85.8 million, representing an increase of about 159.2% as compared to that of approximately HK$33.1 million for the corresponding period of 2022.

- Profit attributable to equity shareholders of the Company for the same period amounted to approximately HK$62.5 million, representing an increase of about 189.4% as compared to that of approximately HK$21.6 million for the corresponding period of 2022.

- The Board declared the payment of an interim dividend for the six months ended 30 September 2023 of HK3.45 cents per ordinary share for the total amount of approximately HK$31.0 million (six months ended 30 September 2022: HK0.5 cent per ordinary share for the total amount of approximately HK$4.5 million).

The Board is pleased to announce the unaudited consolidated interim results of the Group for the six months ended 30 September 2023, together with the comparative figures for the corresponding period in 2022 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2023 – unaudited

(Expressed in Hong Kong dollars)

		Six months ended 30 September	
		2023	2022
	Note	***HK$'000***	*HK$'000*
Revenue	*4*	**326,828**	236,848
Cost of sales		**(155,706)**	(151,305)
Gross profit		**171,122**	85,543
Other net income	*5*	**6,914**	7,149
Selling and distribution expenses		**(66,961)**	(41,243)
Administrative and other operating expenses		**(25,273)**	(18,384)
Profit from operations		**85,802**	33,065
Finance costs	*6(a)*	**(4,138)**	(3,373)
Share of loss of an associate		**(737)**	(516)
Share of losses of joint ventures		**(193)**	(519)
Profit before taxation	*6*	**80,734**	28,657
Income tax	*7*	**(16,200)**	(5,556)
Profit for the period		**64,534**	23,101
Other comprehensive income for the period			
Item that will not be reclassified subsequently to profit or loss, net of nil tax:			
Revaluation of financial assets at fair value through other comprehensive income		**(2,384)**	(5,701)
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		**(234)**	(769)
Other comprehensive income for the period		**(2,618)**	(6,470)
Total comprehensive income for the period		**61,916**	16,631

	Note	Six months ended 30 September 2023 HK$'000	2022 HK$'000
Profit attributable to:			
Equity shareholders of the Company		**62,461**	21,561
Non-controlling interests		**2,073**	1,540
Total profit for the period		**64,534**	23,101
Total comprehensive income attributable to:			
Equity shareholders of the Company		**59,843**	15,091
Non-controlling interests		**2,073**	1,540
Total comprehensive income for the period		**61,916**	16,631
		HK cents	*HK cents*
Earnings per share			
Basic and diluted	*8*	**6.87**	2.41

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2023 – unaudited

(Expressed in Hong Kong dollars)

	Note	**As at 30 September 2023**	As at 31 March 2023
		HK$'000	*HK$'000*
Non-current assets			
Property, plant and equipment		**152,480**	164,330
Intangible assets		**849,448**	857,915
Interest in an associate		**13,375**	14,112
Interests in joint ventures		**3,424**	3,616
Other non-current assets		**19,776**	13,096
Other financial assets		**13,719**	16,103
Deferred tax assets		**3,191**	2,829
		1,055,413	1,072,001
Current assets			
Inventories		**55,294**	54,563
Trade and other receivables	*10*	**207,460**	123,426
Current tax recoverable		**825**	829
Cash and cash equivalents		**114,208**	152,266
		377,787	331,084
Current liabilities			
Trade and other payables and contract liabilities	*11*	**114,919**	82,459
Bank loans		**71,200**	91,200
Lease liabilities		**10,679**	11,624
Current tax payable		**25,070**	9,381
		221,868	194,664
Net current assets		**155,919**	136,420
Total assets less current liabilities		**1,211,332**	1,208,421

	Note	As at 30 September 2023 HK$'000	As at 31 March 2023 HK$'000
Non-current liabilities			
Bank loans		**53,800**	63,800
Lease liabilities		**9,053**	13,473
Deferred tax liabilities		**98,152**	100,158
		161,005	177,431
NET ASSETS		**1,050,327**	1,030,990
CAPITAL AND RESERVES			
Share capital	*12(a)*	**8,916**	9,076
Reserves		**993,857**	976,433
Total equity attributable to equity shareholders of the Company		**1,002,773**	985,509
Non-controlling interests		**47,554**	45,481
TOTAL EQUITY		**1,050,327**	1,030,990

NOTES

1 CORPORATE INFORMATION

JBM (Healthcare) 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 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

The interim financial results set out in this announcement do not constitute the Group's interim financial report for the six months ended 30 September 2023 but are extracted from that interim financial report.

The 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**").

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 2023, except for the accounting policy changes that are expected to be reflected in the consolidated financial statements for the year ending 31 March 2024. Details of any changes in accounting policies are set out in note 3.

3 CHANGES IN ACCOUNTING POLICIES

(a) New and amended Hong Kong Financial Reporting Standards ("HKFRSs")

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

- HKFRS 17, *Insurance contracts*
- Amendments to HKAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*
- Amendments to HKAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*
- Amendments to HKAS 12, *Income taxes: International tax reform – Pillar Two model rules*

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 new and amended HKFRSs are discussed below:

HKFRS 17, *Insurance contracts*

HKFRS 17, which replaces HKFRS 4, sets out the recognition, measurement, presentation and disclosure requirements applicable to issuers of insurance contracts. The standard does not have a material impact on the financial statements as the Group does not have contracts within the scope of HKFRS 17.

Amendments to HKAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*

The amendments provide further guidance on the distinction between changes in accounting policies and changes in accounting estimates. The amendments do not have a material impact on the financial statements as the Group's approach in distinguishing changes in accounting policies and changes in accounting estimates is consistent with the amendments.

Amendments to HKAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*

The amendments narrow the scope of the initial recognition exemption such that it does not apply to transactions that give rise to equal and offsetting temporary differences on initial recognition such as leases and decommissioning liabilities. For leases and decommissioning liabilities, the associated deferred tax assets and liabilities are required to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the amendments are applied to those transactions that occur after the beginning of the earliest period presented.

Prior to the amendments, the Group did not apply the initial recognition exemption to lease transactions and had recognised the related deferred tax, except that the Group previously determined the temporary difference arising from a right-of-use asset and the related lease liability on a net basis on the basis they arise from a single transaction. Following the amendments, the Group has determined the temporary differences in relation to right-of-use assets and lease liabilities separately. The change primarily impacts disclosures of components of deferred tax assets and liabilities in the annual financial statements, but does not impact the overall deferred tax balances presented in the consolidated statement of financial position as the related deferred tax balances qualify for offsetting under HKAS 12.

Amendments to HKAS 12, *Income taxes: International tax reform – Pillar Two model rules*

The amendments introduce a temporary mandatory exception from deferred tax accounting for the income tax arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development, including tax laws that implement qualified domestic minimum top-up taxes described in those rules. The amendments also introduce disclosure requirements about such tax. The amendments are immediately effective upon issuance and require retrospective application. The amendments do not have a material impact on the financial statements as the Group's effective tax rate is above minimum rate required by Pillar Two model rules.

(b) New HKICPA guidance on the accounting implications of the abolition of the MPF-LSP offsetting mechanism

In June 2022, the Government of the Hong Kong SAR (the "**Government**") gazetted the Hong Kong Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "**Amendment Ordinance**"), which will eventually abolish the statutory right of an employer to reduce its long service payment ("**LSP**") and severance payment payable to a Hong Kong employee by drawing on its mandatory contributions to the mandatory provident fund ("**MPF**") scheme (also known as the "offsetting mechanism"). The Government has subsequently announced that the Amendment Ordinance will come into effect from 1 May 2025 (the "**Transition Date**"). Separately, the Government is also expected to introduce a subsidy scheme to assist employers after the abolition.

Among other things, once the abolition of the offsetting mechanism takes effect, an employer can no longer use any of the accrued benefits derived from its mandatory MPF contributions (irrespective of the contributions made before, on or after the Transition Date) to reduce the LSP in respect of an employee's service from the Transition Date. However, where an employee's employment commenced before the Transition Date, the employer can continue to use the above accrued benefits to reduce the LSP in respect of the employee's service up to that date; in addition, the LSP in respect of the service before the Transition Date will be calculated based on the employee's monthly salary immediately before the Transition Date and the years of service up to that date.

In July 2023, the HKICPA published "Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong" that provides guidance on the accounting considerations relating to the offsetting mechanism and the abolition of the mechanism. In particular, the guidance indicates that entities may account for the accrued benefits derived from its mandatory MPF contributions that are expected to be used to reduce the LSP payable to an employee as deemed contributions by that employee towards the LSP. However, applying this approach, upon the enactment of the Amendment Ordinance in June 2022, it is no longer permissible to apply the practical expedient in paragraph 93(b) of HKAS 19 and recognise such deemed contributions as reduction of current service cost in the period the related service is rendered, and any impact from ceasing to apply the practical expedient is recognised as a catch-up adjustment in profit or loss with a corresponding adjustment to the LSP liability during the year ended 31 March 2023.

In the interim financial report and in prior periods, consistent with the HKICPA guidance the Group has been accounting for the accrued benefits derived from its mandatory MPF contributions that are expected to be used to reduce the LSP payable to an employee as deemed employee contributions towards the LSP. However, the Group has been applying the above-mentioned practical expedient.

The Group has assessed the implications of this new guidance on the above accounting policies and has decided to change those accounting policies to conform with the guidance. The management has commenced the processes on implementing the change including additional data collection and impact assessment. However, the impact of the change is not reasonably estimable at the time this interim financial report is authorised for issue, as the Group has yet to fully complete its assessment of the impact of the HKICPA guidance. The Group expects to adopt this guidance with retrospective application in its annual financial statements for the year ending 31 March 2024.

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 2023 and 2022 was recognised in accordance with HKFRS 15, *Revenue from Contracts with Customers*.

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

(b) Segment reporting

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

– Branded medicines: this segment develops, manufactures and distributes branded medicines with chemical compounds as active ingredients. Currently the activities in this regard are primarily carried out in Hong Kong.

– Proprietary Chinese medicines: this segment develops, manufactures and distributes registered Chinese medicines composed solely of any Chinese herbal medicines specified in the Chinese Medicine Ordinance, or any materials of herbal, animal or mineral origin customarily or widely used by the Chinese. Currently the activities in this regard are primarily carried out in Hong Kong.

– Health and wellness products: this segment distributes and sells supplements, medical consumables and other non-pharmaceutical products for the general health and wellness of consumers. Currently the activities in this regard are primarily carried out in Hong Kong.

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

The measure used for reporting segment profit is gross profit.

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

No inter-segment sales have occurred during the six months ended 30 September 2023 and 2022.

(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 Six months ended 30 September		Proprietary Chinese medicines Six months ended 30 September		Health and wellness products Six months ended 30 September		Total Six months ended 30 September	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue from external customers and reportable segment revenue recognised at a point in time	**105,545**	56,888	**186,316**	163,084	**34,967**	16,876	**326,828**	236,848
Reportable segment gross profit	**73,287**	32,740	**82,956**	47,542	**14,879**	5,261	**171,122**	85,543

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

	Six months ended 30 September	
	2023	2022
	HK$'000	*HK$'000*
Revenue		
Reportable segment revenue and consolidated revenue	**326,828**	236,848
Profit		
Reportable segment gross profit	**171,122**	85,543
Other net income	**6,914**	7,149
Selling and distribution expenses	**(66,961)**	(41,243)
Administrative and other operating expenses	**(25,273)**	(18,384)
Finance costs	**(4,138)**	(3,373)
Share of loss of an associate	**(737)**	(516)
Share of losses of joint ventures	**(193)**	(519)
Consolidated profit before taxation	**80,734**	28,657
Interest income from bank deposits	**(529)**	(7)
Finance costs	**4,138**	3,373
Depreciation and amortisation	**24,015**	23,624
Share of loss of an associate	**737**	516
Share of losses of joint ventures	**193**	519
Adjusted EBITDA*	**109,288**	56,682

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

(iii) ***Geographic information***

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

	Six months ended 30 September	
	2023	2022
	HK$'000	*HK$'000*
Revenue from external customers		
Hong Kong (place of domicile)	**221,002**	149,437
Mainland China	**73,891**	57,684
Macau	**17,524**	13,497
Singapore	**4,629**	5,368
Others	**9,782**	10,862
	326,828	236,848

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, the location of the operations to which they are allocated, in the case of intangible assets, non-current prepayments for distribution rights and other non-current prepayments, and the location of operations, in the case of interests in an associate and joint ventures.

	As at 30 September 2023	As at 31 March 2023
	HK$'000	*HK$'000*
Specified non-current assets		
Hong Kong (place of domicile)	**1,024,404**	1,037,919
Mainland China	**14,099**	15,150
	1,038,503	1,053,069

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

For the six months ended 30 September 2023, the Group's customer base includes one (six months ended 30 September 2022: one) customer of proprietary Chinese medicines and branded medicines segments with whom transactions have exceeded 10% of the Group's revenue. Revenue from sales of proprietary Chinese medicines and branded medicines to this customer amounted to HK$70,382,000 (six months ended 30 September 2022: HK$26,410,000).

5 OTHER NET INCOME

	Six months ended 30 September	
	2023	2022
	HK$'000	*HK$'000*
Commission income	**1,311**	1,072
Interest income from bank deposits	**529**	7
Government grants *(Note)*	**–**	4,589
Net foreign exchange gain	**3,245**	1,320
Net loss on disposals of property, plant and equipment	**(5)**	(61)
Others	**1,834**	222
	6,914	7,149

Note: In 2022, the Group successfully applied for funding support from the Employment Support Scheme under the Anti-epidemic Fund, set up by the Hong Kong Special Administrative Region Government. The purpose of the funding was to provide financial support to employers to retain their current employees or hire more employees when the business revives. Under the terms of the grant, the Group was required to employ a sufficient number of employees with reference to its proposed employee headcounts in each subsidy month.

6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	Six months ended 30 September	
	2023	2022
	HK$'000	*HK$'000*
(a) Finance costs		
Interest on bank loans	**3,843**	2,575
Interest expense on loan from a fellow subsidiary	**–**	370
Interest on lease liabilities to		
– third parties	**93**	92
– fellow subsidiaries	**172**	336
– related parties	**30**	–
	4,138	3,373

	Six months ended 30 September	
	2023	2022
	HK$'000	*HK$'000*
(b) Other items		
Depreciation		
– owned property, plant and equipment	**6,673**	6,400
– right-of-use assets	**6,183**	6,926
	12,856	13,326
Amortisation of intangible assets	**11,159**	10,298
Write-down of inventories	**1,463**	1,020

7 INCOME TAX

	Six months ended 30 September	
	2023	2022
	HK$'000	*HK$'000*
Current tax	**18,569**	7,927
Deferred tax	**(2,369)**	(2,371)
	16,200	5,556

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 2022: 16.5%) to the six months ended 30 September 2023. 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$62,461,000 (six months ended 30 September 2022: HK$21,561,000) during the interim period, and the weighted average ordinary shares in issue calculated as follows:

	Six months ended 30 September	
	2023	2022
	'000	*'000*
Shares of the Company issued at the beginning of the period	**907,586**	893,686
Effect of shares held for Share Award Scheme	**4,341**	(654)
Effect of shares repurchased and cancelled	**(2,820)**	–
Weighted average number of ordinary shares in issue during the period	**909,107**	893,032

(b) Diluted earnings per share

Diluted earnings per share for the six months ended 30 September 2023 and 2022 were the same as the basic earnings per share as there were no potentially dilutive ordinary shares in existence during both periods.

9 DIVIDENDS

(a) Dividends payable to equity shareholders attributable to the relevant reporting period

	Six months ended 30 September	
	2023	2022
	HK$'000	*HK$'000*
Interim dividend declared after the relevant reporting period of HK3.45 cents per share (six months ended 30 September 2022: HK0.5 cent per share)	**30,959**	4,468

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

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

	Six months ended 30 September	
	2023	2022
	HK$'000	*HK$'000*
Final dividend in respect of the previous financial year, approved and paid during the following reporting period, of HK2.5 cents per share (six months ended 30 September 2022: Nil)	**22,842**	–
Less: Dividend of shares held by Share Award Scheme	**(3)**	–
	22,839	–

10 TRADE AND OTHER RECEIVABLES

	As at 30 September 2023	As at 31 March 2023
	HK$'000	*HK$'000*
Trade receivables		
– third parties	**173,080**	107,827
– fellow subsidiaries	**–**	2,829
– related parties	**2,710**	–
	175,790	110,656
Other receivables	**64**	1,359
Deposits and prepayments	**31,410**	11,215
Amount due from a fellow subsidiary	**–**	196
Amount due from a related party	**196**	–
	207,460	123,426

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

	As at 30 September 2023	As at 31 March 2023
	HK$'000	*HK$'000*
Less than 1 month	**73,133**	48,079
1 to 6 months	**91,656**	57,752
Over 6 months	**11,001**	4,825
	175,790	110,656

11 TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES

	As at 30 September 2023 *HK$'000*	As at 31 March 2023 *HK$'000*
Trade payables		
– third parties	**26,156**	29,988
Salary and bonus payables	**22,474**	20,874
Other payables and accruals	**60,637**	25,961
Amount due to a joint venture	**2,000**	2,000
Amount due to a fellow subsidiary	**–**	707
Amounts due to related parties	**465**	–
Contract liabilities	**3,187**	2,929
	114,919	82,459

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

	As at 30 September 2023 *HK$'000*	As at 31 March 2023 *HK$'000*
Less than 1 month	**14,875**	21,255
1 to 6 months	**11,145**	8,589
Over 6 months	**136**	144
	26,156	29,988

12 CAPITAL AND RESERVES

(a) Share capital

	Number of shares *'000*	**Amount** *HK$'000*
Authorised:		
Ordinary shares of HK$0.01 each at 31 March 2023, 1 April 2023 and 30 September 2023	**5,000,000**	**50,000**
Issued:		
At 31 March 2023 and 1 April 2023	**907,586**	**9,076**
Shares acquired for Share Award Scheme *(note 12(b))*	**(5,700)**	**(57)**
Shares vested for Share Award Scheme *(note 12(b))*	**6,000**	**60**
Repurchase and cancellation of shares *(note 12(c))*	**(16,314)**	**(163)**
At 30 September 2023	**891,572**	**8,916**

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

(b) Equity Settled Share-based Transactions

Share Award Scheme

The Share Award Scheme was adopted by the Company on 18 January 2021 and amended on 21 September 2023. Pursuant to the Share Award Scheme, the directors of the Company are authorised, at their discretion to determine individuals, including directors and employees of any companies in the Group, for granting them the Company's shares. The Share Award Scheme will be valid and effective for a period of 10 years commencing from 18 January 2021.

The Company's shares to be granted under the Share Award Scheme will be purchased and held by a trustee. The maximum of purchases by the trustee in any financial year will be fixed by the Company's board of directors but such purchases will not result the trustee holding at any time more than 5% of the total issued shares of the Company.

In addition, unless approved by the Company's board of directors, no awarded shares will be granted to any individual if granting of such awarded shares would result in the total number of shares granted to the individual during any 12-month period exceeding 1% of the total issued shares of the Company (0.1% of the total issued shares of the Company in case for an independent non-executive director of the Company).

During the six months ended 30 September 2023, the trustee of the Share Award Scheme acquired 5,700,000 shares through purchases on the open market at a total cost of HK$6,299,000. During the six months ended 30 September 2022, the trustee of the Share Award Scheme acquired 3,814,000 shares through purchases on the open market at a total cost of HK$3,036,000.

There was no awarded shares granted under the Share Award Scheme during the six months ended 30 September 2023 and 2022.

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

(c) Purchase of Own Shares

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

Month/year	**Number of shares repurchased and cancelled**	**Highest price paid per share**	**Lowest price paid per share**	**Aggregate price paid**
		HK$	*HK$*	*HK$'000*
August 2023	**16,314,000**	**1.19**	**1.15**	**19,364**

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Thanks to the lifting of all travel restrictions and COVID-19 measures in Hong Kong and Mainland China in early 2023, normal travel resumed between the two regions. This revival has led to increased local consumer confidence, a rebound in visitor arrivals, and a positive recovery in the retail sector. Over the first eight months of 2023, total retail sales value saw a provisional 19.3% increase compared to the same period in 2022. Notably, Chinese drugs and herbs, as well as medicines and cosmetics categories, experienced year-on-year growth of 32.5% and 39.3% in the first half of 2023, highlighting the strong performance of these retail segments and the overall improving business environment in the retail market.

Leveraging the renewed momentum in the market, the Group successfully harnessed market growth with its robust portfolio and effective brand management drives, resulting in a strong performance for the first half of the financial year. Also, by maintaining a steadfast focus on its growth strategies, the Group continued to fortify its competitive strengths as a prominent player in the branded healthcare sector and established a solid foundation for future growth, adeptly positioned to seize upcoming market opportunities.

RESULTS

During the Reporting Period, the Group's branded healthcare business, which includes branded medicines, proprietary Chinese medicines, and health and wellness products, achieved remarkable results. It generated a total revenue of HK$326.8 million, marking an impressive growth of 38.0% compared to the previous period. The Group's gross profit reached HK$171.1 million in FY2024 Interim, reflecting a 100.1% increase, compared with FY2023 Interim. Furthermore, the consolidated profit attributable to equity shareholders amounted to HK$62.5 million in FY2024 Interim, representing around threefold compared with the same period of last year. In addition, there was a notable improvement in the gross profit margin, which rose from 36.1% in FY2023 Interim to 52.4% in FY2024 Interim.

The significant increase in consolidated profit was primarily attributable to the favorable market sentiment, coupled with the resurgence of Mainland visitor arrivals following the lifting of pandemic-related restrictions in Hong Kong and the Mainland earlier in the year. Backed by the Group's disciplined implementation of effective brand management strategies, this development has significantly boosted sales revenue across its product segments along with a noteworthy increase in sales margins.

The Group has maintained a sound financial position through disciplined cost management. With a healthy cash reserve, the Group is positioned well to support its ongoing operations and facilitate future growth.

OPERATION PERFORMANCE

Featuring a diverse range of well-known brands such as Po Chai Pills, Ho Chai Kung and Contractubex, our portfolio has achieved robust growth and maintained strong momentum across all segments. This success is underpinned by the positive recovery of the retail market, driven by the resumption of normal travel between Hong Kong and Mainland China.

Branded Medicines

During the Reporting Period, the branded medicines segment achieved outstanding results, delivered a remarkable 85.4% increase in revenue. This impressive growth was primarily attributed to the exceptional performance of Ho Chai Kung products.

Ho Chai Kung, our widely recognised household name in the OTC painkiller and fever relief category, capitalised on its ongoing brand marketing and sales initiatives to enhance brand awareness and expand its consumer base. This sustained brand development strategy led to a significant upswing in sales as the retail market rebounded following the easing of pandemic-related restrictions.

With a well-established reputation as a prominent household brand, Ho Chai Kung occupies a pivotal position within our portfolio of branded medicines. Our primary focus is on rejuvenating the brand to resonate with a broader and younger consumer demographic. In an effort to boost brand recognition and solidify its leadership in fast-acting and effective relief, the Group has recently initiated an extensive advertising campaign.

This campaign began with the brand sponsoring the popular television show "Midlife, Sing & Shine! 2 (中年好聲音2)", where Ho Chai Kung was prominently featured as the program's title sponsor with embedded advertising. Subsequently, we launched a television commercial featuring our new celebrity endorser, Mr. Hins Cheung (張敬軒), under the creative concept of "Trust Hin Gong, Use Ho Chai Kung (信軒公 用何濟公)". This advertisement, accompanied by a catchy jingle, rapidly amassed a substantial number of views and garnered tens of thousands of likes across various social media platforms. This engagement sparked lively discussions among netizens and fans. As a result, "Ho Chai Kung, the Quick Pain and Fever Reliever (何濟公，止痛退燒，快！)" quickly became a trending topic in the city, significantly enhancing the brand's visibility in Hong Kong.

Proprietary Chinese Medicines

The Group's proprietary Chinese medicines segment overall exhibited an increase of 14.3% in revenue during the Reporting Period, underscored by the remarkable growth of Po Chai Pills and the sustained robust momentum of our CCMG business.

Amid the significant increase in travelers following the resumption of normal travel between Hong Kong, Macau, and Mainland China, Po Chai Pills has successfully seized the opportunity with the resurgence of the retail market and achieved an impressive sales growth. This growth is a testament to the brand equity that Po Chai Pills has diligently cultivated through strategic and persistent brand marketing efforts targeting both local consumers and Mainland Chinese visitors.

In its ongoing efforts to solidify its leadership position in the Chinese gastrointestinal medicine category and appeal to a younger demographic, Po Chai Pills has recently unveiled a new advertisement titled "Ivana's Po Chai Pills Digestive Tune (保濟菀腸胃歌)". This advertisement features the renowned singer-songwriter and musician Ms. Ivana Wong (王菀之), who lends her melodious voice to a reimagined and reworded rendition of the classic jingle, "Take Po Chai Pills for Rapid Relief (快食保濟丸)". The catchy lyrics and playful performance style have resonated with the audience, evoking nostalgic memories of Po Chai Pills from the past. This creative approach has effectively captured the consumers' attention, fostering a connection with consumers and injecting the brand with a renewed sense of energy and vitality.

In our CCMG business, we achieved a remarkable increase in sales revenue compared to the same period last year, consistently building upon its growth momentum. This momentum is driven by the growing public acceptance and the resultant increase in demand for traditional Chinese medical services. As a trusted long-term partner to Chinese medicine practitioners, our CCMG business has consistently achieved double-digit growth, continually enhancing our performance through the introduction of new products, effective cost control, and adept pricing management. The Group currently owns and distributes over 700 single-formula and combo-formula CCMG products to an extensive network of Chinese medicine practitioners in Hong Kong.

Shiling Oil, one of our proprietary medicated oil brands, experienced a remarkable sales rebound during the Reporting Period, mainly due to strong demand in the Caribbean region. This resurgence has even surpassed our pre-pandemic sales levels, as the full reopening of all Caribbean countries has instilled confidence in our importers and dealers, encouraging them to maintain healthy stock levels.

To reinvigorate Flying Eagle Woodlok Oil's brand presence and leverage resurging market demand, we relaunched a popular television advertisement featuring Cantonese Opera star, Mr. Law Kar-ying (羅家英). His spirited performance reinforces the product's key attribute of quick soothing and revitalising. With the slogan "Trust Kar-ying, Choose Fei Ying (信家英 用飛鷹)", our goal is to boost brand recognition and consumer confidence. This television campaign has led to a significant sales increase and expanded distribution in registered pharmacies, drug stores, and shelves in major chain stores.

Health & Wellness Products

During the Reporting Period, the health and wellness products segment of the Group also achieved an encouraging 107.1% growth in sales. This growth can be attributed to the Group's proactive response to the new normal and market recovery that emerged after the pandemic. Notably, we intensified our 360-degree marketing and sales efforts for our scar management brands, such as Mederma, which showed remarkable growth. With effective promotional campaigns aimed at both local customers and Mainland tourists, we anticipate sustained growth momentum in the second half of the financial year.

Early in the year, the Group completed the acquisition of Seasons and Slimming Expert, two health supplement brands, which further enhanced our presence in the health supplement retail market. The product team streamlined operations and improved sales and marketing performance during the Reporting Period, with Seasons NMN 15000 maintaining its status as a flagship product. In tandem with fortifying our online and offline brand marketing efforts, we are gearing up to enrich our product portfolio to boost profitability in the upcoming year with the launch of a series of new products to cater to the evolving health needs of the mass market.

Sales of Oncotype DX Breast Cancer Recurrence Score Test (Oncotype DX) remained stable during the Reporting Period. To enhance patient recruitment, we strategically expanded our presence into Macau in a bid to tap the potential in the market. With the resumption of normal travel between Macau and China, we are intensifying our marketing and education efforts to engage with Chinese patients, emphasising the well-established and clinically proven reliability of our product. Moreover, we are actively exploring partnerships with Chinese clinics to facilitate patient referrals and offer them the option to visit Macau hospitals and clinics for testing. Oncotype DX has gained significant recognition among hospitals and healthcare professionals in Hong Kong and Macau for its genomic score test for chemotherapy treatment susceptibility.

BUSINESS DEVELOPMENT

In our business development efforts, we have made steady progress in advancing our strategic priorities. This includes the expansion of local and cross-border e-commerce platforms, exploring opportunities within the traditional Chinese medicine (TCM) sector in Hong Kong and the growing Greater Bay Area market, adapting our product portfolio to meet evolving consumer preferences and enhancing our commercial execution to optimise outcomes.

Sustaining Development in Cross-border E-commerce

The cross-border e-commerce business sustained its growth and consistently contributed to the Group's profits, primarily driven by robust demand for our in-house brands, Ho Chai Kung and Po Chai Pills, as well as strong performance in the medical devices and beauty products segments.

We continued to enhance collaboration with platform distributors, aiming to expand our offerings through the distributor channels in the cross-border e-commerce market in the second half of the financial year. Additionally, we have actively explored new sales channels to expand our in-house OTC and healthcare products on various cross-border e-commerce platforms. Our Tmall Ho Chai Kung Overseas Flagship Store is scheduled to be launched in the fourth quarter of 2023, aiming at bolstering the brand's image and recognition while expanding our consumer base in Mainland China.

Moreover, we have actively pursued strategic initiatives by exploring partnership opportunities with professional healthcare institution platforms. This involves integrating our products into their mobile apps to reach and provide solutions to their patients in need.

Capturing Growth Potential in Chinese Medicines

To cater to the growing demands in the thriving TCM market, we have maintained a consistent focus on developing new products within our CCMG portfolio. Furthermore, we have expanded the registration of combo-formula CCMG products, enriching them with enhanced features and benefits that align with patients' requirements. These products are efficiently distributed through our extensive network of Chinese medicine practitioners.

This increase in demand can be attributed to the evolving consumer awareness of TCM's complementary healing benefits and the support of government policies in promoting its heritage and development over the years. Moreover, the collaborative efforts between Hong Kong and Mainland authorities to facilitate the use of TCM products in the Greater Bay Area are poised to create substantial opportunities for manufacturers and market practitioners in Hong Kong.

OUTLOOK

As we look ahead, the retail market in Hong Kong is poised to sustain its favorable momentum in the second half of the financial year, driven by a robust recovery in the past six months. The resurgence of inbound tourism, increased consumer confidence, favorable labor market conditions, and government-led economic recovery initiatives will continue to exert a positive influence on our business, and we are well-positioned to capitalise on the growth opportunities. Nonetheless, we recognise that challenges persist, stemming from the complex global economic landscape and ongoing geopolitical tensions. While we are optimistic about the future, we exercise prudence in our approach to ensure we navigate these uncertainties effectively.

However, we are confident that the Group's business is strategically positioned for sustained growth, underpinned by several well-established key factors. The sustained optimism in consumer healthcare market demand, particularly in the post-pandemic era marked by heightened health awareness, plays a pivotal role. Additionally, the burgeoning trend of the at-home economy is expected to fuel rapid growth in the online business across multiple markets. Moreover, the increasing demand for TCM, complemented by broad public acceptance and favorable government support, represents a positive growth driver of the Group's proprietary Chinese medicines business. These factors, in conjunction with the Group's robust portfolio of branded healthcare offerings, will contribute to its promising prospects and long-term development in the market.

REMUNERATION POLICY

As at 30 September 2023, the Group had a total of 258 employees (compared to 234 employees as at 30 September 2022). For the Reporting Period, the total staff cost of the Group was approximately HK$55.6 million, compared to approximately HK$34.4 million for the six months ended 30 September 2022 due to group expansion for strategic business development.

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

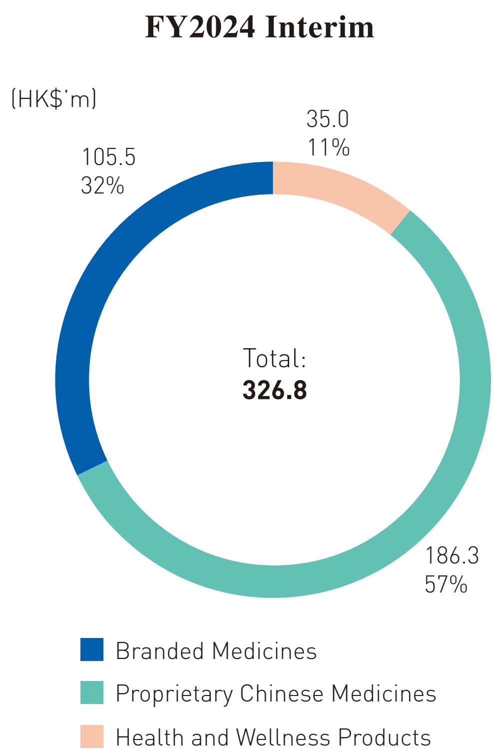
The Company has also adopted the Share Award Scheme for the purpose of recognising and rewarding the contribution of certain eligible person(s) for the growth and development of the Group and to provide them with incentives in order to retain them for the continual operation, development and long-term growth of the Group.

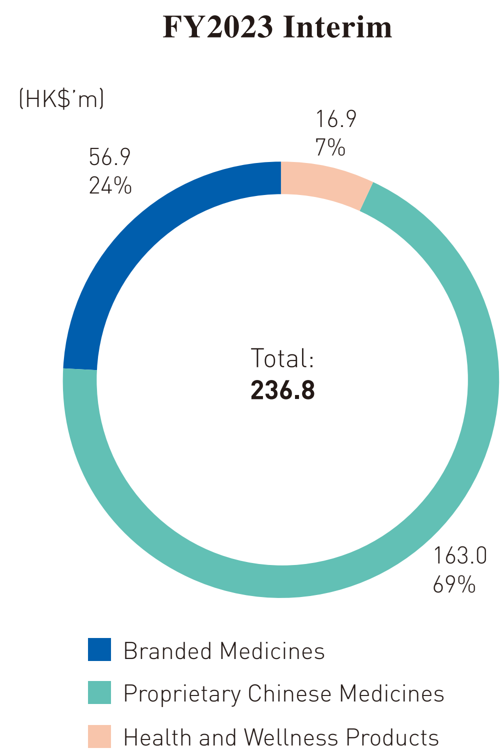
Employees are the most valuable assets to the Group. Therefore, the Group has implemented a comprehensive recruitment procedure for selecting the right candidates, provides competitive compensation and benefit packages to attract and retain talents. The Group also emphasises on training and developing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

FINANCIAL REVIEW

Revenue

Revenue by Operating Segments





The substantial increase in the Group's total revenue of HK$90.0 million, or 38.0% compared to FY2023 Interim, was mainly attributable to the significant increase in revenue of HK$48.6 million in the brand medicines segment, HK$23.3 million in the proprietary Chinese medicines segment and HK$18.1 million in the health and wellness segment respectively. The revenue split of the three segments was at the ratio of 32%, 57% and 11%.

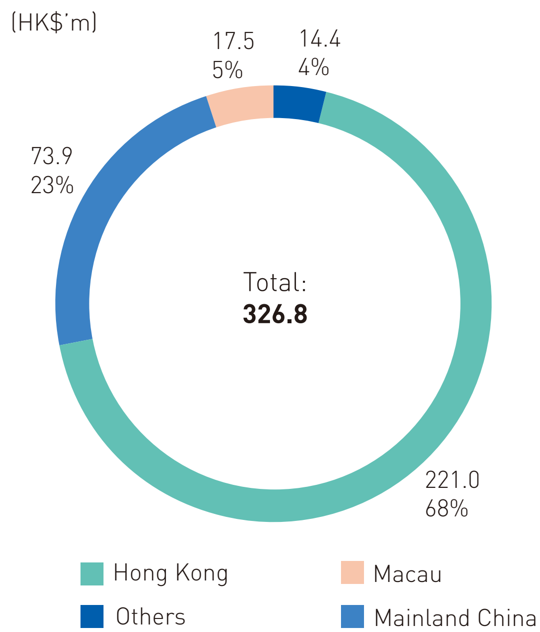
The branded medicines segment delivered a robust growth of 85.4% from the FY2023 Interim to FY2024 Interim, primarily due to exceptional performance of Ho Chai Kung brand products driven by robust recovery of the retail sector under revived consumer sentiment and the resurgence of inbound tourism, alongside the persistent brand marketing and sales development endeavors of the Group.

The revenue in the proprietary Chinese medicines segment witnessed a growth of 14.3% from the FY2023 Interim to FY2024 Interim, which was driven by the remarkable growth of Po Chai Pills and the sustained momentum of CCMG business. The boost in Po Chai Pills' revenue can be largely attributed to the recovery of the retail market leveraged by the Group's effective brand marketing and sales strategies. Meanwhile, the revenue from the CCMG business continued to deliver a solid and steady growth, driven by the increasing public acceptance and demand for traditional Chinese medical services.

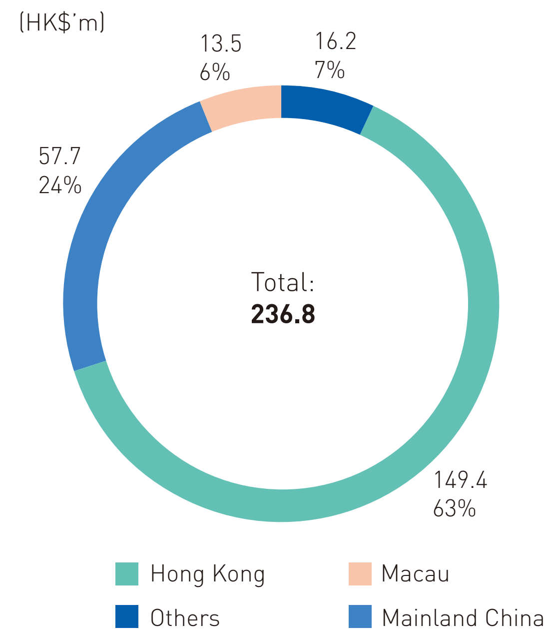
For the health and wellness products segment, the revenue in FY2024 Interim saw a significant increase of 107.1% compared to the previous period. This remarkable growth can be primarily attributed to the sales of two recently acquired health supplement brands, Seasons and Slimming Expert, as well as the sales initiatives aimed at capitalising on the recovery of the retail sector in Hong Kong.

Revenue by Geographic Locations

FY2024 Interim



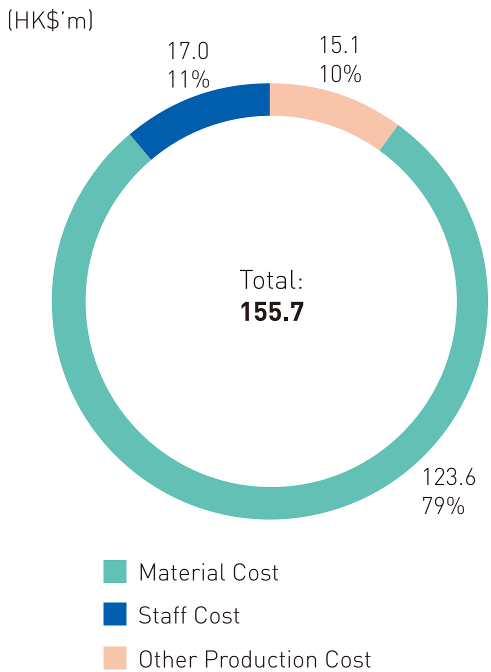
FY2023 Interim



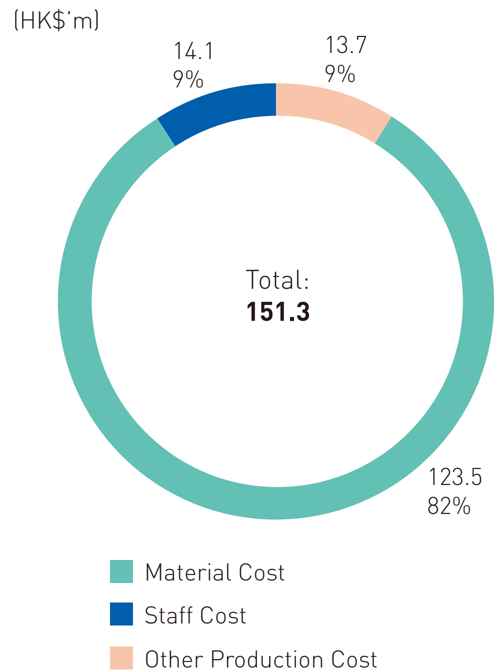
Hong Kong continued to be the major revenue stream, representing 68% of the total revenue with a significant increase in revenue of HK$71.6 million compared to the previous period, which was mainly due to the outstanding performance across all segments. The revenue in Mainland China increased by HK$16.2 million from the FY2023 Interim to FY2024 Interim, mainly driven by the growing momentum via PRC cross-border e-commerce platforms during the Reporting Period. The increase in revenue in Macau by HK$4.0 million from the FY2023 Interim to FY2024 Interim was mainly due to the relief of travel restriction measures in Macau during the Reporting Period.

Cost of Sales

FY2024 Interim



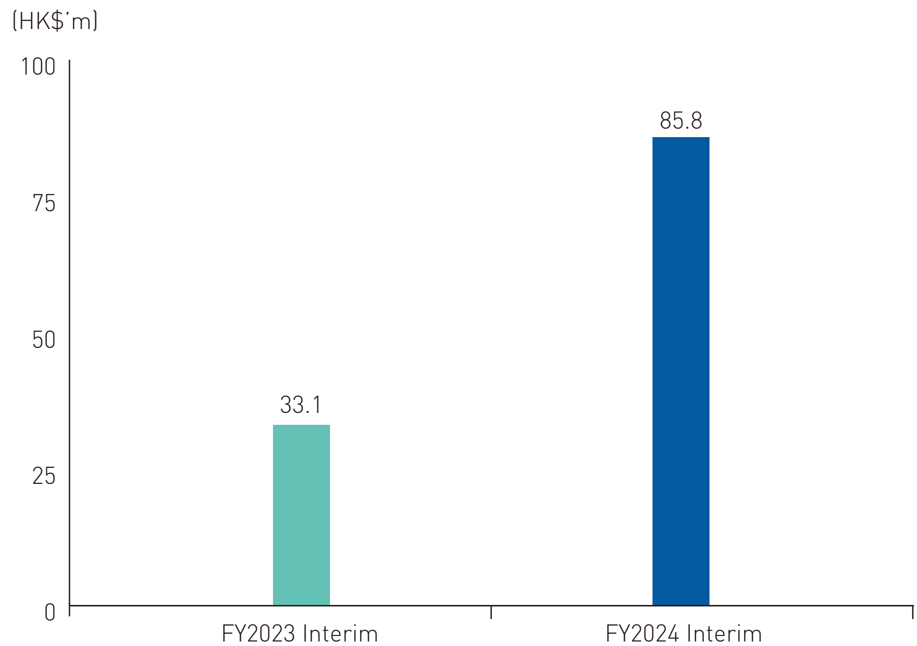
FY2023 Interim



Material cost continued to be the major component which constituted approximately 79% of the total cost of sales for FY2024 Interim. The material costs were maintained at a similar level.

The staff cost increased by HK$2.9 million or 20.6% and other production costs increased by HK$1.4 million or 10.2% from FY2023 Interim to FY2024 Interim. It was mainly attributable to the increase in production output to meet the market demand.

Profit from Operations



The profit from operations increased significantly by HK$52.7 million or 159.2% to HK$85.8 million from FY2023 Interim to FY2024 Interim, which was mainly attributable to the increase in gross profit.

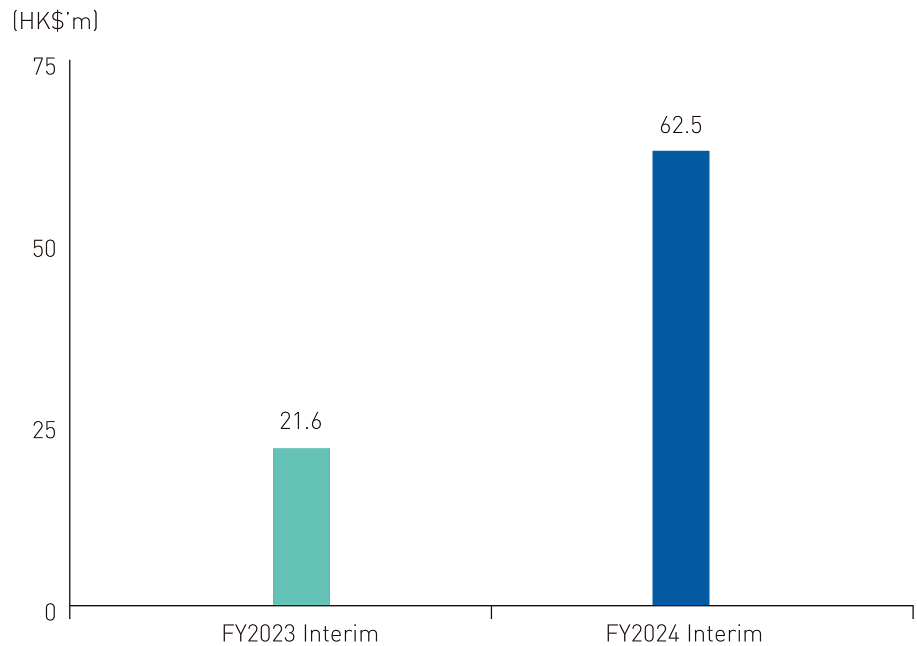
Finance Costs

During the Reporting Period, the finance costs increased as compared with FY2023 Interim as a result of the increase in interest rates.

Income Tax

The increase in income tax from FY2023 Interim to FY2024 Interim primarily reflected the higher profit before taxation generated during the Reporting Period. The effective income tax rate of FY2024 Interim maintained at a similar level as compared with FY2023 Interim.

Profit Attributable to Equity Shareholders



The significant increase in profit attributable to equity shareholders of HK$40.9 million or 189.4% from FY2023 Interim to FY2024 Interim was mainly driven by the rise in profit from operations.

Assets

Property, Plant and Equipment

The decrease in the value of property, plant and equipment as at 30 September 2023, compared with 31 March 2023, principally reflected the depreciation of HK$12.9 million, which was partly offset by the additions of HK$1.0 million during the Reporting Period.

Intangible Assets

The decrease in intangible assets as at 30 September 2023, compared with 31 March 2023, was primarily attributable to amortisation of HK$11.2 million during the Reporting Period.

Inventories

The inventory level as at 30 September 2023 maintained at a similar level with an increase of HK$0.7 million compared with 31 March 2023.

Cash and Cash Equivalents

Approximately 92.9% of cash and cash equivalents as at 30 September 2023 were denominated in Hong Kong dollars (as at 31 March 2023: 94.7%), while the remaining balances were mainly denominated in Euros, United States dollars, Renminbi and Singapore dollars.

Liabilities

Bank Loans

The reduction in bank loans from HK$155.0 million as at 31 March 2023 to HK$125.0 million as at 30 September 2023 represented a partial repayment of bank loans. As at 30 September 2023, the bank loans of the Group were 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**"). As at the date of this announcement, there has not been any change to the intended use of the IPO Proceeds or the allocated amount as disclosed in the Prospectus whereas the expected timeline of the use of the unutilised IPO Proceeds has been extended from 31 March 2022 to 31 March 2024, as disclosed in the announcement of the Company dated 9 March 2022.

The Company had fully utilised the IPO Proceeds by 31 March 2023.

Liquidity, Capital Resources and Capital Structure

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

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

Charge on Group Assets

The carrying value of assets pledged against bank loans was HK$72.6 million as at 30 September 2023 (as at 31 March 2023: HK$73.9 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%) increased from 0.3% as at 31 March 2023 to 1.0% as at 30 September 2023. The slight increase in net gearing ratio was mainly attributable to the dividend payment and the repayment of bank loans, partially offset by increase in net cash generated from operating activities 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 30 September 2023, the Group did not have any significant contingent liabilities.

Significant Events After the Reporting Period

Saved for the disposal of 19% equity interests in Beijing Xinlejia International Health Technology Co., Ltd. (北京欣樂佳國際健康科技有限公司) as disclosed in the announcement of the Company dated 3 October 2023, no other significant event has taken place subsequent to 30 September 2023 and up to the date of this announcement.

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

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

Future Plans for Material Investment or Capital Assets

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

PRINCIPAL RISKS AND UNCERTAINTIES

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

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

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

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

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

ENVIRONMENTAL POLICIES AND PERFORMANCE

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

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

COMPLIANCE WITH LAWS AND REGULATIONS

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

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 2023.

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 THE COMPANY'S LISTED SECURITIES

During the six months ended 30 September 2023, the Company repurchased a total of 16,314,000 Shares of the Company on the Stock Exchange for an aggregate consideration of approximately HK$19.4 million before expenses. The repurchased Shares were cancelled during the Reporting Period. The repurchase was effected for the enhancement of shareholder value in the long term. Details of the Shares repurchased are as follows:

Month of Shares repurchased	Number of Shares repurchased and cancelled	Purchase consideration per Share Highest price paid	Lowest price paid	Aggregate consideration paid (excluding expenses)
		HK$	*HK$*	*HK$'000*
August 2023	16,314,000	1.19	1.15	19,364

Save as disclosed above and in the note 12 to the unaudited interim results announcement, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2023.

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 2023 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 HKICPA, whose unmodified review report is included in the 2023 Interim Report to be sent to shareholders of the Company. The Audit Committee, together with management of the Company, has also reviewed the interim results for the six months ended 30 September 2023.

INTERIM DIVIDEND

The Board declared the payment of an interim dividend per ordinary share for the six months ended 30 September 2023 of HK3.45 cents for the total amount of approximately HK$31.0 million (six months ended 30 September 2022: HK0.5 cent for the total amount of approximately HK$4.5 million). The interim dividend will be paid on 28 December 2023 (Thursday) to shareholders whose names appear on the register of members of the Company on 12 December 2023 (Tuesday), the record date. The details of interim dividend of the Group are set out in note 9 to this interim results announcement.

CLOSURE OF REGISTER OF MEMBERS

In order to determine the entitlement of shareholders of the Company to receive the interim dividend, the register of members of the Company will be closed from 11 December 2023 (Monday) to 12 December 2023 (Tuesday), both days inclusive, during which period no transfer of shares of the Company will be registered. All transfer documents, accompanied by the relevant share certificates, shall be lodged with the Company's Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on 8 December 2023 (Friday).

PUBLICATION OF THIS INTERIM RESULTS ANNOUNCEMENT AND THE 2023 INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and of the Company (www.jbmhealthcare.com.hk). The 2023 Interim Report containing all the information required by the Listing Rules will be published on the respective websites of the Stock Exchange and the Company and will be dispatched to the shareholders of the Company in due course.

By order of the Board
JBM (Healthcare) Limited
Wong Yat Wai, Patrick
Executive Director and Chief Executive Officer

Hong Kong, 22 November 2023

As at the date of this announcement, the Board comprises Mr. Sum Kwong Yip, Derek as the Chairman and non-executive Director, Mr. Wong Yat Wai, Patrick (also as Chief Executive Officer) as executive Director, Mr. Yim Chun Leung and Mr. Yeung Kwok Chun, Harry as non-executive Directors, and Mr. Chan Kam Chiu, Simon, Mr. Luk Ting Lung, Alan and Mr. Lau Shut Lee, Tony as independent non-executive Directors.

GLOSSARY

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

"2023 Interim Report"	the interim report of the Company for the six months ended 30 September 2023
"Audit Committee"	the audit committee of the Company
"Board"	the board of directors of the Company
"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
"China", "Mainland China", "PRC" or "the PRC"	the People's Republic of China excluding, for the purpose of this interim results announcement, Hong Kong, Macau and Taiwan
"Company" or "the Company"	JBM (Healthcare) Limited, an exempted company incorporated in the Cayman Islands with limited liability on 7 January 2020
"COVID-19"	Coronavirus disease 2019
"Director(s)"	the director(s) of the Company
"Employment Support Scheme"	the scheme launched by the HKSAR Government in 2022 to provide wage subsidies
"FY2023"	the year ended 31 March 2023
"FY2023 Interim"	the six months ended 30 September 2022
"FY2024 Interim" or "Reporting Period"	the six months ended 30 September 2023
"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"or "HKSAR"	the Hong Kong Special Administrative Region of the PRC
"HKSAR Government"	Government of Hong Kong
"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)
"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
"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
"Share(s)"	ordinary share(s) in the capital of the Company with nominal value of HK$0.01 each
"Share Award Scheme"	the share award scheme adopted by our Company on 18 January 2021 and amended on 21 September 2023
"Stock Exchange"	The Stock Exchange of Hong Kong Limited