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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

INSIDE INFORMATION IN RELATION TO THE ENTERING OF A LICENSING FRAMEWORK AGREEMENT

AND

A CAPITAL INCREASE AGREEMENT

**Financial Advisor
Jefferies**

Reference is made to the announcement of Jacobson Pharma Corporation Limited (the “**Company**”, together with its subsidiaries, the “**Jacobson Group**”) in relation to potential business cooperation(s) dated 22 November 2017.

This announcement is made by pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

SUMMARY OF THE AGREEMENTS

Licensing Framework Agreement

The Board is pleased to announce that on 20 December 2017, a wholly-owned subsidiary of the Company, namely Jacobson Medical, entered into the Licensing Framework Agreement with a subsidiary of Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (a joint stock limited company listed on the main board of the Hong Kong Stock Exchange and the Shanghai Stock Exchange) namely Shanghai Henlius, in relation to the licensing and commercialization of a biosimilar product of Trastuzumab, as defined herein-below as the Product, in Hong Kong and Macau.

Pursuant to the Licensing Framework Agreement, Shanghai Henlius agrees to grant an exclusive right to Jacobson Medical to develop, use, sell, offer for sale, import, export and otherwise commercialize the Product in Hong Kong and Macau for a period of 10 years which will begin upon the execution of definitive agreement and may be renewable subject to mutual agreement. Jacobson Medical shall make an initial good faith payment of USD1,000,000 to Shanghai Henlius upon entering into the Licensing Framework Agreement. Further good faith payments of USD500,000 and USD1,000,000 shall be made to Shanghai Henlius within 30 days respectively upon the execution of definitive agreement and upon obtaining the regulatory approval from the Department of Health of Hong Kong. Within two months of the grant of the Product's regulatory approval from one of the competent authorities, Jacobson Medical and Shanghai Henlius will enter into a definitive agreement, which provides for the terms of licensing, distribution and commercial supply of the Product. Jacobson Medical will also have a right of first negotiation towards entering into a definitive agreement to commercialize the Product in certain emerging markets within Asean domains before the expiration of the second anniversary date of the Licensing Framework Agreement. The Licensing Framework Agreement has become effective upon signing.

Capital Increase Agreement

The Board is pleased to announce that on 20 December 2017, a wholly-owned subsidiary of the Company, as defined herein-below as the Subscriber, entered into the Capital Increase Agreement with Shanghai Henlius and all existing shareholders of Shanghai Henlius, pursuant to which the Subscriber conditionally agreed to subscribe for 4,376,422 shares out of the total of 55,434,678 additional shares to be issued by Shanghai Henlius at the issue price of RMB22.71 per share in cash (the "**Capital Increase**"), for a consideration of RMB99,388,544 (approximately US\$15,000,000). According to the Capital Increase Agreement, the consideration shall be fully paid within 10 working days of all the conditions precedent having been fulfilled or waived.

Prior to the Capital Increase, the registered capital of Shanghai Henlius was RMB393,877,988 with a total of 393,877,988 shares. The Company is not a shareholder of Shanghai Henlius prior to the Capital Increase. Upon the Completion of the Capital Increase, its registered capital will increase to RMB449,312,666 with a total number of 449,312,666 issued shares.

INFORMATION ON SHANGHAI HENLIUS

Shanghai Henlius was established in 2010 as a subsidiary of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* (上海復星醫藥(集團)股份有限公司), with its principal business in the development, production and commercialization of monoclonal antibody biosimilar drugs, which covers a variety of therapeutic areas including oncology and autoimmune diseases. The Product is the second monoclonal antibody developed by Shanghai Henlius of general name: Recombinant Humanized Anti-Her2 Monoclonal Antibody Injection, which belongs to the biosimilar version of Trastuzumab. In July 2015, Shanghai Henlius received CFDA approval for clinical trials of the Product for the indication of breast cancer. As of the date of this announcement, the Product for the indication of breast cancer has officially entered phase III trial. At the beginning of 2016, Shanghai Henlius received CFDA approval for clinical trials of the Product for the indication of gastric cancer.

The Directors are of the view that the Licensing Framework Agreement and the Capital Investment will bring long-term strategic values to Jacobson Group. The global market of biologics features a high value-added segment and is expected to witness considerable traction and tread along a healthy growth path in coming years. The combination of Jacobson Group and Shanghai Henlius is a highly strategic, value-enhancing collaboration creating a platform for both companies to gain a quick hold on the growth opportunities of biosimilar products in the market of Hong Kong and certain emerging markets within Asean domains. It also provides the basis for further partnering opportunities in the field of biologics and a positive outlook to create sustainable shareholder value.

The Directors consider that the Licensing Framework Agreement and the Capital Increase Agreement are synergistic and are both entered into on normal commercial terms and the terms of the Licensing Framework Agreement and the Capital Increase Agreement are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

There is no assurance that any transactions referred to in this announcement will materialize or eventually be consummated. Shareholders and potential investors of the Company should be aware that the commercialization of the Product under the Licensing Framework Agreement is subject to regulatory approval of relevant competent authorities and the Capital Increase Agreement is subject to the satisfaction (or waiver as applicable) of conditions precedent as may be specified therein, including (a) all documents as contemplated therein having been executed and in force; (b) the Capital Increase Agreement and the transactions contemplated therein having been approved by the board of directors and shareholders of Shanghai Henlius; and (c) all official filings with and approvals from the government of the People’s Republic of China and approval by the China (Shanghai) Pilot Free Trade Zone Administration.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

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| “Board” | the board of Directors |
| “Capital Increase” | the subscription by the Subscriber for 4,376,422 shares out of the total of 55,434,678 additional shares to be issued by Shanghai Henlius at the issue price of RMB22.71 per share in cash |
| “Capital Increase Agreement” | the capital increase and subscription agreement dated 20 December 2017 entered into among the Subscriber, Shanghai Henlius and the existing shareholders of Shanghai Henlius in relation to the Capital Increase. The Capital Increase Agreement is governed by the laws of the PRC and shall be effective upon execution by all parties thereto |

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| “CFDA” | the China Food and Drug Administration (國家食品藥品監督管理總局) in the People’s Republic of China, or any successor entity thereto |
| “Company” | Jacobson Pharma Corporation Limited (雅各臣科研製藥有限公司), an exempted company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 2633) |
| “Completion” | completion of the Capital Increase in accordance with the terms of the Capital Increase Agreement |
| “Directors” | directors of the Company |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Hong Kong Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “HK\$” | Hong Kong dollar(s), the lawful currency of Hong Kong |
| “Jacobson Group” | the Company and its subsidiaries |
| “Jacobson Medical” | Jacobson Medical (Hong Kong) Limited, a limited liability company incorporated in Hong Kong in 1996 and an indirect wholly-owned subsidiary of the Company. Jacobson Medical engages in the manufacturing and distribution of generic drugs and proprietary medicine. According to Jacobson Medical’s audited financial statement for the year ended 31 March 2017, its total assets, shareholders’ equity, total liabilities amounted to approximately HK\$144.8 million, HK\$91.1 million and HK\$53.6 million, respectively. Its revenue and net profit was approximately HK\$155.2 million and HK\$0.6 million for the year ended 31 March 2017, respectively |
| “Licensing” | The product licensing and commercialization of the Product in Hong Kong and Macau |
| “Licensing Framework Agreement” | the licensing framework agreement dated 20 December 2017 entered into among Shanghai Henlius and Jacobson Medical in relation to the Licensing |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Macau” | the Macao Special Administrative Region of the People’s Republic of China |

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| “PRC” | the People’s Republic of China |
| “Product” | The Shanghai Henlius’ propriety biosimilar product HLX02, the second monoclonal antibody developed by Shanghai Henlius, general name: Recombinant Humanized Anti-Her2 Monoclonal Antibody Injection, which belongs to the biosimilar version of Trastuzumab |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Shanghai Henlius” | Shanghai Henlius Biotech Inc.* (上海復宏漢霖生物技術股份有限公司), a corporation incorporated under the laws of the PRC with its principal place of business in Shanghai |
| “Shanghai Stock Exchange” | the Shanghai Stock Exchange |
| “Share(s)” | ordinary share(s) of HK\$0.01 each in the share capital of the Company |
| “Shareholder(s)” | holder(s) of the Share(s) |
| “Subscriber” | Joyful Ascent Limited, a limited liability company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company |
| “%” | per. cent |

By order of the Board
Jacobson Pharma Corporation Limited
WU Lai King
Company Secretary

Hong Kong, 20 December 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 Lam Sing Kwong, Simon as non-executive Director, and Dr. Lam Kwing Tong, Alan, Mr. Young Chun Man, Kenneth, and Professor Wong Chi Kei, Ian as independent non-executive Directors.

* *For identification purposes only*