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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)



JBM (Healthcare) Limited

健倍苗苗(保健)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2161)

**JOINT ANNOUNCEMENT
CONNECTED TRANSACTION
AND
CONTINUING CONNECTED TRANSACTION
2025 EUROPHARM LICENSE AGREEMENT**

THE 2025 EUROPHARM LICENSE AGREEMENT

As the 2020 License Agreement will expire on 30 November 2025, Europharm and Europharm HK entered into the 2025 Europharm License Agreement on 28 October 2025 pursuant to which Europharm agreed to grant a license to Europharm HK to use a portion of the Factory for a period from 1 December 2025 to 27 January 2028 (both days inclusive) at a monthly license fee of HK\$247,000 pursuant to the terms and conditions of the 2025 Europharm License Agreement.

LISTING RULES IMPLICATIONS

Mr. Sum, an executive director, the chairman and a controlling shareholder of JBM, is interested in approximately 70.07% of the issued shares of Jacobson, and Europharm is an indirect wholly-owned subsidiary of Jacobson. Europharm is therefore an associate of Mr. Sum and a connected person of JBM.

Mr. Sum, an executive director, the chairman, the chief executive officer and a controlling shareholder of Jacobson, is interested in approximately 71.96% of the issued shares of JBM, and Europharm HK is an indirect wholly-owned subsidiary of JBM. Europharm HK is therefore an associate of Mr. Sum and a connected person of Jacobson.

Since the License Agreements were entered into between members of the JBM Group with Europharm in respect of the license of the use of the Factory, the transactions contemplated under the License Agreements were aggregated pursuant to the requirements of the Listing Rules.

In accordance with HKFRS 16 – Leases, the license fees payable by Europharm HK under the 2025 Europharm License Agreement will be recognised as a right-of-use asset and therefore the entering into of the 2025 Europharm License Agreement will be regarded as an acquisition of assets by JBM for the purpose of the Listing Rules, which will constitute a one-off connected transaction of JBM under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the value of right-of-use to be recognised by JBM is more than 0.1% but less than 5%, the License Agreements are subject to the reporting and announcement requirements but are exempt from the circular and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

On the other hand, the connected transaction under the 2025 Europharm License Agreement constitutes a continuing connected transaction of Jacobson under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the aggregate annual license fees receivable by Jacobson under the License Agreements is below 5% but the total considerations exceed HK\$3,000,000, the License Agreements are subject to the reporting and announcement requirements but are exempt from the circular and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

THE 2025 EUROPHARM LICENSE AGREEMENT

As the 2020 License Agreement will expire on 30 November 2025, Europharm and Europharm HK entered into the 2025 Europharm License Agreement on 28 October 2025 pursuant to which Europharm agreed to grant a license to Europharm HK to use a portion of the Factory for a period from 1 December 2025 to 27 January 2028 (both days inclusive) at a monthly license fee of HK\$247,000 pursuant to the terms and conditions of the 2025 Europharm License Agreement.

The principal terms of the 2025 Europharm License Agreement are set out below:

Date: 28 October 2025

Parties: (i) Europharm as Licensor
(ii) Europharm HK as Licensee

Term: The 2025 Europharm License Agreement has a term of two years and fifty-eight days commencing from 1 December 2025 and ending on 27 January 2028 (both days inclusive)

Licensed Premises: An aggregate of 2,415 square meters, comprising a portion of each of the ground floor, first floor and fourth floor of the Factory with the detailed identification set out in the 2025 Europharm License Agreement.

License Fee: HK\$247,000 per month (excluding rates, management charges and other outgoings)

The license fee shall be payable by Europharm HK on the first day of each calendar month during the term of the 2025 Europharm License Agreement.

The license fee was determined after arm's length negotiation between the parties with reference to (i) the area of the Factory licensed to Europharm HK; (ii) the geographical location of the Factory; (iii) the historical license fees; and (iv) the rent payable by Europharm under the Lease. The license fee payable under the 2025 Europharm License Agreement will be paid by Europharm HK using its internal resources.

RIGHT-OF-USE ASSET UNDER THE 2025 EUROPHARM LICENSE AGREEMENT

The value of the right-of-use asset to be recognised by Europharm HK under the 2025 Europharm License Agreement is estimated to be approximately HK\$6,190,000, which is the present value of the aggregated license fees payable for the entire term of the 2025 Europharm License Agreement in accordance with HKFRS 16 – Leases. Shareholders should note that the above figures are unaudited and may be subject to adjustment.

ANNUAL CAPS

On 28 February 2025, Europharm and LCSTH also entered into the 2025 License Agreement pursuant to which Europharm agreed to grant a license to LCSTH to use a separate portion of the Factory in an aggregate of 2,072 square meters (comprising a portion of each of the ground floor, second floor, third floor, fourth floor and the rooftop of the Factory with the detailed identification set out in the 2025 License Agreement) from 28 January 2025 to 27 January 2028 (both days inclusive) at a monthly license fee of HK\$218,000 pursuant to the terms and conditions of the 2025 License Agreement. The license fee shall be payable by LCSTH on the first day of each calendar month during the term of the 2025 License Agreement.

Since the License Agreements were entered into between members of the JBM Group with Europharm in respect of the license for the use of the Factory, the transactions contemplated under the License Agreements were aggregated pursuant to the requirements of the Listing Rules.

The annual caps under the License Agreements remained the same and are as follows:

Annual cap (HK\$'000)		
1 April 2025 to 31 March 2026	1 April 2026 to 31 March 2027	1 April 2027 to 27 January 2028
5,580	5,580	4,590

The annual caps have been arrived at based on the following factors: (i) the aggregate license fees under the License Agreements for the relevant financial year; (ii) the area of the Factory licensed to members of the JBM Group; (iii) the geographical location of the Factory; (iv) historical license fees of approximately HK\$5,580,000 for each of the financial year ended 31 March 2023, 2024 and 2025; (v) the rent payable by Europharm under the Lease; and (vi) the reasons and benefits set out in the paragraph headed “Reasons for and benefits of entering into the 2025 Europharm License Agreement”.

REASONS FOR AND BENEFITS OF ENTERING INTO THE 2025 EUROPHARM LICENSE AGREEMENT

Since 2007, Europharm has leased the Factory from the Science Park for medicine manufacturing. Under the Lease, Europharm is permitted to license the Factory’s use to certain entities with the prior written approval of the Science Park.

This licensing arrangement under the 2025 Europharm License Agreement benefits Europharm by generating rental income from the unused Factory space. It also benefits Europharm HK by providing a suitable manufacturing location. Relocating Europharm HK existing GMP-accredited facility would be costly and time-consuming. Therefore, the 2025 Europharm License Agreement allows Europharm HK to continue its operations without disruption and avoid relocation expenses.

In light of these factors, the directors of Jacobson and JBM (including their independent non-executive directors) consider that the 2025 Europharm License Agreement is in the ordinary and usual course of business for Jacobson and JBM, and the terms of the 2025 Europharm License Agreement are fair, reasonable, on normal commercial terms, and in the best interests of both companies and their shareholders as a whole.

Mr. Sum, being a director and a controlling shareholder of both Jacobson and JBM, Mr. Yim Chun Leung and Mr. Luk Ting Lung, Alan, being a director of both Jacobson and JBM, have abstained from voting on the relevant resolutions of their respective boards in relation to the 2025 Europharm License Agreement to avoid any potential conflict of interest. Save as disclosed above, no other directors of Jacobson or JBM are considered to have a material interest in the 2025 Europharm License Agreement or are required to abstain from voting on the related board resolutions.

INTERNAL CONTROL

Jacobson has adopted the following internal control and corporate governance measures to ensure that the transactions contemplated under the License Agreements will be conducted on normal commercial terms and in accordance with its terms:

- (i) the audit committee of Jacobson will be reviewing and evaluating the terms of the License Agreements for the continuing connected transactions, in particular the annual caps, to ensure that such terms are fair and reasonable to the corresponding group and in compliance with the Listing Rules;
- (ii) the directors (including the independent non-executive directors) of Jacobson will be able to seek independent professional advice in respect of the continuing connected transactions from external professional parties in appropriate circumstances;
- (iii) the various internal departments (including but not limited to the finance and accounting department) of Jacobson will regularly monitor the implementation of the continuing connected transactions and keep track of the aggregate transaction amounts under the relevant agreements to ensure that the pricing principles and annual caps contained therein are complied with;
- (iv) Jacobson has adopted relevant reporting and record-keeping procedures to allow its independent non-executive directors and auditors to perform annual review of the continuing connected transactions (including the transactions contemplated under the License Agreements) and provide annual confirmations in accordance with the Listing Rules; and
- (v) Jacobson will duly disclose in its annual report the continuing connected transactions to be conducted during each financial year, together with the conclusions drawn by its independent non-executive directors on whether the transactions are conducted in its ordinary and usual course of business, on normal commercial terms or better, and according to the relevant agreements on terms that are fair and reasonable and in the interests of its shareholders as a whole.

LISTING RULES IMPLICATIONS

Mr. Sum, an executive director, the chairman and a controlling shareholder of JBM, is interested in approximately 70.07% of the issued shares of Jacobson, and Europharm is an indirect wholly-owned subsidiary of Jacobson. Europharm is therefore an associate of Mr. Sum and a connected person of JBM.

Mr. Sum, an executive director, the chairman, the chief executive officer and a controlling shareholder of Jacobson, is interested in approximately 71.96% of the issued shares of JBM, and Europharm HK is an indirect wholly-owned subsidiary of JBM and LCSTH is an indirect non-wholly-owned subsidiary of JBM. Europharm HK and LCSTH are associates of Mr. Sum and connected persons of Jacobson.

Since the License Agreements were entered into between members of the JBM Group with Europharm in respect of the license of the Factory, the transactions contemplated under the License Agreements were aggregated pursuant to the requirements of the Listing Rules.

In accordance with HKFRS 16 – Leases, the license fees payable by Europharm HK under the 2025 Europharm License Agreement will be recognised as a right-of-use asset and therefore the entering into of the 2025 Europharm License Agreement will be regarded as an acquisition of assets by JBM for the purpose of the Listing Rules, which will constitute a one-off connected transaction of JBM under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the value of right-of-use to be recognised by JBM is more than 0.1% but less than 5%, the License Agreements are subject to the reporting and announcement requirements but are exempt from the circular and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

On the other hand, the connected transaction under the 2025 Europharm License Agreement constitutes a continuing connected transaction of Jacobson under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the aggregate annual license fees receivable by Jacobson under the License Agreements is below 5% but the total considerations exceed HK\$3,000,000, the License Agreements are subject to the reporting and announcement requirements but are exempt from the circular and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

INFORMATION OF THE PARTIES

Licensor

Jacobson is an exempted company with limited liability incorporated in the Cayman Islands and an investment holding company, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 2633). Jacobson and its subsidiaries are principally engaged in the manufacturing, sale and distribution of essential medicines and specialty drugs. As at the date of this joint announcement, Mr. Sum is interested in approximately 70.07% of the issued shares of Jacobson.

Europharm is an indirect wholly-owned subsidiary of Jacobson, which is principally engaged in the manufacturing and sale of essential medicines and specialty drugs.

The Licensees

JBM is an exempted company with limited liability incorporated in the Cayman Islands and an investment holding company, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 2161). JBM Group is principally engaged in the manufacturing and trading of proprietary medicines and distributing health and wellness products. As at the date of this joint announcement, Mr. Sum is interested in approximately 71.96% of the issued shares of JBM.

Europharm HK is an indirect wholly-owned subsidiary of JBM, which is principally engaged in the manufacturing and sale of proprietary Chinese medicines.

LCSTH is a company with limited liability incorporated under the laws of Hong Kong on 8 January 1988. As at the date of this joint announcement, it is owned indirectly by JBM as to 71.9% and accounted for as a subsidiary of JBM, and is owned directly by Europharm as to 20.1% and accounted for as an associate of Jacobson. It is principally engaged in the manufacturing and sale of proprietary Chinese medicines.

DEFINITIONS

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

“2020 License Agreement”	the license agreement dated 1 December 2020 entered into between Europharm and Europharm HK
“2025 Europharm License Agreement”	the license agreement dated 28 October 2025 entered into between Europharm and Europharm HK
“2025 License Agreement”	the license agreement dated 28 February 2025 entered into between Europharm and LCSTH
“associate(s)”	has the meaning as prescribed in the Listing Rules
“connected person(s)”	has the meaning as prescribed in the Listing Rules
“controlling shareholder”	has the meaning as prescribed in the Listing Rules
“Europharm”	Europharm Laboratoires Company Limited (歐化藥業有限公司), a company incorporated in Hong Kong, and an indirect wholly-owned subsidiary of Jacobson
“Europharm HK”	Europharm Laboratoires (Hong Kong) Company Limited (歐化藥業(香港)有限公司), a company incorporated in Hong Kong, and an indirect wholly-owned subsidiary of JBM

“Factory”	certain land and buildings at Tai Po InnoPark
“GMP”	Good Manufacturing Practice, a set of detailed guidelines on practices governing the production of pharmaceutical products designed to protect consumers by minimising production errors and the possibility of contamination
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Jacobson”	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 on 16 February 2016 and the issued shares of which were listed on the Main Board of the Stock Exchange on 21 September 2016 (stock code: 2633)
“JBM”	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)
“JBM Group”	JBM and its subsidiaries from time to time
“LCSTH”	Li Chung Shing Tong (Holdings) Limited (李衆勝堂(集團)有限公司), a company incorporated in Hong Kong, and an indirect non-wholly-owned subsidiary of JBM and an associate of Jacobson
“Lease”	the lease dated 6 February 2017 entered into between Europharm and Science Park for a parcel of land in Tai Po
“License Agreements”	the 2025 Europharm License Agreement and the 2025 License Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time

“Mr. Sum”	Mr. Sum Kwong Yip, Derek, (i) an executive director, the chairman, chief executive officer and a controlling shareholder of Jacobson; and (ii) an executive director, the chairman and a controlling shareholder of JBM
“percentage ratio(s)”	has the meaning as prescribed in the Listing Rules
“Science Park”	Hong Kong Science and Technology Parks Corporation, a company incorporated in Hong Kong
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By Order of the Board
Jacobson Pharma Corporation Limited
YIM Chun Leung
Executive Director

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

Hong Kong, 28 October 2025

As at the date of this joint announcement, the board of directors of Jacobson 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 Mr. Luk Ting Lung, Alan as independent non-executive directors.

As at the date of this joint announcement, the board of directors of JBM comprises Mr. Sum Kwong Yip, Derek (also as Chairman), Mr. Yim Chun Leung and Dr. Cheng Celine Heung Kwan as executive directors, Mr. Yeung Kwok Chun, Harry and Dr. Xu Hong Xi 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.