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JBM (Healthcare) Limited

健倍苗苗 (保健) 有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2161)

DISCLOSEABLE TRANSACTION ACQUISITION OF TARGET COMPANY

THE ACQUISITION

On 21 February 2025 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the SPA with the Seller, pursuant to which the Purchaser has conditionally agreed to acquire and the Seller has conditionally agreed to sell the Sale Shares (representing 90% of the issued share capital of the Target Company) at a total consideration of HK\$171,000,000 pursuant to the terms and conditions of the SPA.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Acquisition is more than 5% but all of them are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is subject to the reporting and announcement requirements but is exempt from Shareholders' approval requirement under the Listing Rules.

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The SPA

Date

21 February 2025 (after trading hours)

Parties

The Purchaser

The Seller

Subject matter

The Purchaser has conditionally agreed to acquire and the Seller has conditionally agreed to sell the Sale Shares (representing 90% of the issued share capital of the Target Company) at a total consideration of HK\$171,000,000 pursuant to the terms and conditions of the SPA.

Conditions

Completion of the SPA is conditional upon:

- (a) the Purchaser having completed its due diligence on the Target Company and the results of which are to the satisfaction of the Purchaser;
- (b) the warranties given by the Seller in the SPA remaining true and accurate and not misleading in all respects as of the date of the SPA and as of the Completion Date by reference to the facts and circumstances subsisting as at the date of the SPA and the Completion Date respectively;
- (c) there having been no material adverse change in the business, assets, financial or trading positions, profits or prospects of the Target Company since the date of the SPA;
- (d) any necessary consents, approvals and authorisations from third parties and relevant authorities required for entering into the SPA and performing the obligations thereunder having been obtained and remain in full force and effect;
- (e) the Minority Shareholder having entered into the ROFR Agreement;

- (f) all legal and beneficial rights, titles and interests in and to three trademarks registered in the United States together with all associated goodwill having been duly transferred to the Target Company and recordations having been duly filed with the United States Patent and Trademark Office to reflect the Target Company as the owner at the Seller's costs; and
- (g) the existing employment agreement between the Target Company and the Minority Shareholder having been terminated and the Minority Shareholder having entered into a new service agreement with the Target Company in a form satisfactory to the Purchaser.

The parties shall use their respective best endeavours to procure the fulfilment of all the conditions set out above as soon as practicable. In particular, the Seller shall procure the fulfilment of the conditions set out in paragraphs (a) to (g) (to the extent that relates to the Seller) and the Purchaser shall procure the fulfilment of the conditions set out in paragraphs (a) to (g) (to the extent relates to the Purchaser). The Purchaser may waive in writing any condition set out above at its own discretion.

If any of the conditions set out above has not been satisfied (or as the case may be, waived by the Purchaser) on or before the Long Stop Date (save for the condition set out in paragraphs (e) and (g) which shall be fulfilled simultaneously at Completion), the SPA shall be terminated.

Consideration

Subject to Completion and the terms and conditions of the SPA, the Consideration shall be HK\$171,000,000 in total and shall be paid by the Purchaser to the Seller in the following manner:

- (a) upon execution of the SPA, HK\$102,600,000 shall be paid by the Purchaser to the Seller which shall only be applied to satisfy part of the Consideration at Completion;
- (b) at Completion, HK\$63,600,000 shall be paid by the Purchaser to the Seller;
- (c) HK\$300,000 shall be retained by the Purchaser after Completion and shall be considered to be paid to the Seller when the Purchaser uses such retained sum for the settlement of stamp duties and certain legal expenses incurred by the Purchaser and/or Seller in relation to the transactions contemplated under the SPA. The remaining balance of the retained amount will be released to the Seller after settlement of the aforementioned stamp duties and expenses; and

- (d) HK\$4,500,000 (the “**Property Payment**”) shall be paid by the Purchaser to the Seller within 14 days after all the following conditions having been satisfied (or waived by the Purchaser at its sole discretion) (the “**Property Payment Conditions**”) by 31 March 2026:
- (i) the Seller having delivered to the Purchaser all Property Documents and/or a statutory declaration(s) made by current or former director(s) of the Target Company covering contents to the satisfaction of the Purchaser by 31 March 2026; and
 - (ii) the Purchaser having completed its due diligence on and review of Property Documents and the results of which are to its satisfaction.

The Purchaser and the Seller shall use their respective best endeavours to procure the fulfilment of the Property Payment Conditions as soon as practicable on or before 31 March 2026. The Purchaser may waive in writing any of Property Payment Conditions at its sole discretion.

In the event any of the Property Payment Conditions is not satisfied (or waived by the Purchaser (where applicable)) on or before 31 March 2026, the Seller shall cease to be entitled to the Property Payment and the Purchaser shall be released from the obligations to pay the Property Payment thereafter.

The Consideration was determined after the arm’s length negotiations between the parties to the SPA and with reference to, among other things, (i) the historical financial performance of the Target Company, (ii) the financial position of the Target Company; and (iii) the benefits of the Acquisition as set out in the section headed “Reasons for the Acquisition”. The Consideration will be satisfied by internal resources and/or external financing of the Group.

The Consideration comprised the consideration for acquiring the Properties with an aggregate saleable area of approximately 7,000 square feet which were valued at HK\$27 million and the business of the Target Company at a value of HK\$144 million.

Completion

Completion shall take place on the next Business Day after all the conditions (other than the condition set out in paragraphs (e) and (g) under the paragraph headed “The SPA – Conditions” which shall be satisfied simultaneously at Completion) having been fulfilled or waived by the Purchaser (or such other date as the parties may agree in writing).

ROFR Agreement

The Minority Shareholder shall enter into the ROFR Agreement with the Purchaser at Completion. Pursuant to the ROFR Agreement, the Purchaser shall have a right of first refusal in relation to the remaining 10% of the issued share capital of the Target Company held by the Minority Shareholder. In the event that the Minority Shareholder intends to sell all or part of the issued shares of the Target Company held by him, he shall first offer to sell the relevant shares of the Target Company to the Purchaser.

INFORMATION OF THE TARGET COMPANY

The Target Company is a company incorporated in Hong Kong with limited liability and is principally engaged in the manufacture, marketing and sales of a proprietary Chinese medicine, namely Tin Hee Tong Tin Hee Pills.

Set out below is the financial information of the Target Company for the two financial years ended 31 March 2023 and 2024 based on its audited financial statements prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the unaudited financial statements of the Target Company for the six months ended 30 September 2024:

	For the financial year ended		For the six months ended
	31 March		30 September
	2023	2024	2024
	(audited)	(audited)	(unaudited)
	HK\$'000	HK\$'000	HK\$'000
Net profit before tax	15,191	19,065	12,021
Net profit after tax	12,853	16,333	10,038

As at 30 September 2024, the unaudited net asset value of the Target Company was approximately HK\$35,541,000.

INFORMATION OF THE PARTIES TO THE ACQUISITION

The Purchaser

The Company is an exempted company with limited liability incorporated in the Cayman Islands. The Company is an investment holding company. The Group is principally engaged in the manufacturing, sale and distribution of proprietary Chinese medicines, branded medicines, and health and wellness products.

The Purchaser is an indirect wholly-owned subsidiary of the Company. The principal business of the Purchaser is investment holdings.

The Seller

The Seller is an individual investor. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Seller is an Independent Third Party.

REASONS FOR THE ACQUISITION

With a long-standing heritage spanning decades, Tin Hee Tong Tin Hee Pills enjoys strong brand recognition in both Hong Kong and mainland China, particularly in Guangdong Province. Formulated to regulate the female menstrual cycle, promote reproductive health, and enhance blood circulation for a radiant complexion, they are widely regarded by female consumers as a trusted remedy for gynecological well-being. The Group believes that Tin Hee Tong Tin Hee Pills represents a prestigious brand with strategic value for long-term business growth.

The Acquisition represents a valuable opportunity to expand the Group's portfolio of proprietary Chinese medicines and accelerate its growth strategies. By integrating this iconic brand into its existing portfolio of traditional Chinese medicines, the Group is well-positioned to capitalise on market growth driven by increasing consumer demand for holistic health solutions. The Group is confident that the Acquisition will deliver sustainable sales generating healthy cash flow and earnings growth.

To maximise the brand's potential, the Group plans to launch a comprehensive marketing campaign, leveraging its proven brand management expertise to enhance brand awareness and drive consumer engagement. By expanding its distribution networks and market reach, the Group aims to unlock the potential of Tin Hee Tong Tin Hee Pills by tapping into underserved markets and capturing new customer segments. These initiatives are expected to uplift sales and earnings performance, thus creating strategic value for the Group.

Furthermore, the Acquisition is expected to generate significant synergies by leveraging the complementary strengths of the acquired business to drive the expansion of the Group's proprietary Chinese medicines portfolio. This aligns with the Group's strategy of acquiring assets and businesses that provide a good strategic fit, reinforcing its long-term vision and enhancing value for Shareholders.

Accordingly, the Directors are of the view that the terms of the SPA (including the Consideration) are on normal commercial terms, fair and reasonable, and that the Acquisition is in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Acquisition is more than 5% but all of them are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is subject to the reporting and announcement requirements but is exempt from Shareholders' approval requirement under the Listing Rules.

DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Shares by the Purchaser as contemplated under the SPA
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, a Sunday and a public holiday) on which banks are generally open in Hong Kong for business
“Company”	JBM (Healthcare) Limited (健倍苗苗(保健)有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 7 January 2020 and the issued Shares of which were listed on the Main Board of the Stock Exchange on 5 February 2021 (stock code: 2161)
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the terms of the SPA
“Completion Date”	the next Business Day after all the conditions under the SPA (other than the condition set out in paragraphs (e) and (g) under the paragraph headed “The SPA – Conditions” which shall be satisfied simultaneously at Completion) having been fulfilled or waived by the relevant parties (or such other date as the Purchaser and the Seller may agree in writing)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration for the sale and purchase of the Sale Shares in an aggregate of HK\$171,000,000
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	the third party who is/are independent of and not connected with, the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time

“Long Stop Date”	31 March 2026 (or such later date as the Purchaser and the Seller may agree in writing)
“mainland China” or “the PRC”	the People’s Republic of China excluding, for the purpose of this announcement only, Hong Kong, Macau and Taiwan
“Minority Shareholder”	Mr. Yang QiCheng David who holds 2,550 ordinary shares of the Target Company, representing 10% of the issued shares of the Target Company
“percentage ratio(s)”	has the meaning as prescribed in the Listing Rules
“Properties”	three factory units owned by the Target Company in Chai Wan, Hong Kong
“Property Documents”	all the title deeds and documents evidencing or in relation to the title to one of the Properties
“Property Payment”	has the meaning ascribed to it in the section headed “The SPA – Consideration” of this announcement
“Property Payment Conditions”	has the meaning ascribed to it in the section headed “The SPA – Consideration” of this announcement
“Purchaser”	Arrow King Inc., a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“ROFR Agreement”	an agreement to be entered into between the Purchaser and the Minority Shareholder at Completion pursuant to which the Minority Shareholder shall grant the Purchaser a right of first refusal over the ordinary shares of the Target Company held by the Minority Shareholder
“Sale Shares”	22,950 ordinary shares of the Target Company, representing 90% of the issued shares of the Target Company
“Seller”	Mr. Hou Jiasheng
“Share(s)”	the ordinary share(s) in the capital of the Company with nominal value of HK\$0.01 each
“Shareholder(s)”	the holder(s) of the Share(s)
“SPA”	the sale and purchase agreement dated 21 February 2025 entered into between the Purchaser and the Seller in respect of the Acquisition
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Target Company”

Tin Hee Tong Medicine Factory, Limited, a company incorporated in Hong Kong

“%”

per cent.

By order of the Board
JBM (Healthcare) Limited
YU Chun Kau
Company Secretary

Hong Kong, 21 February 2025

As at the date of this announcement, the Board comprises Mr. Sum Kwong Yip, Derek as the Chairman and non-executive Director, Mr. Wong Yat Wai, Patrick (also as Chief Executive Officer) and Dr. Cheng Celine Heung Kwan as executive Directors, Mr. Yim Chun Leung and Mr. Yeung Kwok Chun, Harry as non-executive Directors, and Mr. Chan Kam Chiu, Simon, Mr. Luk Ting Lung, Alan and Mr. Lau Shut Lee, Tony as independent non-executive Directors.