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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

REDEMPTION OF THE DRAGONS NOTES IN FULL AMOUNT OF HK\$280,000,000

WAIVER LETTER IN RELATION TO REDEMPTION OF THE DRAGONS NOTES

The Company intends to redeem the Dragons Notes from Dragons in full amount of HK\$280,000,000 on the Redemption Date. As such, the Company issued the Waiver Letter to the Noteholders on 19 July 2019 and the Noteholders acknowledged and agreed to the terms of the Waiver Letter on 23 July 2019. Pursuant to the Waiver Letter, the Noteholders conditionally agreed to waive certain Terms and Conditions in relation to the redemption of the Convertible Notes prior to the Maturity Date to allow the Company to redeem the Dragons Notes from Dragons in full amount of HK\$280,000,000 on the Redemption Date.

LISTING RULES IMPLICATIONS

Pursuant to Rule 28.05 of the Listing Rules, any alterations in the terms of convertible debt securities after issue must be approved by the Stock Exchange, except where the alterations take effect automatically under the existing terms of such convertible debt securities. The Company will apply for the approval of the Stock Exchange in relation to the Waiver under Rule 28.05 of the Listing Rules.

Reference is made to the Announcements in relation to, among others things, the issue of the Convertible Notes in the aggregate principal amount of HK\$500,000,000 due in 2020 by the Company to the Noteholders. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

As at the date of this announcement, none of the Convertible Notes has been redeemed nor converted, in whole or in part. The Convertible Notes in the aggregate principal amount of HK\$500,000,000 remain outstanding and are held by the Noteholders.

WAIVER OF TERMS AND CONDITIONS IN RELATION TO REDEMPTION OF THE DRAGONS NOTES

The Company intends to redeem the Dragons Notes from Dragons in full amount of HK\$280,000,000 on the Redemption Date. As such, the Company issued the Waiver Letter to the Noteholders on 19 July 2019 and the Noteholders acknowledged and agreed to the terms of the Waiver Letter on 23 July 2019. Pursuant to the Waiver Letter, the Noteholders conditionally agreed to waive certain Terms and Conditions in relation to the redemption of the Convertible Notes prior to the Maturity Date to allow the Company to redeem the Dragons Notes from Dragons in full amount of HK\$280,000,000 on the Redemption Date.

PRINCIPAL TERMS OF THE WAIVER LETTER

A summary of the principal terms of the Waiver Letter is set out below:

Date of Issue

19 July 2019

Date of acknowledgment by the Noteholders

23 July 2019

Waiver and Condition

Under the Terms and Conditions,

- (i) the obligations of the Company arising under the Convertible Notes constitute general, unconditional, unsecured, unsubordinated obligations of the Company and rank, and shall rank equally and pari passu among themselves. The payment obligations of the Company under the Convertible Notes shall rank at least equally with all of the Company's other present and future unconditional, unsecured and unsubordinated obligations except for obligations accorded preference by mandatory provisions of applicable law; and
- (ii) the Company may issue a notice of redemption to redeem the Convertible Notes (A) at any time or from time to time between the day falling on the second anniversary of the issue of the Convertible Notes by the Company and the Maturity Date, and (B) if the closing price of the Shares on the Stock Exchange equals or exceeds HK\$3.00 for the five (5) consecutive trading days immediately preceding the date of the Company's notice of redemption.

The Noteholders agreed to waive the conditions set out above ("**Waiver**") to allow the Company to redeem the Dragons Notes from Dragons in full amount of HK\$280,000,000 on the Redemption Date, subject to (i) the Stock Exchange having approved the Waiver, and (ii) the terms of the Waiver Letter.

Redemption of the Dragons Notes

The Dragons Notes shall be redeemed by the Company in full on the following terms:

- (a) Redemption Date: 31 July 2019, or the third Business Day after the Stock Exchange having approved the Waiver, whichever is the later.
- (b) Principal amount of Dragons Notes to be redeemed: HK\$280,000,000.
- (c) Interest accrued on the Dragons Notes up to and including the Redemption Date (assuming that the Redemption Date shall be 31 July 2019): HK\$832,328.77.

The redemption will be funded by the internal resources of the Company and/or bank borrowings.

LISTING RULES IMPLICATIONS

Pursuant to Rule 28.05 of the Listing Rules, any alterations in the terms of convertible debt securities after issue must be approved by the Stock Exchange, except where the alterations take effect automatically under the existing terms of such convertible debt securities. The Company will apply for the approval of the Stock Exchange in relation to the Waiver under Rule 28.05 of the Listing Rules.

REASONS FOR AND BENEFITS OF THE REDEMPTION

The granting of the Waiver by the Noteholders, if approved by the Stock Exchange, will enable the Company to redeem the Dragons Notes on the Redemption Date. The redemption of the outstanding Dragons Notes prior to the Maturity Date allows saving of interest costs as well as amortisation expenses arising from the Dragons Notes.

In light of the above, the Directors (including the independent non-executive Directors) consider that the terms of the Waiver Letter are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“Announcements”	the announcements of the Company dated 6 September 2017 and 3 October 2017 in relation to, among other things, the issue of the Convertible Notes
“Dragons Notes”	the Convertible Notes in the principal amount of HK\$280,000,000 issued to Dragons on 3 October 2017
“Noteholders”	the Subscribers which have subscribed for, and are holding, the Convertible Notes
“Redemption Date”	31 July 2019, or the third Business Day after the Stock Exchange having approved the Waiver, whichever is the later
“Terms and Conditions”	the terms and conditions of the Convertible Notes
“Waiver”	the waiver of certain Terms and Conditions in relation to the redemption of the Convertible Notes prior to the Maturity Date granted conditionally by the Noteholders, details of which are set out in the section headed “Waiver and Condition” of this announcement
“Waiver Letter”	the waiver letter issued by the Company on 19 July 2019 and the terms of which were acknowledged and agreed by the Noteholders on 23 July 2019, pursuant to which the Noteholders conditionally agreed to waive certain Terms and Conditions in relation to the redemption of the Convertible Notes prior to the Maturity Date to allow the Company to redeem the Dragons Notes from Dragons in full amount of HK\$280,000,000 on the Redemption Date
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

By Order of the Board
Jacobson Pharma Corporation Limited
Yim Chun Leung
Executive Director and Company Secretary

Hong Kong, 23 July 2019

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 (also as Company Secretary) 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.