Jacobson Pharma Corporation Limited

雅各臣科研製藥有限公司

(Incorporated under the laws of the Cayman Islands with limited liability)

Stock Code : 2633

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2017

FINANCIAL HIGHLIGHTS

- The revenue for the financial year ended 31 March 2017 ("**FY2017**") amounted to approximately HK$1,256.0 million, representing an increase of about 15.9% as compared to that of approximately HK$1,083.9 million for the corresponding year of 2016.

- Profit attributable to the shareholders of the Company for the same year amounted to approximately HK$179.3 million, representing an increase of about 23.1% as compared to that of approximately HK$145.6 million for the corresponding year of 2016.

- The Board recommends a payment of a final dividend for the year ended 31 March 2017 of HK1.4 cents per share for the total amount of approximately HK$25.4 million (2016: not applicable).

RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Jacobson Pharma Corporation Limited (the "**Company**" or "**Jacobson**") is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 March 2017 (the "**Reporting Period**" or "**FY2017**"), together with the comparative figures for the corresponding year in 2016 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 March	
		2017	2016
	Note	***HK$'000***	*HK$'000*
Revenue	*3*	**1,255,957**	1,083,856
Cost of sales		**(699,069)**	(596,101)
Gross profit		**556,888**	487,755
Other income/(loss)	*4*	**11,740**	(465)
Selling and distribution expenses		**(145,350)**	(133,807)
Administrative and other operating expenses		**(188,036)**	(167,963)
Profit from operations		**235,242**	185,520
Finance costs	*5(a)*	**(13,996)**	(2,523)
Profit before taxation	*5*	**221,246**	182,997
Income tax	*6*	**(39,986)**	(30,335)
Profit for the year		**181,260**	152,662
Item that may be reclassified to profit or loss:			
Exchange differences on translation of financial statements of operations outside Hong Kong		**(1,845)**	(2,355)
Other comprehensive income		**(1,845)**	(2,355)
Total comprehensive income for the year		**179,415**	150,307
Profit attributable to:			
Shareholders of the Company		**179,328**	145,610
Non-controlling interests		**1,932**	7,052
Total profit for the year		**181,260**	152,662
Total comprehensive income attributable to:			
Shareholders of the Company		**177,483**	143,255
Non-controlling interests		**1,932**	7,052
Total comprehensive income for the year		**179,415**	150,307
		HK cents	*HK cents*
Earnings per share attributable to shareholders of the Company:	*7*		
– Basic		**11.39**	11.13
– Diluted		**11.39**	11.13

Details of dividends payable to shareholders of the Company attributable to the profit for the year are set out in note 8.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 March	
		2017	2016
	Note	***HK$'000***	*HK$'000*
Non-current assets			
Property, plant and equipment		**1,007,672**	815,323
Leasehold land		**48,839**	51,418
Intangible assets		**1,056,801**	426,681
Non-current assets		**20,420**	27,170
Deferred tax assets		**2,423**	1,469
		2,136,155	1,322,061
Current assets			
Inventories		**261,313**	196,915
Trade and other receivables	*9*	**201,470**	209,957
Current tax recoverable		**11,444**	10,192
Cash and cash equivalents		**359,685**	82,925
		833,912	499,989
Current liabilities			
Trade and other payables	*10*	**108,141**	104,585
Bank loans		**937,486**	439,335
Obligations under finance leases		**149**	692
Amounts due to the Controlling Parties		**–**	36,202
Dividend payables		**–**	224,800
Current tax payable		**12,713**	11,221
		1,058,489	816,835
Net current liabilities		**224,577**	316,846
Total assets less current liabilities		**1,911,578**	1,005,215
Non-current liabilities			
Obligations under finance leases		**373**	522
Deferred tax liabilities		**138,887**	48,548
		139,260	49,070
NET ASSETS		**1,772,318**	956,145
CAPITAL AND RESERVES			
Share capital	*11*	**18,156**	13,125
Reserves		**1,731,247**	893,757
Total equity attributable to shareholders of the Company		**1,749,403**	906,882
Non-controlling interests		**22,915**	49,263
TOTAL EQUITY		**1,772,318**	956,145

1 BASIS OF PREPARATION

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

Pursuant to a group reorganisation completed on 18 March 2016 (the "Reorganisation"), the Company became the holding company of companies now comprising the Group. Prior to the incorporation of the Company, the principal activities were carried out by Jacobson Pharma Group (BVI) Limited ("JPG (BVI)") and its subsidiaries. Upon completion of the Reorganisation, the Company became the holding company of the Group. As JPG (BVI) was controlled by the same group of equity holders, Mr. Sum Kwong Yip, Derek and Mr. Lau Wing Hung before and after the Reorganisation and therefore there were no changes in the economic substance of the ownership and the business of the Group. The Reorganisation only involved inserting a newly formed entity with no substantive operations as the new holding company of JPG (BVI), the former holding company of the Group. Accordingly, the Reorganisation has been accounted for using a principle similar to that for a reverse acquisition, with JPG (BVI) treated as the acquirer for accounting purposes. The consolidated financial statements have been prepared and presented as a continuation of the consolidated financial statements of JPG (BVI) with the assets and liabilities of JPG (BVI) recognised and measured at their historical carrying amounts prior to the Reorganisation.

2 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Group. None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are manufacturing and trading of generic drugs and proprietary medicines.

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 two reportable segments. No operating segments have been aggregated to form the following reportable segments.

– Generic Drugs: this segment develops, manufactures and distributes a host of off-patent medicines for various therapeutic use. Currently the activities in this regard are primarily carried out in Hong Kong.

– Proprietary Medicines: this segment develops, manufactures and distributes medicines. Currently the activities in this regard are primarily carried out in Hong Kong.

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

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

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

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

(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.

	Generic Drugs Year ended 31 March		**Proprietary Medicines Year ended 31 March**		**Total Year ended 31 March**	
	2017	2016	**2017**	2016	**2017**	2016
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue from external customers	**1,097,574**	944,753	**158,383**	139,103	**1,255,957**	1,083,856
Reportable segment profit (adjusted EBITDA)	**298,545**	238,706	**30,373**	22,491	**328,918**	261,197

Public Sector refers to all public sector institutions and a number of public institutions and clinics in Hong Kong. Private Sector refers to customers not included in Public Sector, which primarily encompasses private hospitals, registered pharmacies, doctors in private and retail outlets.

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

	Year ended 31 March	
	2017	2016
	HK$'000	*HK$'000*
Generic Drugs		
Public Sector	**344,711**	303,345
Private Sector	**752,863**	641,408
Generic Drugs subtotal	**1,097,574**	944,753
Proprietary Medicines	**158,383**	139,103
Total	**1,255,957**	1,083,856

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

	Year ended 31 March	
	2017	2016
	HK$'000	*HK$'000*
Revenue		
Revenue from external customers	**1,255,957**	1,083,856
Profit		
Reportable segment profit derived from Group's external customers	**328,918**	261,197
Interest income from bank deposits	**718**	8
Other interest income	**1,001**	3,169
Net gain on disposal of a subsidiary	**2,393**	–
Net gain on disposal of an intangible asset	**1,212**	–
Net gain on disposals of investments in key management insurance contracts	**5,591**	–
Listing expenses	**(22,610)**	(8,926)
Depreciation and amortisation	**(81,981)**	(69,928)
Finance costs	**(13,996)**	(2,523)
Consolidated profit before taxation	**221,246**	182,997

(iii) Geographic information

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

	Year ended 31 March	
	2017	2016
	HK$'000	*HK$'000*
Revenue from external customers		
Hong Kong (place of domicile)	**1,174,942**	994,206
China	**31,014**	40,850
Macau	**30,661**	27,743
Singapore	**7,935**	11,943
Others	**11,405**	9,114
	1,255,957	1,083,856

The following table sets out information about the geographical location of the Group's property, plant and equipment, leasehold land, intangible assets and prepayment for purchase of non-current assets ("specified non-current assets"). The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of property, plant and equipment and leasehold land and the location of the operation to which they are allocated, in the case of intangible assets and non-current prepayments.

	As at 31 March	
	2017	2016
	HK$'000	*HK$'000*
Specified non-current assets		
Hong Kong (place of domicile)	**2,103,052**	1,266,309
China	**30,532**	37,486
Macau	**148**	–
Singapore	**–**	1
	2,133,732	1,303,796

(iv) Information about major customers

For the year ended 31 March 2017, the Group's customer base includes one customer of the Generic Drugs segment with whom transactions have exceeded 10% of the Group's revenue. Revenue from sales of generic drugs to this customer, including sales to entities which are known to the Group to be under common control amounted to approximately HK$344,711,000 (2016: HK$303,345,000).

4 OTHER INCOME/(LOSS)

	Year ended 31 March	
	2017	2016
	HK$'000	*HK$'000*
Commission income	**523**	463
Interest income from bank deposits	**718**	8
Other interest income	**1,001**	3,169
Net foreign exchange (loss)/gain	**(67)**	243
Net loss on disposals of property, plant and equipment	**(397)**	(4,931)
Net gain on disposal of a subsidiary	**2,393**	–
Net gain on disposal of an intangible asset	**1,212**	–
Net gain on disposals of investments in key management insurance contracts	**5,591**	–
Others	**766**	583
	11,740	(465)

5 PROFIT BEFORE TAXATION

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

	Year ended 31 March	
	2017	2016
	HK$'000	*HK$'000*
(a) Finance costs		
Interest on bank loans and overdrafts	**20,466**	16,241
Finance charges on obligations under finance leases	**57**	100
	20,523	16,341
Less: Interest expenses capitalised into construction-in-progress and prepayment for acquisition of non-current assets*	**(6,527)**	(13,818)
	13,996	2,523

* The borrowing costs have been capitalised at a rate of 3.16% per annum for the year ended 31 March 2017 (2016: 3.14% per annum).

	Year ended 31 March	
	2017	2016
	HK$'000	*HK$'000*
(b) Other items		
Amortisation		
– leasehold land	**1,494**	1,388
– intangible assets	**18,223**	14,560
Depreciation	**62,264**	53,980
Impairment losses on trade and other receivables	**23**	66
Operating lease charges in respect of properties	**64,274**	57,939
Research and development costs (other than amortisation of capitalised development costs)	**6,342**	5,637
Cost of inventories	**699,069**	596,101

6 INCOME TAX

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

	Year ended 31 March	
	2017	2016
	HK$'000	*HK$'000*
Current tax		
Provision for the year	**30,700**	27,463
Over-provision in respect of prior years	**(455)**	(202)
	30,245	27,261
Deferred tax		
Origination and reversal of temporary differences	**9,741**	3,074
	39,986	30,335

7 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to shareholders of the Company of HK$179,328,000 for the year ended 31 March 2017 (2016: HK$145,610,000), and the deemed weighted average ordinary shares in issue calculated as follows:

	Year ended 31 March	
	2017	2016
	'000	*'000*
Deemed weighted average number of ordinary shares:		
Shares of the Company issued at the beginning of the year	**1,312,500**	–
Shares of JPG (BVI) issued at the beginning of the year adjusted by the effect of share swap between the Company and JPG (BVI) *(note (i))*	**–**	1,308,646
Effect of shares issued upon incorporation	**–**	12
Effect of shares issued for acquisition of non-controlling interests	**–**	144
Effect of shares issued under initial public offering and exercise of over-allotment option	**261,961**	–
Deemed weighted average number of ordinary shares in issue during the year, used in the basic earnings per share calculation	**1,574,461**	1,308,802

Note:

(i) The amount represents the shares of JPG (BVI) issued at 1 April 2015 of 22,000 ordinary shares, adjusted by a conversion ratio of 1 JPG (BVI) share for 59,483.9 ordinary shares of the Company.

The calculation of diluted earnings per share is based on the profit attributable to shareholders of the Company of HK$179,328,000 (2016: HK$145,610,000) and the weighted average of 1,574,620,000 ordinary shares (2016: 1,308,802,000 ordinary shares) in issue during the year. The reconciliation of the weighted average number of ordinary shares used in the calculation of the basic earnings per share to that of the diluted earnings per share is as follows:

	Year ended 31 March	
	2017	2016
	'000	*'000*
Deemed weighted average number of ordinary shares:		
Deemed weighted average number of ordinary shares in issue during the year, used in the basic earnings per share calculation	**1,574,461**	1,308,802
Effect of dilutive potential ordinary shares – Over-allotment option	**159**	–
Deemed weighted average number of ordinary shares in issue during the year, used in the diluted earnings per share calculation	**1,574,620**	1,308,802

8 DIVIDENDS

Dividends payable to shareholders of the Company attributable to the year:

	Year ended 31 March 2017 *HK$'000*
Interim dividend declared and paid of HK0.8 cent per share (2016: not applicable)	**14,525**
Final dividend proposed after the end of year of HK1.4 cents per share (2016: not applicable)	**25,419**
	39,944

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.

During the year ended 31 March 2016, JPG (BVI), the former holding company of the Group prior to the completion of the Reorganisation, declared an interim dividend of HK$200,200,000. The rates for this dividend and the number of shares ranking for this dividend are not presented as such information is not considered meaningful for the purpose of the financial statements.

9 TRADE AND OTHER RECEIVABLES

	As at 31 March	
	2017 *HK$'000*	2016 *HK$'000*
Trade receivables	**154,314**	108,055
Other receivables	**2,762**	3,005
Investments in key management insurance contracts	**–**	58,452
Deposits and prepayments	**44,394**	40,445
	201,470	209,957

Ageing analysis

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

	As at 31 March	
	2017 *HK$'000*	2016 *HK$'000*
Less than 1 month	**102,616**	61,141
1 to 6 months	**51,698**	46,604
Over 6 months	**–**	310
	154,314	108,055

10 TRADE AND OTHER PAYABLES

	As at 31 March	
	2017	2016
	HK$'000	*HK$'000*
Trade payables	**40,894**	26,303
Salary and bonus payables	**38,793**	40,639
Payables and accruals for addition of property, plant and equipment	**1,973**	8,235
Other payables and accruals	**23,326**	23,323
Receipts in advance	**3,155**	6,085
	108,141	104,585

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

	As at 31 March	
	2017	2016
	HK$'000	*HK$'000*
Within 1 month	**21,462**	13,441
1 to 6 months	**19,394**	12,504
Over 6 months	**38**	358
	40,894	26,303

11 SHARE CAPITAL

	Number of shares	**Amount**
	'000	*HK$'000*
Authorised:		
Ordinary shares of HK$0.01 each at 16 February 2016 (date of incorporation), 31 March 2016 and 2017	5,000,000	50,000
Issued:		
At 16 February 2016 (date of incorporation)	100	1
Issue of ordinary shares for share swap between the Company and JPG (BVI)	1,308,646	13,086
Issue of ordinary shares for acquisition of non-controlling interests	3,754	38
At 31 March 2016	1,312,500	13,125
At 1 April 2016	1,312,500	13,125
Issue of ordinary shares under initial public offering	437,500	4,375
Issue of ordinary shares upon exercise of the over-allotment option	65,625	656
At 31 March 2017	1,815,625	18,156

The Company was incorporated in the Cayman Islands on 16 February 2016. At the time of incorporation, the Company had an authorised share capital of HK$50,000,000 divided into 5,000,000,000 shares. The Company issued and allotted 51,000 shares, 37,000 shares and 12,000 shares to Kingshill Development Limited, Queenshill Development Limited and Longjin Investments Limited respectively.

On 18 March 2016, the Company further issued and allotted 667,410,000 shares, 484,198,000 shares and 157,038,000 shares to Kingshill Development Limited, Queenshill Development Limited and Longjin Investments Limited respectively in exchange for the equity in JPG (BVI). On the same day, the Company also issued and allotted 3,754,000 shares to a non-controlling shareholder of Po Chai Herbal Technology Limited ("PCHT") in exchange for the remaining 7.6% shareholding of PCHT, which holds 55.2% of Li Chung Shing Tong (Holdings) Limited.

On 21 September 2016, the Company issued 437,500,000 ordinary shares with a par value of HK$0.01 each, at price of HK$1.50 per share by way of a global initial public offering to Hong Kong and international investors. Net proceeds from such issue amounted to HK$620,357,000 (after deducting share issuance expenses of HK$35,893,000) of which HK$4,375,000 and HK$615,982,000 were recorded in share capital and share premium respectively.

On 6 October 2016, the Company issued 65,625,000 ordinary shares with a par value of HK$0.01 each, at price of HK$1.50 per share, by way of the exercise of the over-allotment option under global offering on 3 October 2016. Net proceeds from such issue amounted to HK$95,287,000 (after deducting share issuance expenses of HK$3,150,000) of which HK$656,000 and HK$94,631,000 were recorded in share capital and share premium respectively.

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.

12 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

On 10 April 2017, the Group completed the acquisition of 70% of equity interests in Hong Ning Hong Limited at a cash consideration of HK$56,000,000. Management is still in the process of assessing the fair values of identifiable assets and liabilities of Hong Ning Hong Limited at the acquisition date and hence the disclosure of amounts to be recognised in each line item in the consolidated statement of financial position is impractical.

On 19 April 2017, pursuant to the Share Incentive Scheme adopted by the Company on 30 August 2016, an executive Director of the Company was granted share awards entitling him to acquire an aggregate of 6,000,000 ordinary shares of HK$0.01 each of the Company from The Jacobson Pharma (PTC) Limited.

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 2017 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 audited consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the auditor.

LETTER TO SHAREHOLDERS

Dear Shareholders,

In the financial year ended 31 March 2017, Jacobson continued to strengthen its business in both generic drugs and proprietary medicines, accelerated the product development in its pipeline and further consolidated its operation excellence. Our missions are to create sustainable values, enhance the community in which we operate and build shareholder values in what we do. We have adopted a persistent strategic approach to help us navigate through the growth path.

The strategic framework comprises three main components:

i) attain organic growth by maximising the potential of the current product portfolios, focusing on sales and marketing excellence and harnessing the growing availability of sales data to develop an effective target marketing;

ii) build an expandable platform of proprietary brands that gives us a steadily growing revenue stream and a broadened geographical reach to new markets along with the latent potential for further line extensions;

iii) pursue product differentiation through carefully-orchestrated research and development ("**R&D**") activities, create specialised formulations that give us the edge to compete and expand our market shares via brand building.

This strategic approach enables us to deliver well on both business and functional capabilities. Our revenues and profit attributable to the shareholders excluding one-off listing expenses ("**adjusted profit attributable to shareholders**") of HK$1,256.0 million and HK$201.9 million rose by 15.9% and 30.7% respectively versus same period last year, reflecting a robust performance of the generic drug business, thanks to the strong sales of respiratory and cardiovascular products which saw a growth of 34% and 28% in sales respectively. Specialised dosage forms including suppository and enema also put in a strong performance displaying a growth of 37% over same period last year. On the Proprietary Medicines front, Po Chai Pills witnessed a steady growing trend via making in-roads into the burgeoning China market along with an expanding market presence. The acquisitions of renowned brands namely Ho Chai Kung and Shiling Oil helped bulk up our over-the-counter ("**OTC**") offerings and win us a presence in a number of new markets.

Our commitment to new product development and advancing research and technology continues to deliver promising results. Our new R&D center, being located in the campus of Chinese University of Hong Kong has commenced its operation since November 2016. It provides a platform for us to develop manufacturing technologies and to explore scientific collaboration with other research institutions. The project on real time monitoring and end-point determination of pharmaceutical powder blending using near infrared spectroscopic ("**NIRS**") technology has gone on with a head start with an approved funding from the Innovation and Technology Fund. Another project on dry powder coating technology has also been progressing steadily. This platform technology aims to use a patented electrostatic coating technique to develop the formulation for a number of premium generics.

It is note-worthy to mention that our collaboration research project with Nano & Advanced Materials Institute Limited ("**NAMI**") has yielded an encouraging result and received the accolade of Gold Medal Award at the 45th International Exhibition of Inventions recently held in Geneva. A product, trade-marked as "NanoAZD", has been successfully commercialised from this research project along with a filing of patent application. Application of this diagnostic technology could lead to development of potential products that cater for early intervention of Alzheimer's disease.

We believe all these developments will place the Group in a sound position to seize both organic and strategic growth opportunities that lie ahead.

Prospect

What does it take for us to sustain our leadership position in the changing terrain of generic drugs domestically? A question that our management team has remained vigilant at all times to deal with. Making the fundamentals right is crucial, which includes maintaining a broad portfolio, introducing new and updated products and entering early with off-patent molecules, whilst other steps are imperative. To remain competitive, we must be well geared up to build a portfolio of strong product brands and ramp up the sophistication of our sales and marketing operations.

Cultivating strong brands is a key factor of success in a market in flux. In my view, a strong product brand can even overpower a first-mover advantage. We are poised to leverage our current premier positions of popular brands like Po Chai Pills, Ho Chai Kung and Contractubex, realign the marketing resources and create a dedicated brand management team to share expertise better and ensure an optimal resources allocation. The ultimate goal is to build a portfolio of proprietary medicine brands that offers a robust sales revenue stream not only in Hong Kong and China but also in other strategic markets in Asia Pacific.

Our strategic focus on developing premium and difficult-to-make generics continues to yield nice dividends. A number of clinically-substantiated products under the therapeutic categories of anti-viral, cardiovascular and gastro-intestinal have been approved for marketing in FY2017. I am pleased to report that we have already secured contracts covering products like Losartan Potassium, Mesalazine enteric-coated tablet, Ursodeoxycholic Acid capsule and Bisacodyl suppository. As part of our on-going effort to realise the full potential of our premium generic products, we target to launch our branded generic equivalents of blockbuster drugs including Entecavir, Rosuvastatin and Celecoxib in the financial year ending 31 March 2018 ("**FY2018**"). Along with our pre-eminent position and excellent track-record in the Public Sector, we are confident that the strategy of building premium generics will be working to our advantage.

As to our proprietary medicines, the drives for expanding the presence of Puji Pills in China have gone underway with our distributors namely Yunnan Baiyao Group Company Limited and Zhuhai Jinming Medicine Company Limited. We remain positive that the strategic partnerships with these two reputable distributors, both of which have extensive experiences and networks to sell proprietary medicines, will put us in a good position to exploit the OTC sales potential of Puji Pills in China.

Whilst progress is being made to expand our business presence in neighboring markets such as China and Macau, tremendous amount of efforts are also being undertaken to explore market potential and forge collaborative alliance in certain strategically-selected markets in Asia. We are determined to execute our business expansion plans in Asia and hope to be able to report tangible progress to our shareholders in the second half of FY2018.

Whilst we have seen a solid and robust performance in FY2017, we are equally excited about the growth and development opportunities that lie ahead.

Appreciation

I would like to thank our staff and fellow directors for their dedication and you, our shareholders, for your continued confidence in the future of our company.

Final Dividend

The Board recommends to declare a final dividend of HK1.4 cents per share for the FY2017 (2016: not applicable), subject to the approval of shareholders at the forthcoming annual general meeting of the Company to be held on 8 September 2017 (Friday), which is expected to be paid on 28 September 2017 (Thursday) to shareholders whose names appear on the register of members of the Company on 15 September 2017 (Friday), being the record date for determining shareholders' entitlement to the proposed final dividend. Including the interim dividend of HK0.8 cent per share paid on 20 January 2017, the total dividend for the FY2017 amounts to HK2.2 cents per share (2016: not applicable).

Sincerely,

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

Hong Kong, 23 June 2017

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Generic Drugs

During FY2017, the revenue from Generic Drugs of the Group accounted for HK$1,097.6 million, representing an increase of 16.2% as compared to the financial year ended 31 March 2016 ("**FY2016**"). The revenue growth of our generics segment was attributed to our expanded sales and customer base in both public and private sectors and the enhanced production capacity of our new manufacturing plants. The revenue from Public Sector registered a growth of 13.6% to HK$344.7 million, mainly attributed to commencement of supply of new tenders during the financial year and increase in demand of current contractual supplies to various hospitals, whilst the revenue from Private Sector posted a 17.4% growth to HK$752.9 million attributable to the increase in market shares along with materialisation of sales from newly launched products.

Sub-sector markets, such as those for cardiovascular and central nervous system treatments, are forecast with a continual growth supported by demographic changes. Common drug classes indicated for cardiovascular conditions including beta blockers, calcium channel antagonists, angiotensin-converting-enzyme inhibitors, angiotensin II antagonists, along with the increasing usage of statins will play a significant role in the product mix. With the Group's strong market position in a number of therapeutic categories, our revenue of cardiovascular drugs saw a relatively strong growth of 27.9% to HK$135.3 million in FY2017 compared to HK$105.8 million for the corresponding period in FY2016.

The Group also aims to replicate this successful business model in China and Macau by leveraging its pre-eminent position and comprehensive product portfolio in Hong Kong, In Macau, we have set up a sales office in December 2016 gearing up to leverage our sales and marketing experience to sell both generic drugs and proprietary medicines via our own on-the-ground sales force. We will continue to expand our product offerings and broaden our sales coverage so as to maximise sales potential of the market.

Production Capability to Meet Market Demand

To cope with the growth in demand, our new manufacturing facilities of which we started design and construction back in 2013 have been granted the official manufacturing license to operate in September 2016. This PIC/S (the Pharmaceutical Inspection Convention and the Pharmaceutical Inspection Co-operation Scheme) accredited new manufacturing plant, being equipped with state-of-the-art equipment and advanced production machinery, provides a platform for efficient and high volume production. It will greatly enhance the Group's production capacity by over 130% and 40% for solid and liquid dosage forms respectively.

During FY2017, all of our manufacturing units were operating effectively with a steady rise on production output. There were over 2,608 million of tablets and capsules, over 2,719 thousands litres of oral liquid and over 217 tonnes of cream products produced, representing a respective increase of 20.4%, 25.6% and 33.8% versus FY2016.

We are the only generic drug supplier with active and on-going production activities in a number of pharmaceutical dosage forms in Hong Kong, including sterile eye drops, suppositories, enemas and injectables. Our new PIC/S compliant sterile eye-drop production facilities have been granted approval and put into operation, produced an output of around 1.5 million bottles of eye-drop products for the market since the commencement of operation in October 2016. These new facilities will augment an increase of over 100% to the sterile eye-drop production capacity of the Group.

During FY2017, our newly acquired businesses, Medipharma Limited ("**Medipharma**") and Karen Pharmaceutical Company Limited, with independent production facilities in various dosage forms have also enhanced our overall production capability by providing immediate support in the manufacture and supply of a diversified category of products to cope with the Group's business development. Medipharma, for instance, has contributed 9.0% and 6.9% of the Group's total output of semi-solid dosage form and liquid dosage form respectively since its integration in our production system in November 2016.

Benefited from the additions of production facilities above, we will be able to achieve a sufficient production capacity to effectively support our foreseeable business growth in the coming few years. Moreover, with the economies of scale we leverage upon for continual optimisation of manufacturing planning and process among our established facilities, we will be able further improve our operation efficiency and cost further.

Marketing and Sales

On the continued enhancement of our sales capability and operational excellence, we have embarked on a project of establishing an advanced mobile customer relationship management ("**CRM**") system that is designed to transform our strengths in connecting with, identifying opportunities to help and serve our customers with increased efficiency, simplicity, integration, and visibility.

The first phase of this project is targeted to be completed in the fourth quarter of 2017 under our implementation planning. Backed by cloud computing technology, this state-of-the-art CRM system will empower sales, marketing, and support teams to work in sync and visualise sales and customer data with more width and breadth to substantially increase sales effectiveness and productivity.

Proprietary Medicines

The Group is committed to the strategy of building a proprietary medicine portfolio with regional recognition and an expandable sales platform to penetrate further into the OTC drug markets in Hong Kong, China and other strategically selected markets in Asia Pacific.

During FY2017, the Group has undertaken a number of strategic acquisitions on well-known household proprietary medicine brands with a wide geographical presence in the Asian region.

Strategic Acquisitions

In January 2017, we acquired the heritage brand Ho Chai Kung (何濟公). This acquisition offers a wide range of branded medicines under the Ho Chai Kung franchise in the OTC channel. Notable ones include Ho Chai Kung Tji Thung San (何濟公止痛退熱散) and Ho Chai Kung Analgesic Tablets (何濟公止痛退熱片). The brand name of Ho Chai Kung was originated in the 1930's and has been enjoying a high brand awareness and a strong market position in the analgesics (pain-killer) category in Hong Kong, China and South-East Asia markets. It opens a new set of opportunities for the Group to expand its geographical reach and distribution network by leveraging its already strong market presence in the proprietary medicine portfolio. Ho Chai Kung has a prestigious brand reputation and a long heritage in Hong Kong akin to Po Chai Pills (保濟丸). The Group expects to enhance its financial profile by benefiting upon the earning visibility of the brand and company and to create cost synergies through consolidation of production capacities.

In March 2017, the Group made an acquisition of the household brands of Saplingtan (十靈丹), Shiling Oil (十靈油) and Col-gan Tablet (傷風克). These brand names have been enjoying high brand awareness amongst the Chinese consumers in Hong Kong, China, and various overseas markets. The acquisition reinforces the strategy of the Group to acquire brands and businesses that bring about a sound strategic fit to its long term business development as well as to enhance its geographical reach amongst the key strategic markets in Asia Pacific.

As a result of the acquisitions during FY2017, the Group's proprietary medicine portfolio now comprises brands including Po Chai Pills (保濟丸), Ho Chai Kung Tji Thung San (何濟公止痛退熱散), Tong Tai Chung Woodlok Oil (唐太宗活絡油), Flying Eagle Woodlok Oil (飛鷹活絡油), Saplingtan (十靈丹), Shiling Oil (十靈油) and Col-gan Tablet (傷風克).

All these brands carry a high recognition amongst the consumers and enjoy a strong market position thus creating sustainable synergies for marketing and distribution resources under the management of the Group.

In addition, the Group announced in March 2017 its acquisition of 70% interests in the retail and wholesale operator Hong Ning Hong Group, a strategic move in advancing sales channel for wider distribution of its proprietary medicine brands. Apart from leveraging Hong Ning Hong Group's well established sales and distribution platform to accelerate the growth momentum of our proprietary medicine business and facilitate our penetration into China, through the retail and wholesale activities of Hong Ning Hong Group, we will be able to acquire first-hand market intelligence which is valuable for our capitalising on market opportunities and new product developments.

Marketing and Sales

During FY2017, the total revenue of the Proprietary Medicines segment of the Group amounted to HK$158.4 million, representing an increase of 13.9% as compared with HK$139.1 million for FY2016.

Amidst a considerable slow-down of the overall economy particularly in the retail sector during the Reporting Period, the Group continued to strengthen its drives on brand management, marketing and sales of our proprietary brand medicine business.

The sales of Po Chai Pills in Hong Kong, in particular, amounted to HK$74.2 million for FY2017, posting a 22.3% increase versus FY2016. The growth of Po Chai Pills is attributable to our success in the persistent marketing and brand building efforts on strengthening its competitive positioning as a well-trusted authentic Chinese GI (gastrointestinal) medicine for the family and enhancing its image appeal to the broader and younger consumer groups, coupled with our robust sales and distribution support.

With the newly secured OTC classification status of Puji Pills in China, we have entered into new strategic distribution agreements with two reputable distributors in China in November 2016. A subsidiary of Yunnan Baiyao Group Co., Limited (雲南白藥集團股份有限公司) has been appointed as our distributor of Puji Pills in Yunnan province whilst Zhuhai Jinming Medicine Co., Limited (珠海市金明醫藥有限公司) has also been engaged as our distributor in Guangdong province. The related market and business development activities in collaboration with the distributors have been actively launched. By leveraging the high brand awareness of Po Chai Pills and the extensive network and experience of our distribution partners in China, we are confident that the sales penetration as well as market share of Puji Pills in China will be much enhanced along with a full exploitation of its new OTC status.

On tapping the vast potential of the cross-border e-commerce platform in China with its well-recognised proprietary medicine brands, the Group will devote more resources on digital marketing and foster strategic collaboration with targeted and reputable online sales platform operators to widen its sales channels and product penetrations in mainland China.

Leveraging our portfolio of well-recognised proprietary medicine brands, the Group will strive to expand its product ranges under the brand franchises to enhance its product offerings, broaden its customer bases and deepen its market penetrations into the OTC drug markets in Hong Kong, China and Asia Pacific.

Product Development

The Group has achieved encouraging progress on its product development program during FY2017, marked by the winning of the Gold Medal Award at the 45th International Exhibition of Inventions of Geneva by one of our on-going collaborative research projects on innovative nanoparticles developed for Alzheimer's disease diagnosis.

During FY2017, we have an addition of 22 newly selected products to our R&D pipeline and successfully registered 11 products in Hong Kong. We also completed the development process for 14 products and submitted them for approval. In additions, 23 products have completed the formulation development process and are currently undergoing stability study, which will be ready for registration filing after the completion of the stability study. As of 31 March 2017, we have a total of 91 products in our research and development pipeline.

R&D Collaborations

The Group actively explores collaborations with local and overseas research and academic institutions for technology developments. In FY2017, we are making good progress on several collaboration projects with local and overseas R&D institutions and companies.

New Joint R&D Center in Hong Kong Institute of Biotechnology ("HKIB")

Jacobson Research Laboratory Limited, the Group's new joint R&D center in HKIB, was established and opened in November 2016. This new research center, well equipped with advanced manufacturing and testing equipment, aims to develop a host of platform technologies on coating and formulation which are to be applied on premium generics and Chinese medicines too. It also aims to forge a platform focus to explore scientific collaboration with local or overseas research institutions on biotechnology products.

Collaboration Project with HKIB

The collaboration project with HKIB on "Real-time Monitoring and End Point Determination of Pharmaceutical Powder Blending in Both R&D and Manufacturing by Near Infrared Spectroscopic (NIRS) Technology" has been accepted and approved by Innovation & Technology Fund. Kick-started in March 2017, this project will develop the technology for the real time quality control of manufacturing process, aiming for the enhancement of product quality and manufacturing process efficiency.

Collaboration with Nano & Advanced Materials Institute Limited (NAMI)

The collaborative research project with NAMI on "Novel Nanoparticles for Pre-clinical Diagnosis for Early Alzheimer Detection and Drug Development" has achieved an encouraging progress and recognition since its launch in June 2016 with the winning of the Gold Medal Award at the 45th International Exhibition of Inventions of Geneva. A newly commercialised product, trademarked as "NanoAZD", is derived from the project and was launched in April 2017, with the patent filed in February 2017.

The innovative product is a nanoparticle which can pass through the blood brain barrier and actively bind to beta-amyloid proteins, the biomarkers for early stage Alzheimer's disease. The technology can detect the biomarkers before the Alzheimer's disease symptom is observed.

Application of this technology also opens up the development of new technologies and derivative products that can cater for the care and management of Alzheimer's disease which is predicted with a drastic increase in prevalence as life expectancy continue to rise.

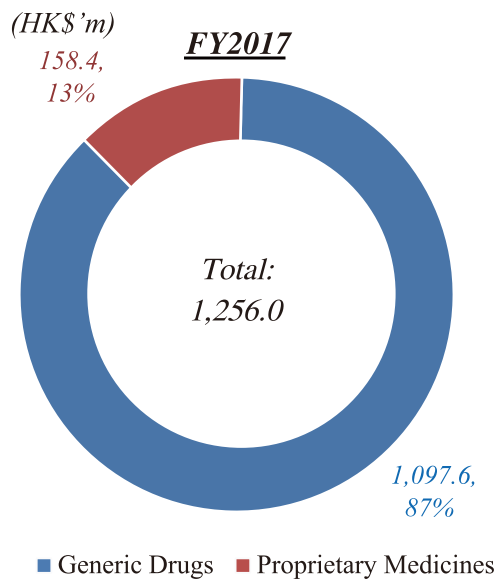
Remuneration Policy

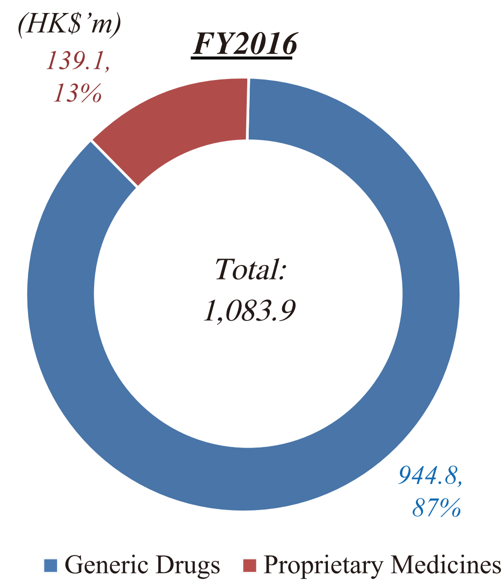
As of 31 March 2017, the Group had a total of 1,839 employees. For the Reporting Period, the total staff cost of the Group was HK$377.9 million as compared to HK$342.9 million for the twelve months ended 31 March 2016. All the Group's employees have entered into standard employment contracts with the Group. Remuneration packages for the Group's employees in general comprise one or more of the following elements: basic salary, productivity-related incentives and work performance-related bonus. The Group sets out performance attributes for its employees based on their positions and departments. It periodically reviews their work performance against the Group's targets and requirements. The results of such reviews are used in salary adjustments, bonus awards, promotion justifications and training need analysis. The Group offers various benefit plans to its employees including top-up annual leave entitlement, pension fund, medical insurance and life insurance. Union has been established for the Group's employees in China according to local labour laws. As of 31 March 2017, the Group did not experience any strikes or any labour disputes with its employees which would have or likely to have a material effect on its business.

The Group places high values on recruiting, developing and retaining its employees. It maintains high recruitment standards, provides competitive compensation and benefit packages. The Group also emphasises on training and developing employees. In addition to different skill and knowledge based in-house training programmes, the Group has training sponsorship policy to encourage its employees to attend external training for enhancing their job competencies.

Revenue

Revenue by Operating Segments



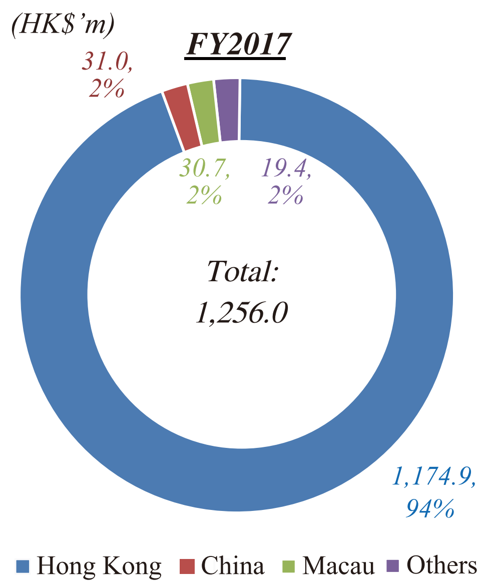


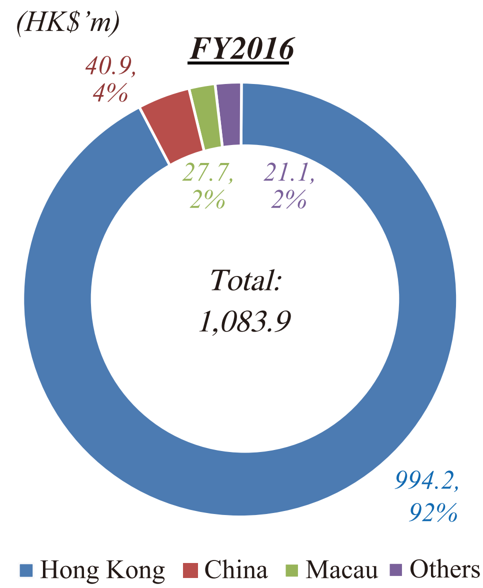
The increase in revenue of HK$172.1 million or 15.9% compared to FY2016 was contributed by the increase in revenue of HK$152.8 million in Generic Drugs and HK$19.3 million in Proprietary Medicines and revenue split of the two segments remains at the ratio of 87% and 13%.

In Generic Drugs segment, the increase in revenue reflected the higher revenue from both Public Sector and Private Sector, amounted to HK$41.4 million and HK$111.4 million respectively. The growth of revenue in Public Sector was primarily attributed to rise of demand in oral anti-diabetic and cardiovascular products along with the contributions from newly awarded tenders and the acquired products from Medipharma. The growth in Private Sector mainly reflected the rise in average selling price as well as the additional revenue from the acquisition of Medipharma.

In Proprietary Medicines segment, the increase in revenue was mainly contributed by the increase in sales of Po Chai Pills and the acquisition of Ho Chai Kung which was partially offset by the softening of sales of Flying Eagle Woodlok Oil.

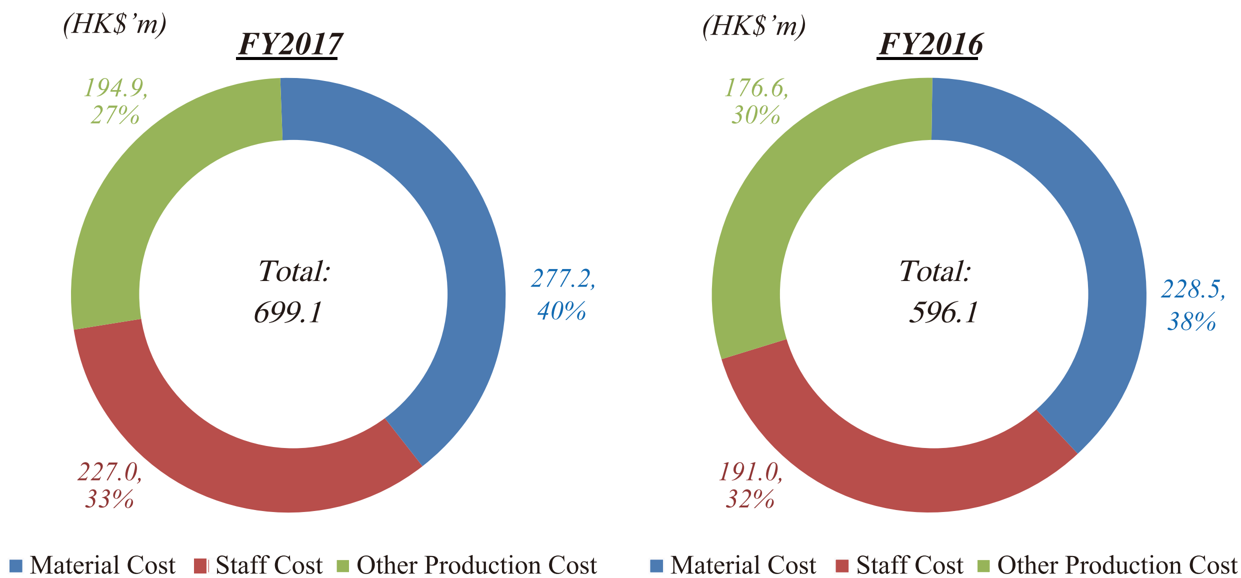
Revenue by Geographic Location





Hong Kong continued to be the major revenue stream, representing 94% of the total revenue and contributed an increase in revenue of HK$180.7 million. The revenue in the Mainland China decreased by HK$9.9 million principally due to the sales vacuum induced by the change in distributor of Puji Pills in China and the softening of sales of Flying Eagle Woodlok Oil. The revenue increase in Macau was mainly contributed by the acquisition of Ho Chai Kung and an expanded sales base for Generic Drugs. The slight decrease in revenue from other overseas market was mainly due to the decrease in sales in Singapore which was offset by the increase in sales in the United States of America and Thailand.

Cost of Goods Sold

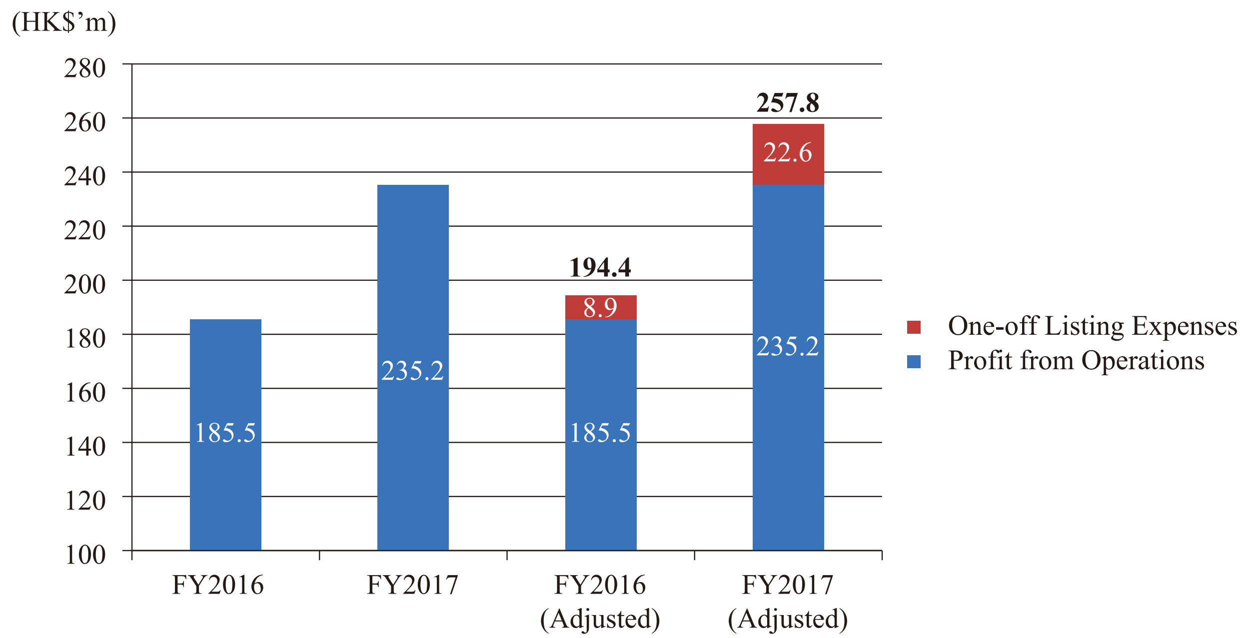


Material cost continued to be the major component in the cost of goods sold which contributed close to approximately 40% of the total cost of goods sold.

The increase in staff cost of HK$36.0 million or by 18.8% reflected the increase in number of headcount primarily due to the commencment of production at the new manufacturing plants in Tai Po Industrial Estate in November 2016.

The increase in other production cost reflected mainly the additonal depreciation and amortisation as well as the use of consumables arising from the commencment of the production at the new manufacturing plant and acquisitions.

Profit from Operations



The profit from operations excluding one-off listing expenses ("**adjusted profit from operations**") rose from HK$194.4 million to HK$257.8 million or by HK$63.4 million or 32.6%. The enhancement in the profit from operations was principally contributed by the increase in gross profit of HK$69.1 million while offset by the increase in selling and distribution expenses and administrative and other operating expenses by HK$11.5 million and HK$20.0 million respectively. The profit from operation also benefited from the gain on disposals of other non-current assets of HK$9.2 million.

The increase in selling and distribution expenses reflected mainly the increase in staff cost and rental expenses for logistics operations as well as the amortisation of intangible assets from acquisitions.

The increase in administrative and other operating expenses was mainly due to the one-off listing expenses incurred due to the initial public offering of the Company amounted to HK$22.6 million in FY2017 (FY2016: HK$8.9 million) as well as other legal and professional fees incurred mainly for acquisitions during the year.

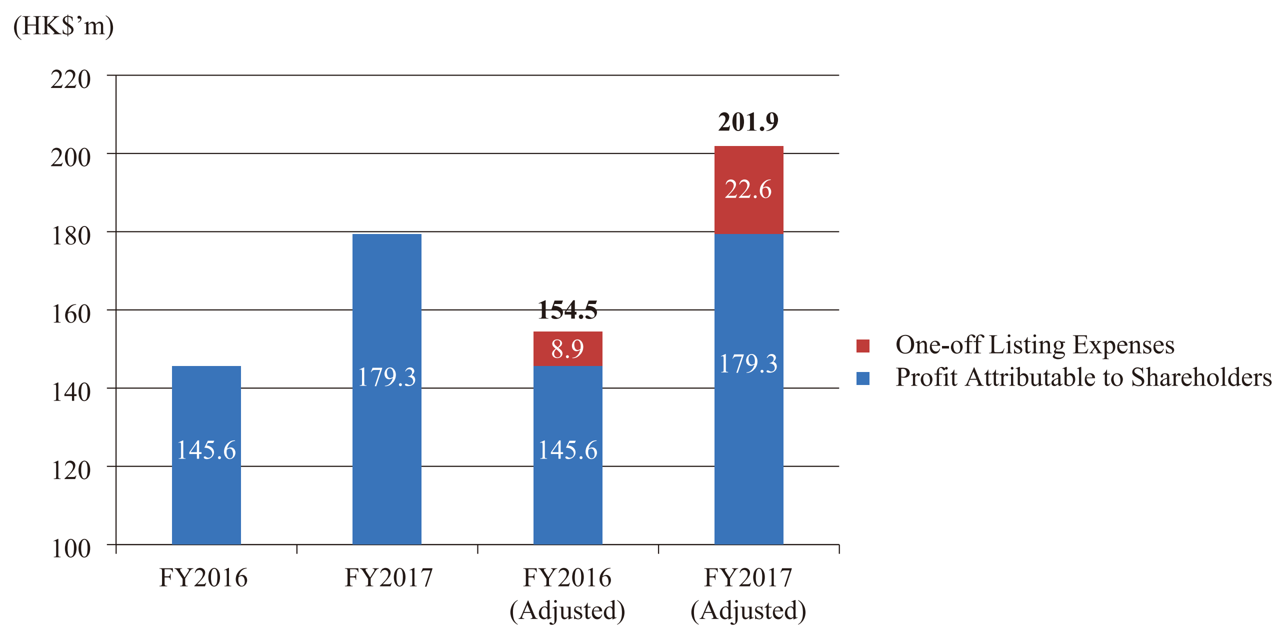
Finance Costs

The increase in finance costs mainly reflected the increase in bank loan balances as well as the effect of cessation of interest capitalisation due to the completion of the construction of new plant in Tai Po Industrial Estate after its commencement of production.

Income Tax

The increase in income tax principally reflected the higher profit before taxation generated. The increase in effective tax rate was due to non-deductible listing expenses incurred during the financial year.

Profit Attributable to Shareholders



The increase in profit attritbutable to shareholders reflected the increase in profit from operations offset by the additional finance costs and income tax. The adjusted profit attributable to the shareholders increased by HK$47.4 million or by 30.7% to HK$201.9 million.

Assets

Property, plant and equipment

The increase in property, plant and equipment principally reflected the additions arising from the acquisitions of Medipharma as well as Ho Chai Kung.

Intangible assets

The increase in intangible assets reflected principally the intangible assets recognised as a result of the business combinations during the year.

Inventories

The increase in inventories mainly represented respective inventories being consolidated after the acquisition of Medipharma and Ho Chai Kung as well as the increase in inventories following the enhancement of production capacity.

Cash and cash equivalents

The increase in cash and cash equivalents reflected proceeds from the initial public offering of the Company and the increase in bank loans, which was offset by the use of proceeds mainly in merger and acquisitions.

Bank loans

The increase in bank loans represented additions of bank loans principally for merger and acquisition and capital investment while offset by certain settlements of bank loans during the year.

Use of proceeds

Net proceeds of HK$695.5 million were raised from the initial public offering of the Company (included proceeds from the over-allotment option exercised by the underwriter amounted to HK$98.4 million and after the deduction of underwriting fees, commissions and expenses paid by us in connection with the initial public offering). The following table sets out the proposed application of the net proceeds and the actual usage up to 31 March 2017:

	Proposed application *HK$'000*	**Actual usage up to 31 March 2017** ***HK$'000***
Acquisitions – Expansion of businesses in Generic Drugs and Proprietary Medicines	139,108	**138,933**
Acquisitions – Enhancement of distribution network	104,331	**8,000**
Acquisitions – Intangible assets	69,554	**69,000**
Capital investments – Upgrading of manufacturing plants and facilities	113,197	**101,300**
Capital investments – Two specific automated production facilities	12,000	**12,000**
Expansion of bioequivalence clinical studies	94,331	**4,676**
Establishment of a new joint R&D centre with HKIB	10,000	**1,533**
Marketing and advertising	83,465	**13,808**
General working capital	69,554	**58,524**
	695,540	**407,774**

CORPORATE GOVERNANCE HIGHLIGHTS

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code and the Corporate Governance Report (the "**CG Code**") contained in Appendix 14 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") as its own code of corporate governance.

From 21 September 2016 (the "**Listing Date**") to 31 March 2017, the Company has complied with all the code provisions of the CG Code and adopted most of the best practices set out therein, except for the following provision:

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

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

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

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the "Model Code 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. Having made specific enquiry with the Directors, all Directors confirmed that they have complied with the required standard as set out in the Model Code throughout the period from the Listing Date to 31 March 2017.

AUDIT COMMITTEE

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor its subsidiaries has purchased, sold or redeemed any of the Company's listed securities throughout the period from the Listing Date to 31 March 2017.

PUBLICATION OF THE 2017 ANNUAL RESULTS ANNOUNCEMENT AND THE 2017 ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and of the Company (www.jacobsonpharma.com). The 2017 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.

CLOSURE OF REGISTER OF MEMBERS

In order to determine the entitlement of shareholders of the Company to attend and vote at the forthcoming annual general meeting of the Company (the "**AGM**"), which is expected to be held on 8 September 2017 (Friday), the register of members of the Company will be closed from 5 September 2017 (Tuesday) to 8 September 2017 (Friday), both days inclusive, during which period no transfer of shares of the Company will be registered. All transfer documents, accompanied by the relevant share certificates, shall be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on 4 September 2017 (Monday) 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 14 September 2017 (Thursday) to 15 September 2017 (Friday), both days inclusive, during which period no transfer of shares of the Company will be registered. All transfer documents, accompanied by the relevant share certificates, shall be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on 13 September 2017 (Wednesday) for registration.

By order of the Board
Jacobson Pharma Corporation Limited
Wong Wai Ming
Company Secretary

Hong Kong, 23 June 2017

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