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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

BUSINESS UPDATE FORMATION OF JOINT VENTURE WITH KIN FUNG WEISEN-U COMPANY LIMITED

The board of directors (the “**Board**”) of Jacobson Pharma Corporation Limited (the “**Company**” or “**Jacobson Pharma**”, together with its subsidiaries, the “**Jacobson Pharma Group**”) is pleased to announce that Smiley Sun Limited (“**Smiley**”), a wholly-owned subsidiary of the Company, and Kin Fung Weisen-U Company Limited (“**Kin Fung**”) entered into a joint venture agreement on 31 October 2019 (the “**Joint Venture Agreement**”).

Under the Joint Venture Agreement, a new company will be incorporated which will be owned as to 50% respectively by Smiley and Kin Fung (the “**Joint Venture**”) through which the parties will develop and expand the markets for gastrointestinal and respiratory drugs and food/health supplements of Jacobson Pharma Group and Kin Fung. The businesses of the Joint Venture will be to:

1. distribute and sell certain products of the Parties (the “**Products**”) which include those of Kin Fung, being “Weisen-U” (胃仙-U) and “Flucur Nebuliser” (呼佳噴霧劑) and related products, and those of the Jacobson Pharma Group, being certain variation or modification of the formula and/or dosage form of “Po Chai Pills” (保濟丸) to new markets. For Weisen-U (胃仙-U) and Flucur Nebuliser (呼佳噴霧劑), new markets refer to all territories other than the People’s Republic of China (the “**PRC**”), the Hong Kong Special Administrative Region of the PRC (“**Hong Kong**”) and the Macau Special Administrative Region of the PRC (“**Macau**”). As for variation or modification of the formula and/or dosage form of Po Chai Pills (保濟丸), new markets refer to all territories other than the PRC;
2. explore and develop the respective product line extensions for the Products; and

3. explore and conduct businesses relating to the supply and distribution of non-prescription drugs as well as food/health supplements of the gastrointestinal and respiratory categories in the global markets. In particular, the Joint Venture will have the first right over Smiley and Kin Fung to acquire brands of gastrointestinal and respiratory drugs, and food/health supplements.

By way of formation of the Joint Venture, the Board is of the view that potential business benefits will be generated from the expanded products portfolio and markets for the Jacobson Pharma Group.

Information about Kin Fung

Kin Fung, was incorporated in Hong Kong in 1960s and is principally engaged in the development of gastrointestinal and respiratory pharmaceutical drugs. Kin Fung is the brand owner and sole agent of Weisen-U (胃仙-U) in the PRC, Hong Kong and Macau.

Weisen-U (胃仙-U) is a gastrointestinal drug well recognised in the over-the-counter market and has gained its popularity in the PRC, Hong Kong and Macau for almost 60 years. It has been widely used to promote digestion, relieve discomforts caused by indigestion, stomachache, heartburn, inappetence and chest nausea.

Starting from January 2019, Jean-Marie Pharmacal Co. Ltd., a wholly-owned drugs manufacturing subsidiary of the Company, whereas its production facilities of which have been PIC/S (**Pharmaceutical Inspection Co-operation Scheme**) GMP (**Good Manufacturing Practices**) accredited, has become the contract manufacturer of Weisen-U (胃仙-U) for Kin Fung.

Flucur Nebuliser (呼佳噴霧劑) is a popular brand for nasal spray. The application of Flucur Nebuliser (呼佳噴霧劑) is to alleviate the uncomfortable symptoms caused by rhinorrhea and/or rhinostenosis such as swelling or hyperemia of nasal mucosa attributable to common cold virus, pollen or house dust.

Reasons for and benefits of forming the Joint Venture

Building a regional market platform with strong commercial capabilities, along with the Jacobson Pharma Group's proven track record of successful partnerships, Jacobson Pharma Group is well-poised to leverage its position to collaborate strategically with reputable partners through licensing, technology transfer or product representation to tap the high growing market potentials in Asia Pacific and Greater China Regions. Kin Fung is a long-standing reputable player in the pharmaceutical industry and the Board is of the view that the formation of the Joint Venture will not only create synergy between the Parties but also it is a strategically important step for the Jacobson Pharma Group to broaden its portfolio of gastrointestinal and respiratory drugs, and food/health supplements in the expansion of regional markets.

By order of the Board
Jacobson Pharma Corporation Limited
YIM Chun Leung
Executive Director and Company Secretary

Hong Kong, 31 October 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.