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Jacobson Pharma Corporation Limited

雅各臣科研製藥有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 2633

CONNECTED TRANSACTION

PROVISION OF LOAN FACILITY

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On 6 June 2022 (after trading hours), the Lender and the Borrower entered into the Facility Agreement, pursuant to which the Lender has agreed to grant to the Borrower the Loan Facility on the terms and subject to the conditions therein.

LISTING RULES IMPLICATIONS

As at the date of this announcement, (i) Mr. Sum is a director and a controlling shareholder of the Company, and therefore, a connected person of the Company at issuer level under Chapter 14A of the Listing Rules; and (ii) Mr. Sum, an executive Director and a substantial Shareholder, is interested in approximately 15.93% of the issued share capital of the Borrower (other than through his interests in the Company) comprising of (a) approximately 11.9% of the issued share capital of Borrower through Lincoln's Hill Development Limited, which is wholly-owned by Kingshill Development Group Inc. under the Kingshill Trust, a discretionary trust established by Mr. Sum (as the settlor) with Mr. Sum and his family members as discretionary beneficiaries, (b) approximately 4.0% of the issued share capital of the Borrower through Queenshill Development Limited, which is wholly-owned by Mr. Sum, and (c) approximately 0.03% of the issued share capital of the Borrower in the capacity of beneficial owner.

Accordingly, the Borrower is a connected subsidiary, and therefore a connected person, of the Company, and the provision of the Loan Facility by the Lender to the Borrower constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios are more than 0.1% but all of them are less than 5%, the Facility Agreement and the transaction contemplated thereunder are subject to the reporting and announcement requirements but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

FACILITY AGREEMENT

On 6 June 2022 (after trading hours), the Lender and the Borrower entered into the Facility Agreement, pursuant to which the Lender has agreed to grant to the Borrower the Loan Facility on the terms and subject to the conditions therein.

Principal terms of the Facility Agreement are as follows:

Date:	6 June 2022 (after trading hours)
Parties:	(1) the Lender (as lender); and (2) the Borrower (as borrower)
Loan Facility amount:	Up to the principal amount of HK\$60,000,000
Purpose:	Financing or refinancing the Borrower's general working capital
Interest rate:	HIBOR + 2.5% per annum
Availability period:	The period from the date of the Facility Agreement to the date falling 35 months from the date of the Facility Agreement (both days inclusive)
Maturity date:	The date falling 36 months from the first utilisation date of the Loan Facility
Security:	None

The Loan Facility is not secured by any assets of the Borrower or any other person, nor is it supported by any guarantee or other credit support from any other person. The Lender will finance the Loan Facility with its internal resources.

INFORMATION OF THE COMPANY, THE LENDER AND THE BORROWER

The Company

The principal business activity of the Company is investment holding. The Group is principally engaged in the manufacturing and trading of generic drugs and branded healthcare products.

The Lender

The Lender is a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company. The Lender is principally engaged in the provision of treasury services to the members of the Group.

The Borrower

The Borrower is an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 2161). The Borrower is a non-wholly-owned subsidiary of the Company.

The principal business activity of the Borrower is investment holding. The Borrower and its subsidiaries are principally engaged in the manufacturing and trading of branded healthcare products, comprising consumer healthcare products and proprietary Chinese medicines.

REASONS FOR AND BENEFITS OF THE PROVISION OF LOAN FACILITY

The terms of the Facility Agreement, including the applicable interest rate, were arrived at after arm's length negotiations between the Lender and the Borrower having taken into account, amongst others, the prevailing market interest rates and practices. The Facility Agreement was entered into by the Lender having regard to, amongst others, (i) the costs of funding of the Borrower; and (ii) the interest income to be generated by the provision of the Loan Facility.

In view of the above, taking into account the credit record of the Borrower and the Group's expected interest income, the Directors, including the independent non-executive Directors, are of the view that the terms of the Facility Agreement are on normal commercial terms and the provision of the Loan Facility is fair and reasonable, and in the interests of the Company and its Shareholders as a whole.

Mr. Sum, being a director and a controlling shareholder of each of the Company and the Borrower, and Mr. Yim Chun Leung, being a director of each of the Company and the Borrower, have abstained from voting on the resolutions of the Board in relation to the provision of the Loan Facility to avoid any potential conflict of interests. Save as disclosed above, none of the Directors has any material interest in the provision of the Loan Facility or is required to abstain from voting on the relevant resolutions of the Board approving the provision of the Loan Facility.

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As at the date of this announcement, (i) Mr. Sum is a director and controlling shareholder of the Company, and therefore, a connected person of the Company at issuer level under Chapter 14A of the Listing Rules; and (ii) Mr. Sum, an executive Director and a substantial Shareholder, is interested in approximately 15.93% of the issued share capital of the Borrower (other than through his interests in the Company) comprising of (a) approximately 11.9% of the issued share capital of Borrower through Lincoln's Hill Development Limited, which is wholly-owned by Kingshill Development Group Inc. under the Kingshill Trust, a discretionary trust established by Mr. Sum (as the settlor) with Mr. Sum and his family members as discretionary beneficiaries, (b) approximately 4.0% of the issued share capital of the Borrower through Queenshill Development Limited, which is wholly-owned by Mr. Sum, and (c) approximately 0.03% of the issued share capital of the Borrower in the capacity of beneficial owner.

Accordingly, the Borrower is a connected subsidiary, and therefore a connected person, of the Company, and the provision of the Loan Facility by the Lender to the Borrower constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios are more than 0.1% but all of them are less than 5%, the Facility Agreement and the transaction contemplated thereunder are subject to the reporting and announcement requirements but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Borrower”	JBM (Healthcare) Limited (健倍苗苗(保健)有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 2161)
“Company”	Jacobson Pharma Corporation Limited, an exempted company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 2633)
“connected person”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Facility Agreement”	the loan agreement entered into between the Lender as the lender and the Borrower as the borrower dated 6 June 2022 relating to the Loan Facility
“Group”	the Company and its subsidiaries
“HIBOR”	means the Screen Rate, or (if no Screen Rate is available) the rate as reasonably determined by the Lender
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People's Republic of China

“Lender”	Jacobson Group Treasury Limited, a company incorporated in Hong Kong with limited liability, an indirect wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Facility”	a loan facility in the amount of up to HK\$60,000,000 made or to be made available to the Borrower by the Lender on the terms and subject to the conditions set out in the Facility Agreement
“Mr. Sum”	Mr. Sum Kwong Yip, Derek
“Screen Rate”	the Hong Kong Interbank Offered Rate
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By Order of the Board
Jacobson Pharma Corporation Limited
Yu Chun Kau
Company Secretary

Hong Kong, 6 June 2022

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 and Ms. Pun Yue Wai as executive Directors, Professor Wong Chi Kei, Ian as non-executive Director, and Dr. Lam Kwing Tong, Alan, Mr. Young Chun Man, Kenneth and Professor Lam Sing Kwong, Simon as independent non-executive Directors.