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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

CONNECTED TRANSACTION ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF THE TARGET COMPANY

On 17 January 2020, Jacobson Pharma Group (BVI) Limited (a wholly-owned subsidiary of the Company) and Mr Lau, a substantial shareholder of the Company entered into the Share Purchase Agreement pursuant to which Jacobson Pharma Group (BVI) Limited has agreed to acquire from Mr. Lau the Sale Shares at a total consideration of HK\$7,800,000.

Pursuant to the Deed of Acting in Concert dated 8 January 2016, Kingshill and Longjin agreed, and Mr. Lau as the majority shareholder of Longjin agreed to procure Longjin, to act in concert with each other and adopt a consensus building approach to reach decisions on a unanimous basis in exercising their voting rights in respect of any resolution required to be passed by the Shareholders commencing from the date of incorporation of the Company and maintaining such acting-in-concert arrangement until the Deed of Acting in Concert is terminated. Accordingly, as at the date of this announcement, Trust Co, Kingshill, Longjin, Mr. Sum and Mr. Lau, directly and indirectly, are together entitled to exercise 50.35% of the voting power of the Company. Mr. Lau therefore is a substantial Shareholder and a connected person of the Company under the Listing Rules. The entering into the Share Purchase Agreement between Mr. Lau and Jacobson Pharma Group (BVI) Limited, a subsidiary of the Company, therefore constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As all of the applicable percentage ratios (as defined in the Listing Rules) for the Acquisition exceed 0.1% but are less than 5%, the entering into of the Share Purchase Agreement is a non-exempt connected transaction of the Company, it is subject to reporting and announcement requirements, but is exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

THE ACQUISITION

The Board is pleased to announce that on 17 January 2020, the Purchaser (a wholly owned subsidiary of the Company) and Mr. Lau entered into the Share Purchase Agreement, pursuant to which the Purchaser agreed to purchase, and the Vendor agreed to sell, the Sale Shares at a total consideration of HK\$7,800,000 in accordance with the terms and conditions of the Share Purchase Agreement.

The principal terms of the Share Purchase Agreement are set out below:

Date

17 January 2020

Parties

- (1) the Purchaser; and
- (2) the Vendor

Subject Matter

Pursuant to the Share Purchase Agreement, the Purchaser agreed to purchase and the Vendor agreed to sell the Sale Shares, representing the entire issued share capital of the Target Company in accordance with the terms and conditions of the Share Purchase Agreement.

Consideration

The consideration for the Sale Shares is HK\$7,800,000 which shall be payable by the Purchaser to the Vendor in cash at Completion. The consideration was arrived at after arm's length negotiations among the parties and was determined based on the market value of the Membership as quoted on the websites of different membership services companies.

The consideration will be satisfied by the internal resources of the Group.

Completion

Completion has taken place upon the signing of the Share Purchase Agreement on 17 January 2020. Upon Completion, the Target Company became an indirect wholly-owned subsidiary of the Company.

INFORMATION OF THE GROUP

The Group is principally engaged in manufacturing, marketing and sale of generic drugs and proprietary medicines.

The Purchaser is a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company.

INFORMATION OF THE VENDOR

Pursuant to the Deed of Acting in Concert dated 8 January 2016, Kingshill and Longjin agreed, and Mr. Lau as the majority shareholder of Longjin agreed to procure Longjin, to act in concert with each other and adopt a consensus building approach to reach decisions on a unanimous basis in exercising their voting rights in respect of any resolution required to be passed by the Shareholders commencing from the date of incorporation of the Company and maintaining such acting-in-concert arrangement until the Deed of Acting in Concert is terminated. Accordingly, as at the date of this announcement, Trust Co, Kingshill, Longjin, Mr. Sum and Mr. Lau, directly and indirectly, are together entitled to exercise 50.35% of the voting power of the Company. Mr. Lau therefore is a substantial Shareholder and a connected person of the Company under the Listing Rules.

INFORMATION OF THE TARGET GROUP

The Target Company is a company incorporated in the British Virgin Islands and is principally engaged in the investment holding. It is the sole and beneficial owner of the entire issued share capital of Courtesy Associates, which is the holder of the Membership. Other than the Membership, the Target Group does not hold any other assets.

REASONS FOR AND BENEFITS OF THE ACQUISITION

Pursuing a regional market development strategy and riding on its successful track record of partnerships, the Group has been actively engaging in forging collaborations with reputable industry partners from all over the world in form of licensing, technology transfer or product presentation to tap the high growing market potentials in Asia Pacific and Greater China Regions. The business receptions and meetings under the collaboration liaisons, whether formal or informal, have become frequent and therefore the Board considers that the facilities provided by the Club enable the Group to offer suitable hospitality for facilitating and enhancing the development of business relationship with the Group's business partners, customers and suppliers.

Based on the above, the Directors (including the independent non-executive Directors) are of the view that the Share Purchase Agreement was entered into on normal commercial terms in the ordinary and usual course of business of the Group, and the Share Purchase Agreement and the transactions contemplated thereunder (including the total consideration for the Acquisition as described in "The Acquisition – Consideration" above) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Mr. Lau is a substantial Shareholder and a connected person of the Company under the Listing Rules. The entering into the Share Purchase Agreement between Mr. Lau and Jacobson Pharma Group (BVI) Limited, a subsidiary of the Company, therefore constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As all of the applicable percentage ratios (as defined in the Listing Rules) for the Acquisition exceed 0.1% but are less than 5%, the entering into of the Share Purchase Agreement is a non-exempt connected transaction of the Company, it is subject to reporting and announcement requirements, but is exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

No Directors had any material interest in the Acquisition or was required to abstain from voting on the relevant resolutions at the Board meeting.

DEFINITION

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Acquisition”	the acquisition of the Sale Shares by the Purchaser pursuant to the Share Purchase Agreement
“Board”	the board of Directors
“Club”	the Clearwater Bay Golf & Country Club, a club located in 139 Tai Au Mun Road, Clearwater Bay, New Territories, Hong Kong
“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 Stock Exchange (Stock Code: 2633)
“Completion”	completion of the Acquisition
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and unless the context requires otherwise, refers to the controlling shareholders of the Company, being Mr. Sum, Mr. Lau, Trust Co, Kingshill and Longjin
“Courtesy Associates”	Courtesy Associates Limited, a company incorporated in the British Virgin Islands, a direct wholly-owned subsidiary of the Target Company and a holder of the Membership

“Deed of Acting in Concert”	the deed of acting in concert dated 8 January 2016 entered into between Kingshill, Longjin and Mr. Lau whereby they confirmed the existence of their acting in concert arrangement
“Director(s)”	the directors of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Kingshill”	Kingshill Development Limited, a limited liability company incorporated under the laws of British Virgin Islands on 8 July 1998, which is one of the Company’s Controlling Shareholders as at the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Longjin”	Longjin Investments Limited, a limited liability company incorporated under the laws of British Virgin Islands on 30 August 1994, which is owned by Mr. Lau and his daughter (over the age of 18) as to 75% and 25% respectively as at the date of this announcement and one of the Company’s Controlling Shareholders
“Membership”	the corporate membership of the Club under two debentures issued by the Club to Courtesy Associates
“Mr. Lau” or “Vendor”	Mr. Lau Wing Hung, a substantial Shareholder
“Mr. Sum”	Mr. Sum Kwong Yip, Derek, the Group’s chairman, executive Director, chief executive officer and one of the Company’s Controlling Shareholder
“Purchaser”	Jacobson Pharma Group (BVI) Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Sale Shares”	100 Shares, representing the entire issued share capital of the Target Company
“Share(s)”	ordinary share(s) of US\$1.00 each in the share capital of the Target Company

“Share Purchase Agreement”	the share purchase agreement entered into between the Vendor and the Purchaser on 17 January 2020 in respect of the Sale Shares
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Target Company”	Rexway Group Limited, a company incorporated in the British Virgin Islands
“Target Group”	Target Company and its subsidiary
“The Kingshill Trust”	The Kingshill Trust is a discretionary trust established by Mr. Sum (as the settlor) on 16 May 2016 with Mr. Sum and his family members as the discretionary beneficiaries
“Trust Co”	Kingshill Development Group Inc., a company incorporated in the BVI which is wholly-owned by UBS Nominees Limited as nominee for UBS Trustees (B.V.I.) Limited, the trustee of The Kingshill Trust, which holds the entire issued shares capital of Kingshill. It is also one of the Company’s Controlling Shareholders
“%”	per cent.

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

Hong Kong, 17 January 2020

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.