



Jacobson Pharma and Yunnan Baiyao Group to Continue Exploring Further Possibilities of Business Cooperation and Other Collaborations

(Hong Kong, 8 May 2019) **Jacobson Pharma Corporation Limited** ("**Jacobson Pharma**" or the "**Group**"; **Stock Code: 2633**), a leading company engaging in the research, development, production, marketing and sale of generic drugs and proprietary medicines, has been informed by Yunnan Baiyao Holdings Company Limited¹ (雲南白藥控股有限公司) ("**Baiyao Holdings**") and Yunnan Baiyao Group Co.,Ltd.¹ (雲南白藥集團股份有限公司) ("**Yunnan Baiyao Group**") that Baiyao Holdings will be merged into and absorbed by Yunnan Baiyao Group. Currently, Baiyao Holdings holds 200,000,000 shares of Jacobson Pharma, representing approximately 9.92% of the total number of the Group's issued shares. Upon completion of the merger, such 200,000,000 shares are to be held by Yunnan Baiyao Group as the merged entity. Yunnan Baiyao Group is also to actively accelerate exploring potential business cooperation as stated in the letter of intent previously agreed with Jacobson Pharma.

Yunnan Baiyao Group is a renowned and respected brand and a leading company which has developed 16 pharmaceutical dosage forms with more than 370 products. The company initiated the merger proposal in October 2018 which was approved by the China Securities Regulatory Commission in late April 2019, approving it to issue shares as it absorbs Yunnan Baiyao. After the completion of the merger, Yunnan Baiyao Group's operating income is expected to grow to more than RMB27 billion. With its strong financial strength, Yunnan Baiyao Group could leverage its brand, channel and medical resources through in-licensing, strategic cooperation, new product development as well as mergers and acquisitions to fuel business expansion and reinforce competitive strengths.

Jacobson Pharma has pre-eminent leadership in generics, specialty drugs and proprietary medicines in the industry. Backed by a vertically-integrated value chain and advanced production facilities, and bolstered by its robust product portfolio, the Group has one of the most extensive sales and distribution networks covering both the private and public market sectors in Hong Kong. Meanwhile, with Hong Kong as its base, Jacobson Pharma has set to expand its regional platform and is poised to strategically collaborate with reputable manufacturers globally for establishing footholds in Asia Pacific including China, Korea, Japan, Taiwan, Singapore, Malaysia, Cambodia, Myanmar, Thailand and Vietnam.

Jacobson Pharma has previously entered into a letter of intent with Baiyao Holdings pursuant to which the parties agreed to conduct feasibility studies on possible business cooperation and other collaborations. In the future, the Group will continue to actively examine such further possibilities with Baiyao Holdings to broaden and deepen its market coverage in China and Asia Pacific in forging a competitive regional commercial platform aiming to deliver sustainable values for shareholders.

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¹ English name for identification purpose only

About Jacobson Pharma Corporation Limited (雅各臣科研製藥有限公司 ; Stock Code: 2633)

Jacobson Pharma is the largest generic drug company in Hong Kong with over 30% share of the total generic drug market for each year since 2012. The Group's proprietary medicines, notably being Po Chai Pills (「保濟丸」), Tong Tai Chung Woodlok Oil (「唐太宗活絡油」), Ho Chai Kung Tji Thung San (「何濟公止痛退熱散」), Contractubex Scar Gel (「秀碧除疤膏」) Doan's Ointment (「兜安氏藥膏」), Flying Eagle Wood Lok Medicated Oil (「飛鷹活絡油」), Saplingtan (「十靈丹」), Shiling Oil (「十靈油」) and Col-gan Tablet (「傷風克」) have been widely recognized by the market. Jacobson Pharma has been a constituent of MSCI Hong Kong Micro Cap Index since 1 June 2017. For more details about Jacobson Pharma, please visit the Group's website: <http://www.jacobsonpharma.com>

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