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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

PROFIT GUARANTEE IN RESPECT OF THE ACQUISITION OF 70% OF EQUITY INTERESTS IN HONG NING HONG LIMITED

Reference is made to the announcements of the Company dated 13 March 2017 and 14 November 2018 in relation to the acquisition of 70% of equity interests in Hong Ning Hong Limited by the Group (the “**Announcements**”). Unless the context otherwise requires, capitalized terms used herein shall have the same meanings as defined in the Announcements.

Pursuant to the Agreement, each of the Vendor and the Guarantor irrevocably and unconditionally warrants and guarantees to the Purchaser that the 2018 Net Profit and 2019 Net Profit shall each be no less than HK\$8,000,000 (each, “**Annual Guaranteed Profit**”). If the Annual Guaranteed Profit is not achieved, the Vendor shall pay the shortfall amount, which is capped at HK\$5,000,000 in aggregate for the two financial years (the “**Cap on the Shortfall Amount**”), to the Purchaser within seven days after the issue of the relevant audited report of the HK Subsidiary for the corresponding financial year. The Guarantor has guaranteed the due and punctual performance of the Vendor’s obligations under the Agreement.

Based on the audited report of the HK Subsidiary for the year ended 31 March 2018 issued on 14 November 2018, the 2018 Net Profit was HK\$4,083,916. Hence, the shortfall amount as compared to the Annual Guaranteed Profit was HK\$3,916,084 (the “**2018 Profit Guarantee Shortfall Amount**”). The Purchaser received the 2018 Profit Guarantee Shortfall Amount in the amount of HK\$3,916,084 from the Vendor.

Based on the audited report of the HK Subsidiary for the year ended 31 March 2019 issued on 9 August 2019, the 2019 Net Profit was HK\$4,489,928. The shortfall amount as compared to the Annual Guaranteed Profit was HK\$3,510,072. In view of the Cap on the Shortfall Amount and taking into account the 2018 Profit Guarantee Shortfall Amount already paid by the Vendor, the shortfall amount payable by the Vendor was HK\$1,083,916 (the “**2019 Profit Guarantee Shortfall Amount**”). The Purchaser received the 2019 Profit Guarantee Shortfall Amount in the amount of HK\$1,083,916 from the Vendor on 9 August 2019.

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

Hong Kong, 9 August 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.