JBM (Healthcare) Limited
健倍苗苗(保健)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2161)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2024

FINANCIAL HIGHLIGHTS

- The revenue for the financial year ended 31 March 2024 amounted to approximately HK$648.4 million, representing an increase of about 24.6% as compared to that of approximately HK$520.3 million for the corresponding year of 2023.

- Profit from operations for the same year amounted to approximately HK$174.2 million, representing an increase of about 100.2% as compared to that of approximately HK$87.0 million for the corresponding year of 2023.

- Profit attributable to equity shareholders of the Company for the same year amounted to approximately HK$130.5 million, representing an increase of about 149.5% as compared to the adjusted profit (excluding the one-off Employment Support Scheme subsidy from the HKSAR Government) for the corresponding year of 2023 of approximately HK$52.3 million.

- The Board recommends the payment of a final dividend for the year ended 31 March 2024 of HK4.05 cents per Share for the total amount of approximately HK$33.8 million (2023 final dividend: HK2.5 cents per Share). Including interim dividend of HK3.45 cents per Share (2023 interim dividend: HK0.5 cent per Share), the total dividend for the year ended 31 March 2024 amounts to HK7.5 cents per Share (2023: HK3.0 cents per Share).

The Board is pleased to announce the audited consolidated annual results of the Group for the year ended 31 March 2024, together with the comparative figures for the corresponding year of 2023 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 March	
		2024	2023
	Note	***HK$'000***	*HK$'000*
Revenue	*4*	**648,415**	520,323
Cost of sales		**(310,334)**	(314,814)
Gross profit		**338,081**	205,509
Other net income	*5*	**16,336**	19,269
Selling and distribution expenses		**(138,527)**	(83,961)
Administrative and other operating expenses		**(41,685)**	(53,777)
Profit from operations		**174,205**	87,040
Finance costs	*6(a)*	**(8,498)**	(8,209)
Share of loss of an associate		**(981)**	(1,215)
Share of profits/(losses) of joint ventures		**164**	(718)
Profit before taxation	*6*	**164,890**	76,898
Income tax	*7*	**(27,680)**	(13,570)
Profit for the year		**137,210**	63,328
Other comprehensive income for the year			
Item that will not be reclassified subsequently to profit or loss, net of nil tax:			
Revaluation of financial assets at fair value through other comprehensive income		**(6,000)**	(10,041)
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		**(256)**	(382)
Other comprehensive income for the year		**(6,256)**	(10,423)
Total comprehensive income for the year		**130,954**	52,905

	Note	Year ended 31 March **2024** *HK$'000*	2023 *HK$'000*
Profit attributable to:			
Equity shareholders of the Company		**130,463**	57,093
Non-controlling interests		**6,747**	6,235
Total profit for the year		**137,210**	63,328
Total comprehensive income attributable to:			
Equity shareholders of the Company		**124,207**	46,670
Non-controlling interests		**6,747**	6,235
Total comprehensive income for the year		**130,954**	52,905
		HK cents	*HK cents*
Earnings per share:	*8*		
Basic and diluted		**14.76**	6.41

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 March	
		2024	2023
	Note	***HK$'000***	*HK$'000*
Non-current assets			
Property, plant and equipment		**146,394**	164,330
Intangible assets		**838,816**	857,915
Interest in an associate		**–**	14,112
Interests in joint ventures		**3,780**	3,616
Other non-current assets		**20,160**	13,096
Other financial assets		**10,103**	16,103
Deferred tax assets		**1,900**	2,829
		1,021,153	1,072,001
Current assets			
Inventories		**91,585**	54,563
Trade and other receivables	*10*	**135,153**	123,426
Current tax recoverable		**–**	829
Cash and cash equivalents		**140,806**	152,266
		367,544	331,084
Current liabilities			
Trade and other payables and contract liabilities	*11*	**118,448**	82,459
Bank loans		**71,200**	91,200
Lease liabilities		**11,308**	11,624
Current tax payable		**20,614**	9,381
		221,570	194,664
Net current assets		**145,974**	136,420
Total assets less current liabilities		**1,167,127**	1,208,421

		As at 31 March	
		2024	2023
	Note	***HK$'000***	*HK$'000*
Non-current liabilities			
Bank loans		**43,800**	63,800
Lease liabilities		**7,099**	13,473
Deferred tax liabilities		**94,284**	100,158
		145,183	177,431
NET ASSETS		**1,021,944**	1,030,990
CAPITAL AND RESERVES			
Share capital	*12(a)*	**8,312**	9,076
Reserves		**962,364**	976,433
Total equity attributable to equity shareholders of the Company		**970,676**	985,509
Non-controlling interests		**51,268**	45,481
TOTAL EQUITY		**1,021,944**	1,030,990

NOTES TO THE FINANCIAL STATEMENTS

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 financial results set out in this announcement do not constitute the Group's consolidated financial statements for the year ended 31 March 2024 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 2023, except for the changes in accounting policies 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**") 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 investments measured as financial assets at fair value through other comprehensive income which are stated at fair values.

3 CHANGES IN ACCOUNTING POLICIES

(i) New and amended standards adopted by the Group

The Group has applied the following new and amended HKFRSs issued by the HKICPA to its financial statements 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 1, *Presentation of financial statements* and HKFRS Practice Statement 2*, Making materiality judgements: Disclosure of accounting policies*
- 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*

None of the above amendments have had a significant financial effect to the Group. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

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

In June 2022, the Hong Kong SAR Government (the "**Government**") gazetted the Hong Kong Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "**Amendment Ordinance**"), which will come into effect from 1 May 2025 (the "**Transition Date**"). Once the Amendment Ordinance takes effect, an employer can no longer use any of the accrued benefits derived from its mandatory contributions to mandatory provident fund ("**MPF**") scheme to reduce the long service payment ("**LSP**") in respect of an employee's service from the Transition Date (the abolition of the "**offsetting mechanism**"). 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 accounting guidance 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 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 that previously allowed such deemed contributions to be recognised as reduction of service cost (negative service cost) in the period the contributions were made; instead these deemed contributions should be attributed to periods of service in the same manner as the gross LSP benefit.

The abolition of the offsetting mechanism did not have a material impact on the financial statements.

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 years ended 31 March 2024 and 2023 was recognised in accordance with HKFRS 15, *Revenue from contracts with customers*. The Group has applied practical expedient in paragraph 121 of HKFRS 15 to its sales contracts and does not disclose information about remaining performance obligations that have original expected duration of one year or less.

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 in the financial statements.

No inter-segment sales have occurred during the years ended 31 March 2024 and 2023.

(i) Segment revenue and results

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

	Branded medicines Year ended 31 March		**Proprietary Chinese medicines Year ended 31 March**		**Health and wellness products Year ended 31 March**		**Total Year ended 31 March**	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
	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	**190,108**	124,040	**386,122**	359,765	**72,185**	36,518	**648,415**	520,323
Reportable segment gross profit	**137,548**	72,692	**171,014**	119,271	**29,519**	13,546	**338,081**	205,509

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

	Year ended 31 March	
	2024	2023
	HK$'000	*HK$'000*
Revenue		
Reportable segment revenue and consolidated revenue	**648,415**	520,323
Profit		
Reportable segment gross profit	**338,081**	205,509
Other net income	**16,336**	19,269
Selling and distribution expenses	**(138,527)**	(83,961)
Administrative and other operating expenses	**(41,685)**	(53,777)
Finance costs	**(8,498)**	(8,209)
Share of loss of an associate	**(981)**	(1,215)
Share of profits/(losses) of joint ventures	**164**	(718)
Consolidated profit before taxation	**164,890**	76,898
Interest income from bank deposits	**(762)**	(272)
Finance costs	**8,498**	8,209
Depreciation and amortisation	**46,521**	43,632
Gain on disposal of an associate	**(4,468)**	–
Share of loss of an associate	**981**	1,215
Share of (profits)/losses of joint ventures	**(164)**	718
Gain on deemed disposal of equity interest in a joint venture	**–**	(8,900)
Adjusted EBITDA*	**215,496**	121,500

* 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 gain on disposal of an associate, gain on deemed disposal of equity interest in a joint venture, share of loss of an associate and share of profits/(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 or the consignees.

	Year ended 31 March	
	2024	2023
	HK$'000	*HK$'000*
Revenue from external customers		
Hong Kong (place of domicile)	**462,829**	331,887
Mainland China	**128,426**	135,253
Macau	**25,851**	26,420
Singapore	**12,507**	9,768
Others	**18,802**	16,995
	648,415	520,323

The following table sets out information about the geographical location of the Group's property, plant and equipment, intangible assets, other non-current assets, interests in an associate and joint ventures ("**specified non-current assets**"). The geographical location of the specified non-current assets is based on the physical location of the assets, in the case of property, plant and equipment and non-current prepayments for property, plant and equipment and the location of the operations to which they are allocated, in the case of intangible assets, 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 31 March	
	2024	2023
	HK$'000	*HK$'000*
Specified non-current assets		
Hong Kong (place of domicile)	**1,009,115**	1,037,919
Mainland China	**35**	15,150
	1,009,150	1,053,069

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

For the year ended 31 March 2024, the Group's customer base includes two (2023: one) customers of proprietary Chinese medicines, branded medicines and health and wellness products segments with whom transactions have exceeded 10% of the Group's revenue. Revenue from sales of proprietary Chinese medicines, branded medicines and health and wellness products to each of these customers amounted to approximately HK$116,698,000 (2023: HK$68,747,000) and HK$73,812,000, respectively.

5 OTHER NET INCOME

	Year ended 31 March	
	2024	2023
	HK$'000	*HK$'000*
Commission income	**2,494**	2,153
Interest income from bank deposits	**762**	272
Net foreign exchange gain	**6,744**	2,426
Net loss on disposals of property, plant and equipment and intangible assets	**(5)**	(126)
Gain on disposal of an associate	**4,468**	–
Government grants *(Note)*	**–**	5,091
Gain on deemed disposal of equity interest in a joint venture	**–**	8,900
Others	**1,873**	553
	16,336	19,269

Note: During the year ended 31 March 2023, 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:

	Year ended 31 March 2024 HK$'000	2023 HK$'000
(a) Finance costs		
Interest on bank loans	**7,829**	5,842
Interest expense on loan from a fellow subsidiary	**–**	1,555
Interest on lease liabilities to:		
– third parties	**216**	191
– fellow subsidiaries	**172**	621
– related parties	**281**	–
	669	812
	8,498	8,209
(b) Other items		
Depreciation		
– owned property, plant and equipment	**13,160**	12,926
– right-of-use assets	**13,282**	13,117
	26,442	26,043
Amortisation of intangible assets	**20,079**	17,589
Auditors' remuneration		
– audit services	**2,380**	2,180
– other services	**730**	699
Cost of inventories	**310,334**	314,814

7 INCOME TAX

	Year ended 31 March 2024 HK$'000	2023 HK$'000
Current tax		
Provision for the year	**33,207**	17,816
Over-provision in respect of prior years	**(582)**	(205)
	32,625	17,611
Deferred tax		
Origination and reversal of temporary differences	**(4,945)**	(4,041)
	27,680	13,570

The provision for Hong Kong Profits Tax for the year is calculated at 16.5% (2023: 16.5%) of the estimated assessable profits for the year. Income tax for entities incorporated in other jurisdictions is charged at the appropriate rates of taxation ruling in the relevant jurisdictions.

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$130,463,000 for the year ended 31 March 2024 (2023: HK$57,093,000), and the weighted average ordinary shares in issue, calculated as follows:

	Year ended 31 March	
	2024	2023
	'000	*'000*
Weighted average number of ordinary shares:		
Shares of the Company issued at the beginning of the year	**907,586**	893,686
Effect of ordinary shares held for Share Award Scheme *(note 12(b)(i))*	**3,367**	(2,853)
Effect of ordinary shares issued under acquisition of subsidiaries	**–**	493
Effect of ordinary shares repurchased and cancelled *(note 12(b)(ii))*	**(27,257)**	–
Weighted average number of ordinary shares in issue during the year	**883,696**	891,326

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to equity shareholders of the Company of HK$130,463,000 for the year ended 31 March 2024 (2023: HK$57,093,000), and the weighted average ordinary shares, calculated as follows:

	Year ended 31 March	
	2024	2023
	'000	*'000*
Weighted average number of ordinary shares at 31 March	**883,696**	891,326
Effect of share award granted under the Share Award Scheme	**–**	33
	883,696	891,359

9 DIVIDENDS

(a) Dividends payable to equity shareholders of the Company attributable to the year

	Year ended 31 March	
	2024	2023
	HK$'000	*HK$'000*
Interim dividend declared and paid of HK3.45 cents per Share (2023: HK0.5 cent per Share)	**29,871**	4,468
Final dividend proposed after the end of the Reporting Period of HK4.05 cents per Share (2023: HK2.5 cents per Share) *(Note)*	**33,769**	22,842
	63,640	27,310

Note: 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) **Dividend payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year**

	Year ended 31 March	
	2024	2023
	HK$'000	*HK$'000*
Final dividend in respect of the previous financial year, approved and paid during the year of HK2.5 cents per Share (2023: Nil)	**22,842**	–
Less: Dividend of ordinary shares held by Share Award Scheme	**(3)**	–
	22,839	–

10 TRADE AND OTHER RECEIVABLES

	As at 31 March	
	2024	2023
	HK$'000	*HK$'000*
Trade receivables		
– third parties	**104,919**	107,827
– fellow subsidiaries	**–**	2,829
– related parties	**1,195**	–
	106,114	110,656
Other receivables	**2,437**	1,359
Deposits and prepayments	**26,406**	11,215
Amount due from a fellow subsidiary	**–**	196
Amount due from a related party	**196**	–
	135,153	123,426

At 31 March 2024, the deposits and prepayments expected to be recovered after more than one year amounted to HK$5,586,000 (2023: HK$5,336,000). The remaining trade and other receivables are expected to be recovered within one year.

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	
	2024	2023
	HK$'000	*HK$'000*
Less than 1 month	**26,972**	48,079
1 to 6 months	**68,662**	57,752
Over 6 months	**10,480**	4,825
	106,114	110,656

11 TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES

	As at 31 March	
	2024	2023
	HK$'000	*HK$'000*
Trade payables		
– third parties	**22,171**	29,988
Salary and bonus payables	**7,027**	20,874
Other payables and accruals	**80,538**	25,961
Amount due to a joint venture	**2,000**	2,000
Amount due to a fellow subsidiary	**–**	707
Amount due to a related party	**658**	–
Contract liabilities	**6,054**	2,929
	118,448	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 31 March	
	2024	2023
	HK$'000	*HK$'000*
Within 1 month	**14,905**	21,255
1 to 6 months	**7,122**	8,589
Over 6 months	**144**	144
	22,171	29,988

12 CAPITAL AND RESERVES

(a) Share capital

	Note	Number of shares '000	Amount HK$'000
Authorised:			
Ordinary shares of HK$0.01 each at 1 April 2022, 31 March 2023, 1 April 2023 and 31 March 2024		**5,000,000**	**50,000**
Issued:			
At 1 April 2022		893,686	8,937
Ordinary shares acquired for Share Award Scheme	*(b)(i)*	(6,100)	(61)
Issuance of ordinary shares		20,000	200
At 31 March 2023 and 1 April 2023		**907,586**	**9,076**
Ordinary shares acquired for Share Award Scheme	*(b)(i)*	**(5,700)**	**(57)**
Ordinary shares vested for Share Award Scheme	*(b)(i)*	**8,900**	**89**
Repurchase and cancellation of ordinary shares	*(b)(ii)*	**(79,538)**	**(796)**
At 31 March 2024		**831,248**	**8,312**

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 meeting of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

(b) Equity-settled share-based transactions

(i) Share Award Scheme

On 18 January 2021, the Share Award Scheme was adopted by the Company. Pursuant to the Share Award Scheme, the Directors 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 Board 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 Board, no awarded shares will be granted to any individual if the 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 year ended 31 March 2024, the trustee has purchased 5,700,000 shares through purchases on the open market. The total amount paid to acquire the shares during the period was approximately HK$6,299,000. During the year ended 31 March 2023, the trustee has purchased 6,100,000 shares through purchases on the open market. The total amount paid to acquire the shares during the period was approximately HK$5,348,000.

During the year ended 31 March 2024, the Company has granted a total of 2,900,000 shares to an eligible grantee. During the year ended 31 March 2023, the Company has granted a total of 6,000,000 shares to an eligible grantee.

	Number of shares					
Date of grant	**As at 1 April 2023**	**Granted during the year**	**Vested during the year**	**Lapsed during the year**	**As at 31 March 2024**	**Vesting date**
30 March 2023	**6,000,000**	**–**	**(6,000,000)**	**–**	**–**	**18 May 2023**
6 October 2023	**–**	**2,900,000**	**(2,900,000)**	**–**	**–**	**21 November 2023**
	6,000,000	**2,900,000**	**(8,900,000)**	**–**	**–**	

(ii) Purchase of Own Ordinary Shares

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

Month/year of shares repurchase	**Number of shares repurchased**	**Number of shares subsequently cancelled during the year**	**Highest price paid per share**	**Lowest price paid per share**	**Aggregate price paid**
			HK$	*HK$*	*HK$'000*
August 2023	**16,314,000**	**16,314,000**	**1.19**	**1.15**	**19,363**
November 2023	**31,550,000**	**31,550,000**	**1.17**	**1.14**	**36,599**
January 2024	**31,662,000**	**31,662,000**	**1.05**	**1.00**	**33,085**
March 2024	**12,000**	**–**	**0.90**	**0.89**	**11**
	79,538,000	**79,526,000**			**89,058**

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 2024 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 draft 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 assurance engagement and consequently no opinion or assurance conclusion has been expressed by KPMG on the preliminary announcement.

CHAIRMAN'S STATEMENT

Dear Shareholders,

Exemplary Teamwork Behind Performance

As we reflect on the dynamic landscape of the consumer healthcare sector, I am delighted to share with you the robust performance in FY2024. Through the collective efforts and steadfast dedication of our team, we advanced our strategic priorities and strengthened our position as a major player to be reckoned with in the market segment of consumer healthcare.

Capitalising Growth Opportunities

Amidst a revitalised retail sector in Hong Kong, our management team astutely seized upon emerging growth opportunities. Leveraging our robust portfolio and meticulously executed strategies, our flagship brands, Po Chai Pills and Ho Chai Kung, both delivered a remarkable performance. Through impactful marketing campaigns tailored to resonate with diverse consumer segments, we uplifted the vitality of our brands, strengthened their recognition, and extended our market reach. Our prowess in brand management and marketing is underscored by the remarkable results of our campaigns, and we are committed to leveraging these strengths to propel growth across our robust portfolio.

Delivering Remarkable Results

Our disciplined approach across offline and online channels, coupled with notable advancements in cross-border e-commerce, resulted in promising financial performance. We recorded a total revenue of HK$648.4 million, representing a growth of 24.6% compared to the preceding period. Moreover, the consolidated profit attributable to equity shareholders soared to HK$130.5 million, reflecting a substantial increase of 128.5%.

Embracing Our Purpose and Driving Positive Impact

At the heart of our success lies our unwavering purpose: Enabling Better Health through Self-Care. Rooted in our commitment to empowering consumers with access to high-quality healthcare products, we harness the collective expertise of our team, advancements in science, and expansive commercial network to drive tangible change. This purpose resonates deeply with our aspiration to meet the expectations of our consumers, reinforcing our position as a trusted healthcare partner.

Beyond our focus on health promotion, JBM Healthcare remains dedicated to operating responsibly and contributing to the greater good. Our Environmental, Social, and Governance ("**ESG**") initiatives are effectively integrated into our business practices, reflecting our commitment to sustainability and social responsibility. From prioritising product responsibility and fostering people development to championing environmental stewardship and corporate governance, we are steadfast in our pursuit of positive societal impact.

Nurturing a High-Performance Culture

JBM Healthcare's driving force is its people, and we are committed to fostering an environment where talents can thrive. Creating a performance-driven culture is a top priority, inspiring and supporting our people's growth alongside the company's business. Our fundamental priorities are to build a performance culture that rewards performers, invest in our business for enhanced productivity, and generate sustained delivery of shareholder value.

Embracing the Future with Confidence

While navigating evolving landscapes, we remain confident in our strategic positioning for sustained growth. The heightened health consciousness, shifting consumer preferences, and the transformative traditional Chinese medicine market, coupled with emerging opportunities in the Greater Bay Area and rapidly growing Asian markets, all fuel our optimism for the future. We are poised to leverage these trends to our advantage and deliver long-term value for our stakeholders.

Appreciation

On behalf of the Board, we extend my heartfelt gratitude to our customers, shareholders, and business partners for their unwavering trust and support. I deeply appreciate our dedicated employees, whose resilience, agility, and commitment have been instrumental in our success.

As we look ahead, I am filled with optimism and excitement about the future we can create together. JBM Healthcare is poised to embrace new opportunities. Let us forge ahead, united in our mission to shape a healthier tomorrow.

Sincerely,

JBM (Healthcare) Limited
Sum Kwong Yip, Derek
Chairman

18 June 2024

CHIEF EXECUTIVE OFFICER'S STATEMENT

Dear Shareholders,

In FY2024, our team's steadfast commitment has propelled us through a dynamic market landscape, marked by the gradual post-pandemic recovery since early 2023. We capitalised on emerging opportunities with agility and strength, resulting in encouraging growth across all key financial metrics.

Remarkable Performance

Leveraging renewed market momentum, our dedication to delivering high-quality healthcare products, supported by a robust portfolio and effective branding strategies, drove promising financial performance. Branded healthcare business revenue surged by 24.6%, with gross profit increasing by 64.5%. Our focus on operational efficiency yielded a consolidated profit attributable to equity shareholders that marked a remarkable 128.5% increase from the previous year. These results highlight the effectiveness of our strategic initiatives, positioning us for sustained growth ahead.

Segment Highlights

Our remarkable performance stems from the strength of our diverse business segments, fortified by our carefully curated portfolio and underpinned by effective brand strategies and execution.

The branded medicines segment spearheaded our success, particularly our flagship brand Ho Chai Kung, which experienced remarkable sales growth. This underscores our effective implementation of strategic brand marketing and targeted sales initiatives. By leveraging consumer insights and employing effective creative advertising strategies, we expanded brand awareness and attracted a younger customer base. These efforts solidified Ho Chai Kung's position as a market leader in pain and fever relief OTC products, laying a strong foundation for future growth.

In the proprietary Chinese medicines segment, Po Chai Pills and our CCMG business maintained leadership positions in their respective markets. Our recent television campaign for Po Chai Pills successfully bridged generational gaps by leveraging a reimagined rendition of the classic jingle, resonating with audiences and evoking nostalgic memories. This creative approach revitalised the brand, fostering stronger connections with consumers. Additionally, our CCMG business has experienced steady growth in sales revenue, fueled by increasing public acceptance and government policy support for traditional Chinese medical services.

The health & wellness products segment witnessed significant growth, showcasing our proactive response to the post-pandemic market recovery. By intensifying strategic marketing and sales efforts for key scar management and health supplement brands, we achieved encouraging growth. Additionally, the acquisition of a joint-venture company fortified our retail presence, broadening our product offerings and distribution channels.

In addition, we are particularly enthused by the growing acclaim of the Oncotype DX Breast Cancer Recurrence Score Test, a global-leading clinically proven genomic test for chemotherapy treatment susceptibility in early-stage breast cancer patients, within hospitals across Hong Kong and Macau, notably in the public sector. To further catalyse growth in this domain, we are initiating a patient care and financial support program in collaboration with the Hong Kong Breast Care Foundation in coming years.

Strategic Development and Initiatives

Our overarching aim is to expand our footprint in key Asian and Greater China markets, capitalising on the rising demand for health and wellness products.

To achieve this, we have mapped out strategic initiatives to seize evolving market trends and growth opportunities. Central to our strategy is harnessing cross-border e-commerce and bolstering local online platforms to meet the rising demand for online shopping, particularly among Chinese consumers keen on Hong Kong-branded goods. Our proactive stance guarantees wider availability of our well-recognised branded healthcare products through established online channels. Progress is tangible, with the successful launch of multiple flagship online stores on key PRC cross-border e-commerce platforms showcasing an expanding array of top-notch healthcare products.

Our proprietary Chinese medicines segment is delivering promising growth, driven by the rise of traditional Chinese medicines ("**TCM**") clinics and the demand for holistic healthcare solutions. We are particularly encouraged by the increasing interest in TCM among younger demographics, especially office workers seeking long-term health benefits and preventive care. To enhance our presence in the TCM sector, we are partnering with respected brands to leverage our network of TCM clinics and Chinese medicine practitioners. These collaborations enable us to extend our expertise and product range to a broader base of consumer seeking TCM benefits.

Additionally, we are committed to promoting preventive care through community outreach and education initiatives with a focus on TCM solutions. This aligns with the government's District Health Centre initiative, where we will introduce specific TCM products and home diagnostic kits. Through proactive advocacy for preventive healthcare, we empower individuals to prioritise their well-being.

Empowering Consumers, Advancing Our Mission

At JBM, our mission is clear: Enabling Better Health Through Self-Care. We achieve this by providing high-quality healthcare products and empowering consumers to manage their health effectively. We prioritise operational excellence, productivity, and shareholder value, fostering a performance-driven culture, expanding our product range, and seizing emerging trends. While we have made strides, we remain vigilant and adaptable. With our strong foundation and motivated team, we are confident in advancing our mission.

Gratitude and Appreciation

I extend heartfelt gratitude to our shareholders, customers, and employees for their unwavering support. As we forge ahead, we are poised to leverage transformative trends in healthcare. With our strong foundation, strategic foresight, and dedicated team, we are confident in our ability to navigate challenges and seize growth opportunities with agility and determination.

Sincerely,

JBM (Healthcare) Limited
Wong Yat Wai, Patrick
Chief Executive Officer

18 June 2024

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In 2023, Hong Kong underwent a significant recovery as the government lifted all anti-epidemic measures, reopened borders, and intensified economic revitalisation efforts. This recovery significantly bolstered local consumer confidence, leading to increased spending, a resurgence in visitor arrivals, and consequently a notable rebound in the retail sector. Despite a slight economic slowdown in the latter half of the fiscal year due to high interest rates and tight liquidity, the retail market demonstrated resilience and sustained growth throughout 2023. Notably, retail sales surged by 16.2%, reversing a contraction from the previous year. The medicines and cosmetics segments, as well as Chinese drugs and herbs, witnessed impressive year-on-year growth figures of 38.9% and 24.4%, respectively, underscoring the strength of these sectors amid an improving retail environment.

Harnessing the market's renewed momentum, the Group adeptly seized growth opportunities through its strong portfolio, robust brand management, and effective growth strategies, particularly emphasising its flagship proprietary brands. This drove a robust financial performance for the year. Moreover, by steadfastly focusing on growth strategies, the Group bolstered its competitive position in the branded healthcare sector, establishing a solid foundation for future expansion and capitalising on forthcoming market prospects.

Results

During the Reporting Period, the Group's branded healthcare business, encompassing branded medicines, proprietary Chinese medicines, and health and wellness products, achieved exceptional results. It recorded a total revenue of HK$648.4 million, marking a significant growth of 24.6% compared to the previous period. The Group's gross profit for FY2024 stood at HK$338.1 million, reflecting a 64.5% increase compared to FY2023. Additionally, the consolidated profit attributable to equity shareholders amounted to HK$130.5 million in FY2024, delivering a significant increase of 128.5% compared to FY2023.

This significant increase in consolidated profit can be attributed to a combination of factors, including the overall improvement in retail market sentiment due to the gradual recovery of tourist travel to Hong Kong and the effective execution of advertising and marketing strategies for key brands in the proprietary medicine category, notably Po Chai Pills and Ho Chai Kung. This strong performance underscores our disciplined execution of growth strategies across both offline and online platforms, with positive strides made in cross-border e-commerce trade.

The Group has maintained a robust financial position through disciplined cost management. With a healthy cash reserve, we are well-positioned to support ongoing operations and drive future growth.

Operation Performance

The Group's operations have demonstrated strategic acumen and robust execution. Amid a market recovery fueled by revitalised consumer confidence and a rebound in inbound visitors, the Group adeptly seized growth opportunities across all segments with its strong branded healthcare portfolio. This success was achieved through the effective leveraging and implementation of brand and marketing strategies.

Branded Medicines

Led by the exceptional performance of Ho Chai Kung products, the branded medicines segment achieved outstanding results during the Reporting Period, delivering a remarkable 53.3% increase in revenue.

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, coupled with the retail market rebound driven by positive consumer sentiments and inbound tourist arrivals, led to a significant upswing in sales for Ho Chai Kung products.

Through strategic brand positioning and targeted marketing efforts, the Group has successfully reinforced Ho Chai Kung's brand equity, effectively resonating with consumers and capturing a larger share of the revitalised market. The impressive growth in this flagship product line underscores the Group's ability to leverage its well-established brand recognition and effectively execute brand strategies, particularly in capitalising on improving market conditions and consumer demand.

During the Reporting Period, Ho Chai Kung, with its time-honored reputation, launched an extensive advertising campaign focusing on boosting brand recognition and solidifying its leadership in fast-acting and effective relief of pain and fever. The primary objective was to rejuvenate the brand, resonating with a broader and younger consumer demographic through strategic brand-building efforts.

This campaign kicked off with Ho Chai Kung's prominent sponsorship of the popular television show "Midlife, Sing & Shine! 2 (中年好聲音2)", embedding the brand in the program's title with visible advertising. Subsequently, an impactful television commercial was unveiled featuring the 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)". Complemented by a catchy brand jingle and an amusing delivery, this advertisement rapidly garnered a significant number of views and tens of thousands of likes across various social media platforms, sparking lively discussions among netizens and fans. Consequently, "Ho Chai Kung, the Quick Pain and Fever Reliever (何濟公，止痛退燒，快！)" swiftly emerged with the campaign as a trending topic in the city, significantly amplifying the brand's visibility in Hong Kong.

Through this strategic campaign and sustained multi-channel media exposure, Ho Chai Kung effectively rejuvenated its brand image, resonating with a broader consumer base while reinforcing its positioning as a trusted, effective pain and fever relief remedy. The campaign's success highlights the Group's adept execution of brand-building initiatives and innovative marketing strategies to drive brand recognition and consumer engagement.

Proprietary Chinese Medicines

During the Reporting Period, the Group's proprietary Chinese medicines segment exhibited an overall 7.3% revenue increase, underpinned by the remarkable growth of Po Chai Pills and the sustained robust momentum of our CCMG business. This positive performance was partially moderated by a decline in sales of a third-party brand product.

Capitalising on the surge in travelers following the resumption of normal travel between Hong Kong, Macau, and Mainland China, Po Chai Pills successfully seized the opportunity presented by the resurgent retail market, achieving impressive sales growth across both domestic and overseas markets. This remarkable performance is a testament to the brand equity that Po Chai Pills has assiduously cultivated through strategic and persistent brand marketing efforts, targeting both local consumers and Mainland Chinese visitors.

During the Reporting Period, Po Chai Pills unveiled a new advertisement titled "Ivana's Po Chai Pills Digestive Tune (保濟菀腸胃歌)" in its ongoing pursuit to solidify its leadership in the Chinese gastrointestinal medicine category and appeal to a younger demographic. Renowned singer-songwriter and musician Ms. Ivana Wong (王菀之) lends her melodious voice to a reimagined 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 captivated consumers' attention, fostering a strong connection and injecting the brand with renewed energy and vitality.

Po Chai Pills implemented a comprehensive strategic campaign to bolster brand recognition and visibility through an omnichannel approach. Key initiatives included title sponsorship of TVB's popular program, "Midlife, Sing & Shine! 2", multi-platform promotions across buses, subways, radio, trams, in-store advertising, and displays. The brand also strategically partnered with Ivana Wong, showcasing its products in her highly anticipated Lunar New Year blockbuster film "Table For Six 2 (飯氣攻心2)", which was released across Hong Kong, Singapore, Malaysia, and China, amplifying its presence amidst a captive festive audience. Targeted social media campaigns on platforms like Facebook, Instagram, Xiaohongshu (小紅書) and Douyin (抖音) complemented these efforts, resonating with younger consumer segments.

In addition, our CCMG business has seen a robust and consistent increase in sales revenue compared to the same period last year, steadily reinforcing its growth trajectory. This upward momentum is fueled by the expanding public acceptance and subsequent rise in demand for traditional Chinese medical services.

The Group's CCMG business has solidified its position as a leading supplier, providing over 700 single-formula and combo-formula products to local Chinese medicine healthcare units, covering most of the active registered practitioners in Hong Kong. Through offering high-quality products, effective supply chain management, and efficient delivery services, the Group has gained the trust and support of the local Chinese medicine community.

Furthermore, during the latter half of the financial year, Tong Tai Chung Woodlok Oil, one of our popular proprietary medicated oil brands, launched a successful television campaign, significantly boosting brand recognition and driving robust sales growth. With a fresh, invigorating positioning tailored for mature consumers, the brand capitalised on celebrity endorsement, starring renowned actress Ms. Paw Hee-ching (鮑起靜) in the campaign. Supported by a multi-channel promotion strategy spanning buses, subways, radio, and trams, the campaign amplified visibility. Offline efforts, such as in-store product displays and advertising campaigns, further reinforced the brand's presence.

Health & Wellness Products

During the Reporting Period, the health and wellness products segment of the Group also achieved an encouraging 97.8% 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 marketing and sales efforts for key brands in scar management and health supplements, which showed remarkable growth.

Early in the year, the Group completed the acquisition of a joint-venture company and its health supplement brands, including the flagship brands Seasons and Slimming Expert, further enhancing our presence in the health supplement retail market. During the Reporting Period, the product team streamlined operations and improved sales and marketing performance for these brands. The Seasons NMN, a nicotinamide mononucleotide supplement, maintained its status as a flagship product. The product line, debuting at the 57th Hong Kong Industrial Expo, was well received by consumers and achieved encouraging sales results.

Alongside our growing presence in the health supplement market, we aim to bolster revenue by enriching our product portfolio in the upcoming year. We will launch a series of new offerings tailored to the evolving health needs of the mass market.

The Oncotype DX Breast Cancer Recurrence Score Test maintained stable momentum with double-digit growth during the Reporting Period. This genomic test for chemotherapy treatment susceptibility gained significant recognition among Hong Kong and Macau hospitals and healthcare professionals, particularly in the public sector. To bolster patient recruitment, we expanded into Macau and intensified marketing efforts in China, emphasising the test's proven reliability. Explorations into partnerships with Chinese healthcare institutions are underway to facilitate patient referrals to Macau facilities.

To accelerate growth in the public sector, we are launching a patient care program through the Hong Kong Breast Care Foundation. Starting in April 2024, qualified and enrolled patients will be reimbursed for the test, driving broader accessibility and adoption.

Business Development

Our business development initiatives have achieved consistent progress across several strategic growth areas. These areas encompass the expansion of local and cross-border e-commerce platforms, the exploration of opportunities within the TCM sector in Hong Kong and the burgeoning Greater Bay Area market, the strategic adaptation of our product portfolio to align with evolving consumer preferences, and the strengthening of our commercial execution for maximised impact.

Sustaining Development in Cross-border E-commerce

Our cross-border e-commerce division continued to expand and contribute profits to the Group with the robust demand for our in-house brands, Ho Chai Kung and Po Chia Pills, along with strong performances in medical devices and beauty products segments. Our Tmall Ho Chai Kung Overseas Flagship Store was launched in the fourth quarter of 2023, aiming to enhance brand's image and recognition while expanding our consumer base in Mainland China.

We are pursuing a multi-faceted strategy to ensure healthy and sustainable growth in our cross-border e-commerce platform. This includes operating our Jacobson Medical overseas flagship store, forming partnerships for multi-channel distribution, and increasing the visibility of our brands within the flagship store. Additionally, we will strategically introduce popular products across various categories and implement comprehensive sales strategies to maximise consumer engagement and sales.

To advance our strategy, we will focus on expanding medical device sales. By reaching out to a broader customer base, which includes healthcare professionals and institutions, and capitalising on our well-established cross-border e-commerce presence, our goal is to fortify our brand position in this burgeoning market segment.

Capturing Growth Potential in Traditional Chinese Medicines

Hong Kong's TCM industry holds a unique advantage in utilising the principles and practices of pure, traditional Chinese medicine for disease prevention and treatment. Modernised CCMG offer patients a convenient, safe, and effective way to receive prescribed TCM while simultaneously providing the TCM industry with a fast, simple, and highly efficient operational solution. Over the past three decades, concentrated Chinese medicine granules have become the mainstream choice for most TCM practitioners.

To capitalise on anticipated growth opportunities in the CCMG market, we continuously enrich our product portfolio by developing CCMG products and health supplements. Additionally, we are actively expanding the registration of compound formula CCMG, which are distributed through our extensive network of TCM practitioners.

Moreover, seizing emerging opportunities in the Greater Bay Area, our proprietary Chinese medicine brands, Shiling Oil and Konsodona Medicated Oil, are strategically expanding their market presence in this burgeoning region. Konsodona Medicated Oil has already launched sales in Mainland China, paving the way for Shiling Oil's entry later this year. This strategic move positions both brands to capture the TCM growth potential in the Greater Bay Area.

Outlook

Hong Kong's retail sector exhibited resilience and a notable rebound in 2023, fueled by increasing visitor arrivals, buoyant consumer sentiment, and government economic stimulus measures. However, the initial post-pandemic reopening optimism was tempered by challenges such as elevated interest rates, constrained liquidity, and heightened economic uncertainties compounded by geopolitical tensions.

While our business has largely recuperated from the pandemic's impacts, we remain vigilant in mitigating substantial risks. Poised to capitalise on growth opportunities, we acknowledge the intricate geopolitical and economic landscape and are prepared to navigate these complexities with prudence.

We are confident in the Group's strategic positioning for sustained growth, underpinned by well-established key factors. The healthcare outlook inspires optimism as COVID-19 intensified health awareness and urgency to proactively manage well-being. This shift, coupled with aging populations, sedentary lifestyles, and rising health consciousness amidst improving living standards, fuels the consumer healthcare market's growth momentum.

Moreover, the trend of consumers shifting from physical to digital retail for convenience, product information, and choices bodes well for our domestic and cross-border e-commerce business developments as the at-home economy continues fostering rapid online growth.

Considering favorable policy support for TCM development in the region, we are enthusiastic about emerging business opportunities in the Greater Bay Area. Hong Kong's TCM sector is transforming, exemplified by the upcoming General Hospital Chinese Medicine Hospital's launch in late 2025 by Hong Kong Baptist University. This state-of-the-art facility will dispense herbal medicines, concentrated granules, and proprietary medicines, marking a new era in healthcare.

Well-positioned to capitalise on this transformation, our Group's TCM business boasts an extensive network of local TCM practitioner distributors and an unwavering commitment to quality and service, paving the way for sustained growth. To cater to the thriving TCM market's demands, we consistently focus on developing new CCMG products and expanding the registration of combo-formula CCMG products with enhanced features and benefits aligned with patient requirements. These products are efficiently distributed through our extensive network of Chinese medicine practitioners.

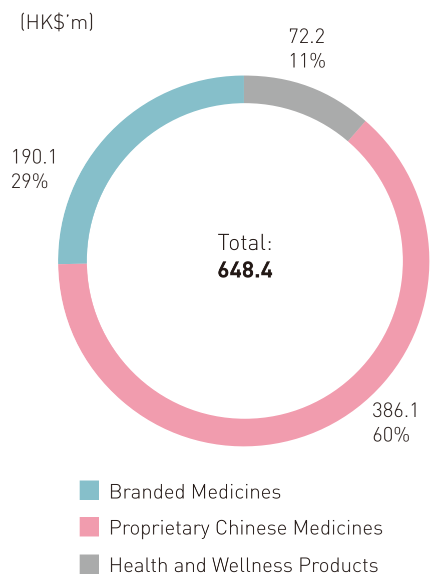
Moreover, our focus will remain on fostering operational excellence as we steadfastly pursue growth strategies centered on enriching our offerings, sharpening commercial execution, and broadening sales platforms and geographic reach. Through these concerted efforts, we aim to empower consumers to better manage their health with high-quality, trusted branded healthcare products, aligning with our mission of Enabling Better Health Through Self-Care.

FINANCIAL REVIEW

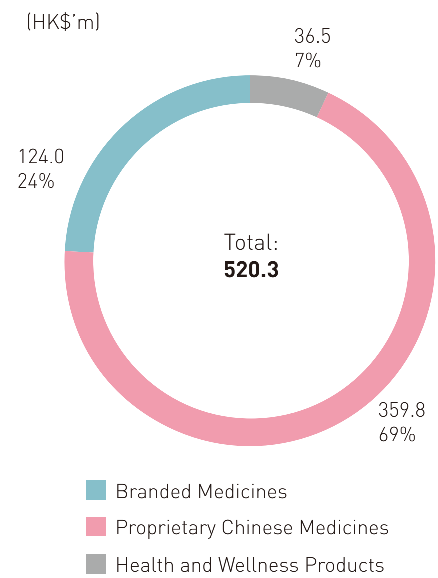
Revenue

Revenue by Operating Segments

FY2024



FY2023



The substantial increase in the Group's total revenue of HK$128.1 million, or 24.6% compared to FY2023, was mainly attributable to the significant increase in revenue of HK$66.1 million in the branded medicines segment, HK$26.3 million in the proprietary Chinese medicines segment and HK$35.7 million in the health and wellness products segment respectively. The revenue split of the three segments was at the ratio of 29%, 60% and 11%.

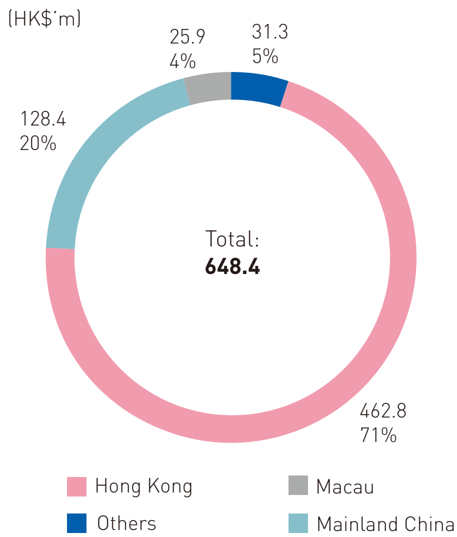
The branded medicines segment delivered a robust growth of 53.3% from FY2023 to FY2024, primarily due to the exceptional performance of Ho Chai Kung brand products driven by robust recovery of the retail sector under revived consumer sentiment and the resurgence of inbound tourism, alongside the persistent brand marketing and sales development endeavors of the Group.

The proprietary Chinese medicines segment delivered a growth of 7.3% from FY2023 to FY2024, which was driven by the remarkable growth of Po Chai Pills and the sustained momentum of the CCMG business. The boost in Po Chai Pills' revenue can be primarily 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 solid and steady growth, driven by the increasing public acceptance and demand for traditional Chinese medical services.

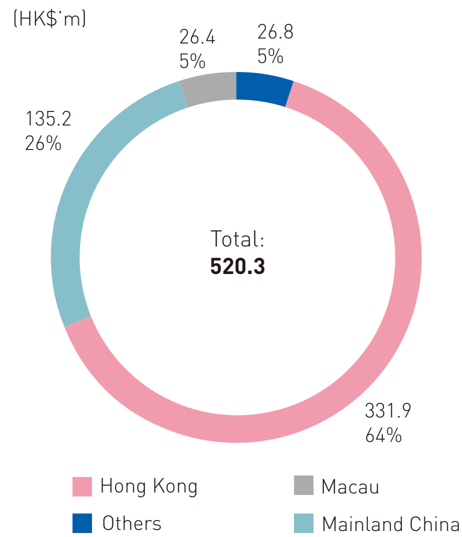
For the health and wellness products segment, the revenue in FY2024 saw a significant increase of 97.8% compared to FY2023. This substantial growth can be primarily attributed to the sales of two recently acquired health supplement brands, Seasons and Slimming Expert, as well as the sales initiatives aimed at capitalising on the recovery of the retail sector in Hong Kong.

Revenue by Geographic Location

FY2024

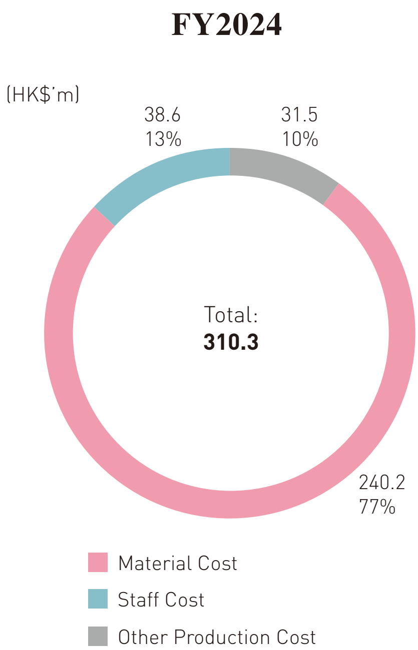


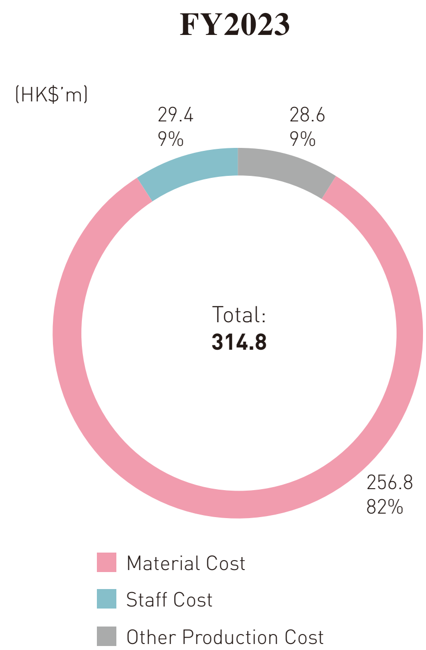
FY2023



Hong Kong remained the major revenue stream, representing 71% of the total revenue with an increase of HK$130.9 million in the Reporting Period, compared to FY2023, mainly due to the outstanding performance across all segments. A slight drop in Mainland China's revenue by HK$6.8 million was primarily due to the decrease in revenue from select third-party products from our PRC cross-border e-commerce platforms. The modest growth in revenue from other overseas markets by HK$4.5 million was mainly attributable to the increase in sales of Po Chai Pills.

Cost of Sales

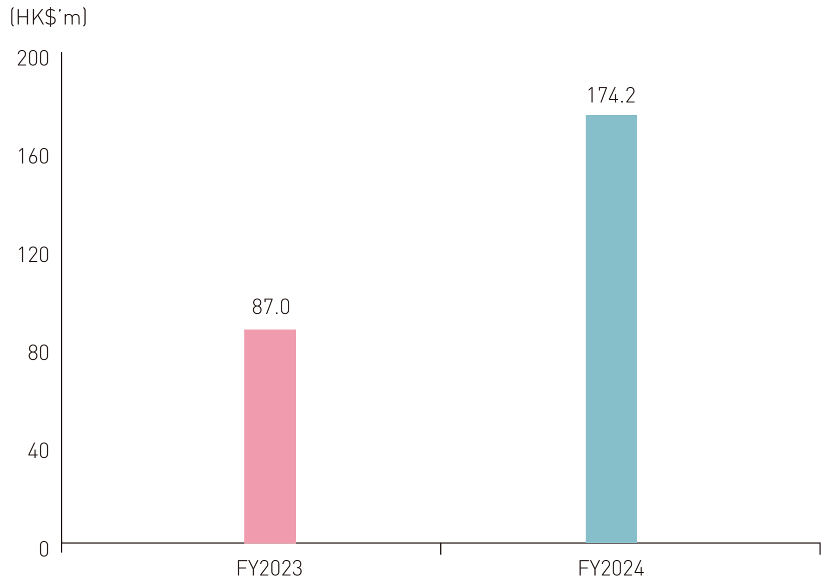




Material cost continued to be the major component, constituting approximately 77% of the total cost of sales for FY2024. The decrease in material cost of HK$16.6 million or 6.5% from FY2023 to FY2024 was mainly due to the reduction in the procurement of select third-party products for sale to various cross-border e-commerce platforms with relatively low margins compared to existing products of the Group.

The staff cost increased by HK$9.2 million or 31.3% and other production costs increased by HK$2.9 million or 10.1% from FY2023 to FY2024. It was mainly attributable to increased production output to meet the market demand.

Profit from Operations



The profit from operations increased by HK$87.2 million or 100.2% to HK$174.2 million from FY2023 to FY2024, which was mainly attributable to the increase in gross profit during the Reporting Period. Excluding the one-off Employment Support Scheme subsidy from the HKSAR Government, the profit from operations increased by HK$92.3 million or 112.7%.

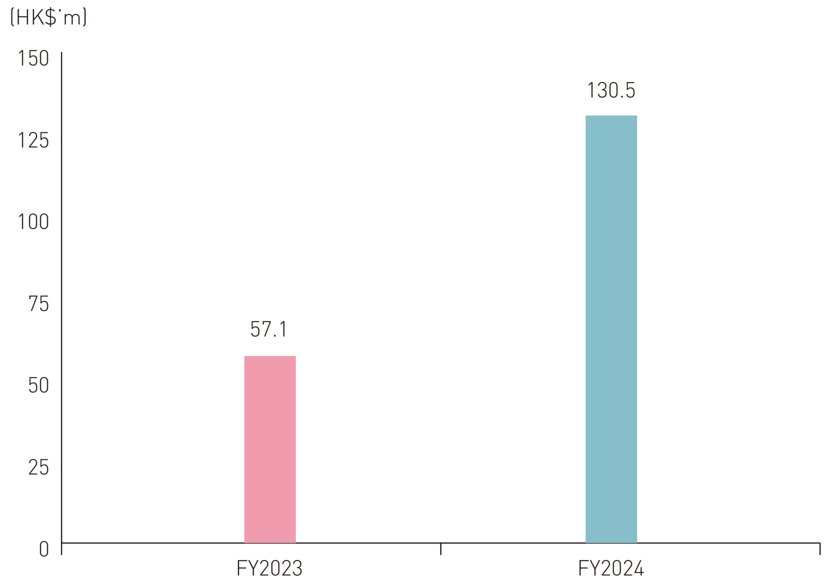
Finance Costs

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

Income Tax

The increase in income tax from FY2023 to FY2024 primarily reflected the higher profit before taxation generated during the Reporting Period. The decrease in the effective income tax rate from FY2023 to FY2024 was mainly attributable to the decrease in non-deductible expenses and non-taxable income.

Profit Attributable to Equity Shareholders



The significant increase in profit attributable to equity shareholders of HK$130.5 million or 128.5% from FY2023 to FY2024 was primarily driven by the rise in profit from operations. Excluding the one-off Employment Support Scheme subsidy from the HKSAR Government, the profit attributable to equity shareholders increased by HK$78.2 million or 149.5%.

Assets

Property, Plant and Equipment

The decrease in the value of property, plant and equipment as at 31 March 2024, compared with 31 March 2023, principally reflected the depreciation of HK$26.4 million, offset partially by the additions of HK$8.7 million during the Reporting Period.

Intangible Assets

The decrease in intangible assets as at 31 March 2024, compared with 31 March 2023, was principally attributable to the amortisation of HK$20.1 million during the Reporting Period.

Inventories

As at 31 March 2024, the inventory level increased by HK$37.0 million, primarily to meet the demand on various channels, including cross-border e-commerce platforms in the second quarter of 2024.

Cash and Cash Equivalents

As at 31 March 2024, approximately 93.1% of cash and cash equivalents denominated in Hong Kong dollars (2023: 94.7%), while the remaining balance was denominated mainly in Euros, United States dollars, Renminbi, Japanese Yen and Singapore dollars.

Liabilities

Bank Loans

The reduction in bank loans from HK$155.0 million as at 31 March 2023 to HK$115.0 million as at 31 March 2024 represented the partial repayment of bank loans. As at 31 March 2024, the bank loans of the Group were denominated in Hong Kong dollars.

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 mergers and acquisitions.

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

Charge on Group Assets

The carrying value of assets pledged against bank loans decreased from HK$73.9 million as at 31 March 2023 to HK$71.3 million as at 31 March 2024.

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 0.3% as at 31 March 2023 to Nil as at 31 March 2024. The decrease in net gearing ratio was attributable to increase in net cash generated from operating activities.

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 2024, the Group did not have any significant contingent liabilities.

Significant Events After the Reporting Period

No significant event has taken place subsequent to 31 March 2024 and up to the date of this announcement.

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

Saved for the disposal of 19% equity interests in 北京欣樂佳國際健康科技有限公司 (Beijing Xinlejia International Health Technology Co., Ltd.*) as disclosed in the announcement of the Company dated 3 October 2023, the Group had no material acquisitions or disposals of subsidiaries, associates and joint ventures during the year ended 31 March 2024. 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 financial 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.

* *For identification purpose only*

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 consumer 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 was 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 C1 to the Listing Rules as its own code of corporate governance.

The Company has complied with all the code provisions of the CG Code throughout the Reporting Period.

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 C3 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.

AUDIT COMMITTEE

The Audit Committee currently consists of all three independent non-executive Directors, namely Mr. Luk Ting Lung, Alan (chairman of the Audit Committee, appointed on 9 March 2024), Mr. Chan Kam Chiu, Simon (resigned as the chairman of the Audit Committee on 9 March 2024) 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. The Audit Committee, together with the management of the Company, has reviewed the annual results of the Group for the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Reporting Period, the Company repurchased a total of 79,538,000 Shares on the Stock Exchange for an aggregate consideration of approximately HK$89.1 million before expenses. A total of 79,526,000 Shares were cancelled during the Reporting Period and the aggregate consideration incurred for the cancelled Shares, excluding expenses, was approximately HK$89.1 million. The remaining 12,000 Shares were subsequently cancelled in April 2024. The repurchase was effected for the enhancement of shareholder value in the long term.

Particulars of the Shares Repurchased during the Reporting Period are as follows:

Month of repurchase	No. of Shares repurchased	Highest price paid per Share *(HK$)*	Lowest price paid per Share *(HK$)*	Aggregate consideration *(HK$'000)*
2023				
August	16,314,000	1.19	1.15	19,363
November	31,550,000	1.17	1.14	36,599
2024				
January	31,662,000	1.05	1.00	33,085
March	12,000	0.90	0.89	11
Total	**79,538,000**			**89,058**

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (whether on the Stock Exchange or otherwise) for the Reporting Period.

FINAL DIVIDEND

The Board recommends to declare a final dividend of HK4.05 cents per Share for FY2024 (FY2023: HK2.5 cents per Share), subject to the approval of shareholders of the Company at the 2024 AGM to be held on 6 August 2024 (Tuesday), which is expected to be paid on 17 September 2024 (Tuesday) to shareholders whose names appear on the register of members of the Company on 20 August 2024 (Tuesday), being the record date for determining shareholders' entitlement to the proposed final dividend. Including the interim dividend of HK3.45 cents per Share paid on 28 December 2023, the total dividend for FY2024 amounts to HK7.5 cents per Share (FY2023: HK3.0 cents per Share). The details of final dividend of the Company are set out in note 9 to this annual results announcement.

CLOSURE OF REGISTER OF MEMBERS

In order to determine the entitlement of shareholders of the Company to attend and vote at the 2024 AGM, the register of members of the Company will be closed from 31 July 2024 (Wednesday) to 6 August 2024 (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, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on 30 July 2024 (Tuesday) 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 19 August 2024 (Monday) to 20 August 2024 (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 certificate, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on 16 August 2024 (Friday) for registration.

PUBLICATION OF THIS 2024 ANNUAL RESULTS ANNOUNCEMENT AND THE 2024 ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and of the Company (www.jbmhealthcare.com.hk). The 2024 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
JBM (Healthcare) Limited
YU Chun Kau
Company Secretary

Hong Kong, 18 June 2024

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) and Dr. Cheng Celine Heung Kwan as executive Directors, 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:

"2024 AGM"	the forthcoming 2024 annual general meeting of the Company
"2024 Annual Report"	the annual report of the Company for the year ended 31 March 2024
"Audit Committee"	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 announcement, Hong Kong, Macau and Taiwan
"Company", "our Company" or "the Company"	JBM (Healthcare) Limited, an exempted company incorporated in the Cayman Islands with limited liability on 7 January 2020
"COVID-19"	Coronavirus disease 2019
"Director(s)"	the director(s) of the Company
"ESG"	environmental, social and governance
"FY2023"	the year ended 31 March 2023
"FY2024" or "Reporting Period"	the year ended 31 March 2024
"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
"HKSAR Government"	the Government of Hong Kong
"Hong Kong" or "HKSAR"	the Hong Kong Special Administrative Region of the PRC
"JBM", "JBM Healthcare", "Group", "our Group", "the Group", "we", "us" or "our"	the Company and its subsidiaries
"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, a summary of the principal terms of which is set forth in the Prospectus
"Stock Exchange"	The Stock Exchange of Hong Kong Limited