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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 AMENDMENT TO THE FACILITY AGREEMENT

Reference is made to the announcement of the Company dated 6 June 2022 in relation to the provision of the Loan Facility in the principal amount of up to HK\$60,000,000 pursuant to the Facility Agreement.

AMENDMENT AGREEMENT

On 25 October 2022, the Lender and the Borrower entered into the Amendment Agreement to vary the terms of the Facility Agreement by increasing the maximum principal amount of the Loan Facility from HK\$60,000,000 to HK\$82,500,000. Save as amended and supplemented by the Amendment Agreement, all other terms, conditions and provisions in the Facility Agreement shall remain unchanged and shall remain in full force and effect.

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 11.90% 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 4.00% 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 Revised 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 in respect of the provision of the Revised Loan Facility in the principal amount of up to HK\$82,500,000 are more than 0.1% but all of them are less than 5%, the Facility Agreement (as amended and supplemented by the Amendment 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.

Reference is made to the announcement (“**Announcement**”) of the Company dated 6 June 2022 in relation to the provision of the Loan Facility in the principal amount of up to HK\$60,000,000 pursuant to the Facility Agreement. Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning given to them in the Announcement.

AMENDMENT AGREEMENT

On 25 October 2022, the Lender and the Borrower entered into the Amendment Agreement to vary the terms of the Facility Agreement by increasing the maximum principal amount of the Loan Facility from HK\$60,000,000 to HK\$82,500,000. Save as amended and supplemented by the Amendment Agreement, all other terms, conditions and provisions in the Facility Agreement shall remain unchanged and shall remain in full force and effect.

Principal terms of the Amendment Agreement are as follows:

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| Date: | 25 October 2022 |
| Parties: | (1) the Lender (as lender); and (2) the Borrower (as borrower) |
| Principal amount of the Revised Loan Facility: | The maximum principal amount of the Loan Facility is increased from HK\$60,000,000 to HK\$82,500,000. |
| Other terms: | Save as amended and supplemented by the Amendment Agreement, all other terms, conditions and provisions in the Facility Agreement shall remain unchanged and shall remain in full force and effect. |

The Revised 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 Revised 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 ENTERING INTO THE AMENDMENT AGREEMENT

The terms of the Facility Agreement and the Amendment Agreement, including the Revised Loan Facility and 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 Amendment Agreement was entered into by the Lender having regard to (i) the costs of funding of the Borrower; and (ii) the additional interest income to be generated by the provision of the Revised Loan Facility.

In view of the above, the Directors, including the independent non-executive Directors, are of the view that the terms of the Amendment Agreement are on normal commercial terms and the provision of the Revised 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 Amendment Agreement to avoid any potential conflict of interests. Save as disclosed above, none of the Directors has any material interest in the Amendment Agreement or is required to abstain from voting on the relevant resolutions of the Board approving the Amendment Agreement.

LISTING RULES IMPLICATIONS

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Accordingly, the Borrower is a connected subsidiary, and therefore a connected person, of the Company, and the provision of the Revised 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 in respect of the provision of the Revised Loan Facility in the principal amount of up to HK\$82,500,000 are more than 0.1% but all of them are less than 5%, the Facility Agreement (as amended and supplemented by the Amendment 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:

- “Amendment Agreement” the Amendment Agreement dated 25 October 2022 entered into between the Lender and the Borrower in relation to the Facility Agreement
- “Revised Loan Facility” a revised loan facility 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 (as amended and supplemented by the Amendment Agreement)

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

Hong Kong, 25 October 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.