

[For Immediate Release]



**Jacobson Pharma Issues HK\$500 million of Convertible Notes
to Dragons 615 and HH InRe JP, Ltd.**

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Accelerate Growth Momentum of Generic Drugs and Proprietary Medicines Business

(Hong Kong, 6 September 2017) **Jacobson Pharma Corporation Limited (“Jacobson Pharma” or the “Group”; Stock Code: 2633)**, a leading company engaged in the research, development, production, marketing and sale of generic drugs and proprietary medicines, has proposed to issue Convertible Notes under general mandate, in an aggregate principal amount of HK\$500 million due in 2020, to two subscribers namely Dragons 615 Limited (“Dragons”, a wholly-owned limited liability company of DCP China Credit Fund I, L.P. (“DCP Fund”)) and HH InRe JP, Ltd. (“HH JP”, an indirectly wholly-owned limited liability company of Hillhouse InRe Fund, L.P.). Dragons and HH JP have agreed to subscribe for the Convertible Notes in a principal amount of HK\$280 million and HK\$220 million, respectively. Jefferies is the sole placement agent in the proposed issue of the Convertible Notes.

The Convertible Notes are convertible into shares at an initial Conversion Price of HK\$2.50 per share, representing a premium of approximately 23.76% to the Closing Price of HK\$2.02 traded on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 5 September 2017. Assuming full conversion, the Convertible Notes will be convertible into 200,000,000 Conversion Shares, representing approximately 9.92% of the enlarged share capital of the Company. The Notes will bear interest at a rate of 3.5% per annum.

The net proceeds of HK\$490 million from the subscriptions are intended for a) funding potential acquisitions or forming strategic alliances in the Asia Pacific region with a view to expanding the Group’s geographical reach and market presence for its generic drug and proprietary medicine businesses; and b) supporting in-licensing and direct investment on technologically-oriented bio-pharmaceutical projects to contemplate an entry into the innovation-driven therapeutic areas.

Dragons is wholly-owned by DCP Fund, which in turn is funded by renowned international institutional investors and a Singapore sovereign fund which is a wholly-owned subsidiary of Temasek Holdings. The general partner of DCP Fund is Dignari Capital Partners GP Limited and the sole investment advisor of DCP Fund is Dignari Capital Partners (HK) Limited.

HH JP is indirectly wholly-owned by Hillhouse InRe Fund, L.P. The general partner of Hillhouse InRe Fund, L.P. is Hillhouse InRe Fund GP, Ltd. and its sole investment manager is Hillhouse Capital Management, Ltd. (“Hillhouse Capital”). Hillhouse Capital is a global firm of investment professionals and operating executives founded in 2005. Together with its group members, Hillhouse currently manages assets of US\$30 billion on behalf of institutional clients.

The issue of the Convertible Notes will not only strengthen the capital base of Jacobson Pharma, but also boost its cash position, enabling it to gather stronger growth momentum.

Mr. Derek Sum, Chairman and Chief Executive Officer of Jacobson Pharma, said, “We are pleased to have gained the trust and support of the two reputable funds. We see it as a vote of confidence in our proven business strategies and the growth prospects of Jacobson Pharma as a whole. Being placed in a sound financial position, we will seek to accelerate our growth momentum by contemplating an expansion of our business portfolio through strategic acquisitions or alliances both vertically and horizontally, and also pursuing product differentiation through carefully-orchestrated R&D activities.”

Jacobson Pharma has been building a scalable proprietary medicine platform through strategic acquisitions since its listing in September 2016. Such endeavours have presented the Group with a steadily growing revenue stream and enhanced its geographical reach to key strategic markets in Asia Pacific. As a result of the acquisitions made during FY2017, the Group’s proprietary medicine portfolio now comprises popular 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 of which are well-recognised by consumers.

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About Jacobson Pharma Corporation Limited (雅各臣科研製藥有限公司； Stock Code: 2633)

Jacobson Pharma is the largest generic drug company in Hong Kong with over 30% share of the total generic drug market for each year since 2012. The Group’s proprietary medicines, notably being Po Chai Pills (「保濟丸」), Tong Tai Chung Woodlok Oil (「唐太宗活絡油」), Ho Chai Kung Tji Thung San (「何濟公止痛退熱散」), Contractubex Scar Gel (「秀碧除疤膏」) Doan’s Ointment (「兜安氏藥膏」), Flying Eagle Wood Lok Medicated Oil (「飛鷹活絡油」), Saplingtan (「十靈丹」), Shiling Oil (「十靈油」) and Col-gan Tablet (「傷風克」) have been widely recognized by the market. Jacobson Pharma has been a constituent stock of MSCI Hong Kong Micro Cap Index since 1 June 2017. For more details about Jacobson Pharma, please visit the Group’s website: <http://www.jacobsonpharma.com>

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