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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)



萬隆控股集團有限公司
Ban Loong Holdings Limited
(Incorporated in Bermuda with limited liability)
(Stock Code : 30)



JBM (HEALTHCARE) LIMITED
健倍苗苗(保健)有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2161)

VOLUNTARY ANNOUNCEMENT

FORMATION OF JOINT VENTURE FOR

DISTRIBUTION OF SPECIALTY PHARMACEUTICALS, BRANDED HEALTHCARE PRODUCTS AND MEDICAL DEVICES IN GREATER CHINA AND SELECTED MARKETS IN ASIA PACIFIC REGION

This is a voluntary announcement jointly made by Ban Loong Holdings Limited (“**Ban Loong**”, together with its subsidiaries, the “**Ban Loong Group**”), Jacobson Pharma Corporation (“**Jacobson**”, together with its subsidiaries (excluding the JBM Group), the “**Jacobson Group**”) and JBM (Healthcare) Limited (“**JBM**”, together with its subsidiaries, the “**JBM Group**”).

The board of directors of Ban Loong (the “**Ban Loong Board**”), the board of directors of Jacobson (the “**Jacobson Board**”) and the board of directors of JBM (the “**JBM Board**”) are pleased to jointly announce that, on 15 June 2022, (i) China Future Int’l Company Limited (“**Ban Loong Entity**”), a wholly-owned subsidiary of Ban Loong, the controlling shareholder of which is Yunnan Baiyao Group Co., Ltd.* (雲南白藥集團股份有限公司; “**Yunnan Baiyao**”), a company listed on the Shenzhen Stock Exchange with stock code 000538; (ii) Ferguson Healthcare Holdings (BVI) Limited (“**Jacobson Entity**”), a wholly-owned subsidiary of Jacobson; (iii) Joy Wish Limited (“**JBM Entity**”, together with Ban Loong Entity and Jacobson Entity, the “**JV Partners**”), a wholly-owned subsidiary of JBM; and (iv) Ban Loong Jacobson JBM Pharma Limited (the “**Joint Venture**”), enter into a shareholders’ agreement (the “**Shareholders’ Agreement**”) pursuant to which the JV Partners agreed to form the Joint Venture to principally engage in (i) in-licensing of specialty pharmaceuticals (including orphan drugs), over-the-counter medicines, branded healthcare products (including herb-based products) and medical devices (the “**Products**”); (ii) sales and distribution of the Products to Greater China and selected markets in Asia Pacific region; and (iii) tapping merger and acquisition opportunities.

The goal is to establish a strong foothold for the Joint Venture in the areas of specialty pharmaceuticals and branded healthcare products in Greater China and selected markets in Asia Pacific region. The Ban Loong Group, Jacobson Group and the JBM Group are well-positioned to leverage their respective industry knowhow, market capabilities, financing resources and regional networks with a view to realizing tangible business opportunities for the Joint Venture.

Principal Terms of Shareholders Agreement

Pursuant to the Shareholders' Agreement, the Joint Venture will be owned as to 60% by Ban Loong Entity, 20% by Jacobson Entity and 20% by JBM Entity respectively. The total investment commitment by the JV Partners in the Joint Venture is HK\$6,000,000 which shall be contributed by the JV Partners within two (2) years from the date of the Shareholders' Agreement in proportion to their respective shareholding in the Joint Venture.

The Ban Loong Board is satisfied that the terms and conditions of the Shareholders' Agreement have been arrived upon arm's length negotiations with other JV Partners, are on normal commercial terms, in the ordinary and usual course of business of Ban Loong Group, are fair and reasonable, and in the best interest of the Ban Loong Group and its shareholders as a whole.

The Jacobson Board is satisfied that the terms and conditions of the Shareholders' Agreement have been arrived upon arm's length negotiations with other JV Partners, are on normal commercial terms, in the ordinary and usual course of business of Jacobson Group, are fair and reasonable, and in the best interest of the Jacobson Group and its shareholders as a whole.

The JBM Board is satisfied that the terms and conditions of the Shareholders' Agreement have been arrived upon arm's length negotiations with other JV Partners, are on normal commercial terms, in the ordinary and usual course of business of JBM Group, are fair and reasonable, and in the best interest of the JBM Group and its shareholders as a whole.

Reasons for entering into the Shareholders Agreement

The pharmaceutical, healthcare and medical device market in China has experienced continuous growth over the previous decade. According to the world bank, the combined expenditure on healthcare was estimated at approximately 5.3% of China's total GDP, which is equivalent to RMB5 trillion in 2019. A strong growth forecast is also expected in the next few years with an annual average growth rate of over 9% in the pharmaceutical and healthcare market. When compared to other developed countries, which have an approximate 8-11% of GDP on health expenditure, China's market in healthcare is expected to enjoy a continuous growth with the support of its fast-expanding middle class population with more than 700 million in 2018. The life expectancy of China's population is also expected to exceed the mark of 80 years of age by 2035, which will offer a growth momentum for healthcare products. By considering the aforementioned factors, the market presents a tremendous potential for expansion in the upcoming years, especially with the heightened awareness of personal healthcare in the post-pandemic era. Moreover, the People's Republic of China ("PRC")'s 14th Five-Year Plan has set out the nation's goal for 2021–2025 on building a "Healthy China", which will enhance the government's investments in improving its citizens' physical and mental well-being.

In view of the above, the Ban Loong Board, Jacobson Board and JBM Board jointly believe that given the promising growth of the market and increased focus on personal healthcare in Greater China as well as selected markets in Asia Pacific region, there is a substantial market potential for the Joint Venture to explore.

Benefits of the Joint Venture

The Joint Venture is formed by three well-established business entities in the relevant industries and/or region. Ban Loong is an internationalized healthcare products trading company with its business presence covering Greater China and key Asian markets including Japan, South Korea and ASEAN countries, as an authorized general agent for branded products from the United States, Switzerland and other European Union firms, Ban Loong possesses a wide range of well-selected healthcare products in its portfolio. Jacobson is a leading pharmaceutical company in Hong Kong. It is a vertically-integrated company engaged in research and development, production, sale and distribution of essential and specialty medicines. JBM is a leading branded healthcare operator in Hong Kong, with a rich business portfolio comprising over 190 renowned brands covering branded medicines, proprietary Chinese medicines, medical devices as well as health and wellness products. Considering the JV Partners' knowhow, network and market strengths in their respective industry, the Ban Loong Board, the Jacobson Board and the JBM Board are of the view that the strategic cooperation among the JV Partners will create a strong synergy, and that the Joint Venture will be able to exploit and seize the market opportunities available in specialty pharmaceuticals, branded healthcare products and medical device markets in Greater China and selected markets in Asia Pacific region.

The Ban Loong Board considers that the entering into the Shareholders' Agreement is in alignment with Ban Loong Group's healthcare trading strategy of screening and distributing the most valuable healthcare products worldwide to meet the growing demand of the emerging markets in Asia, which would benefit Ban Loong Group in the following aspects:

- 1) *Widening the products catalogue from healthcare to prescription medicines, over-the-counter medicines and medical devices*

The Ban Loong Board considers that by cooperation with Jacobson Group and JBM Group, Ban Loong Group will expand its business operation into pharmaceuticals, over-the-counter medicines and medical devices, which will be complementary to its current portfolio. The introduction of new products will enable Ban Loong Group to serve more potential customers with mental illness and physical conditions.

- 2) *Generating of potential revenue*

The Ban Loong Board considers that the establishment of Joint Venture would help to expand and promote the growth of the Ban Loong Group's potential businesses of trading healthcare products in the Greater China and key Asian markets. The Ban Loong Board is also expected to expand the sales channels of the Ban Loong Group in the oversea market, which is therefore expected to increase the Ban Loong Group's profitability and bring long term value to the Ban Loong Group.

The Jacobson Board and the JBM Board consider that entering into the Shareholders' Agreement is in alignment with their respective business strategy of tapping into the sizable specialty pharmaceuticals, branded healthcare products and medical device markets in Greater China and selected markets of Asia Pacific region, which would benefit the Jacobson Group and JBM Group in the following aspects:

- 1) *Enhancing access of market for specialty pharmaceuticals, over-the-counter medicines, branded healthcare products and medical devices in Greater China and selected markets in Asia Pacific region*

The Jacobson Board and the JBM Board consider that by cooperation with Ban Loong Entity, Jacobson Group and JBM Group will have the opportunity to distribute the Products through the Joint Venture in Greater China and selected markets in Asia Pacific region, and the collaboration can enhance the availability of quality healthcare and medical products in aforementioned regions, thereby promoting the market brand presence of Jacobson Group and JBM Group in Greater China and selected markets in Asia Pacific region.

- 2) *Generation of potential cross-selling synergy*

The Jacobson Board and the JBM Board believe that the establishment of the Joint Venture may serve as a new platform to market and distribute the products of respective JV Partners and create a cross-selling synergy.

Implication of the Listing Rules

As all of the relevant percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the aggregated total commitment to be provided by Ban Loong Group under the Shareholders' Agreement are less than 5%, the Shareholders' Agreement and the transactions contemplated thereunder are exempt from the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules, and this announcement is jointly made by Ban Loong Group on a voluntary basis.

As all of the relevant percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the aggregated total commitment to be provided by Jacobson Group under the Shareholders' Agreement are less than 5% and the total commitment of Jacobson is less than HK\$3,000,000, the Shareholders' Agreement and the transactions contemplated thereunder are exempt from the reporting, announcement and shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules, and this announcement is jointly made by the Jacobson Group on a voluntary basis.

As all of the relevant percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the aggregated total commitment to be provided by JBM Group under the Shareholders' Agreement are less than 5% and the total commitment of JBM is less than HK\$3,000,000, the Shareholders' Agreement and the transactions contemplated thereunder are exempt from the reporting, announcement and shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules, and this announcement is jointly made by JBM Group on a voluntary basis.

* *for identification purpose only*

By Order of the Board
**Jacobson Pharma
Corporation Limited**

Yu Chun Kau
*Chief Financial Officer &
Company Secretary*

By Order of the Board
Ban Loong Holdings Limited

Liu Zhouyang
*Executive Director &
Deputy Chief Executive Officer*

By Order of the Board
**JBM (Healthcare)
Limited**

Wong Yat Wai, Patrick
*Executive Director &
Chief Executive Officer*

Hong Kong, 15 June 2022

As at the date of this joint announcement, the Board of Ban Loong comprises Mr. Dong Ming (Chairman), Mr. Chow Wang (Deputy Chairman), Mr. Yin Pinyao, Mr. Wang Zhaoqing (Chief Operating Officer) and Mr. Liu Zhouyang (Deputy Chief Executive Officer) as executive Directors, Mr. Qian Yinghui as non-executive Director, Mr. Jiang Zhi, Mr. Leung Ka Kui, Johnny and Ms. Wong Chui San, Susan as independent non-executive Directors.

As at the date of this joint announcement, the Board 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 Professor Lam Sing Kwong, Simon as independent non-executive Directors.

As at the date of this joint announcement, the Board of JBM comprises Mr. Sum Kwong Yip, Derek as the Chairman and non-executive Director, Mr. Wong Yat Wai, Patrick (also as Chief Executive Officer) as executive Director, 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.