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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)

VOLUNTARY ANNOUNCEMENT – STRATEGIC COOPERATION BETWEEN JBM GROUP AND TYCOON GROUP

The Board is pleased to announce that, as of the date of this announcement, the Group and Tycoon Group have entered into various agreements aiming to leverage the respective strengths of the two groups for forming a closer alliance to implement the Strategic Cooperation. Such agreements set out the principal terms of the Strategic Cooperation.

THE STRATEGIC COOPERATION

Reasons for and benefits of the cooperation

The Group is principally engaged in the marketing and distribution of branded healthcare products across Greater China, Southeast Asia and other countries. It also operates a PIC/S GMP-accredited manufacturing facility for Western medicines and two GMP-accredited production facilities for PCM products. The Group is a unique field player with marketing expertise and drug heritage that prioritizes product efficacy and quality to meet consumers' healthcare needs. As an eminent healthcare brand operator in Hong Kong, the Group carries a total of 20 principal brands covering both OTC medicines and proprietary Chinese medicines (PCM) which include well-recognized household brands such as Po Chai Pills (保濟丸), Ho Chai Kung Tji Thung San (何濟公止痛退熱散), Tong Tai Chung Woodlok Oil (唐太宗活絡油), Flying Eagle Woodlok Oil (飛鷹活絡油), Saplingtan (十靈丹), Shiling Oil (十靈油) and Col-gan Tablet (傷風克).

Tycoon Group is principally engaged in the distribution of PCM, health supplement, skincare, personal care and other healthcare products. Over the years, Tycoon Group has developed well-established and effective distribution channels and has been offering a comprehensive suite of products that are sought-after by customers driven by its solid experience in brand management. In addition, Tycoon Group has been actively engaging in offline direct sales through its retail stores in Macau and online sales through its cross-border e-commerce platform.

With a strong potential in view for capitalizing on the complementing expertise and resources of the Group and Tycoon Group in the market of PCM, Chinese healthcare and supplement products, both parties, therefore, wish to establish strategic co-operations for business development in the manner of collaborations described below.

The Board considers that the various collaboration agreements referred to in this announcement under the Strategic Cooperation being implemented with Tycoon Group are in the best interests of the Company and its shareholders as a whole for bringing a positive impact on the Group's future performance.

Development, manufacture and distribution of the Own-brand Products

To leverage the Group's strong capabilities in product development and manufacturing with Tycoon Group's expertise of the market, both parties agree to form strategic co-operations in the development and manufacture of Own-brand Products by the Group to cater for market trends and consumer needs, with a newly formed JV Company between the parties to provide distribution, strategic marketing and sales support for the Own-brand Products.

In this regard, the Group and Tycoon Group have entered into the JV Agreement on 8 April 2021 for the establishment of the JV Company, which is owned as to 50% by the Group and 50% by Tycoon Group which will be jointly controlled by the two groups. The JV Company is not a subsidiary of the JV Partners and the financial statements of the JV Company will be accounted for by the Group by using the equity method of accounting.

The JV Company is an investment holding company with an initial set up of two distinct business units, namely the marketing arm (as elaborated in the paragraph headed "**Engagement of the JV Group for the provision of marketing services**" below) and the company for holding of the IP Rights of the Own-brand Products.

Pursuant to the JV Agreement, amongst other matters, (i) the parties shall, as soon as practicable after the signing of the JV Agreement, incorporate the IP Company, which shall be owned as to 70% by the Group and 30% by the JV Company, for the purpose of holding all the IP Rights in relation to the Own-brand Products; and (ii) subject to the incorporation of the IP Company, the Group shall grant the exclusive distribution right of the Own-brand Products to Tycoon Group for distribution and the JV Group shall be responsible for the marketing and promotion of the Own-brand Products.

The Own-brand Products are expected to be launched in the second or third quarter of 2021.

Engagement of the JV Group for the provision of marketing services

Tycoon Group has also entered into the Marketing Service Agreement with the JV Group on 8 April 2021 pursuant to which Tycoon Group will engage the JV Group for the provision of marketing and promotion services in respect of certain products distributed by Tycoon Group. As disclosed above, upon the launch of the Own-brand Products into the market, the JV Group will also be responsible for the marketing and promotion of such Own-brand Products.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Tycoon is interested in 2.24% of the issued share capital of the Company and Jacobson Pharma is interested in 7.07% of the issued share capital of Tycoon. Save as disclosed above, to the best knowledge, information and belief of the Directors, and having made all reasonable enquiries, Tycoon is a third party independent of the Company and its connected persons.

The transactions contemplated under the JV Agreement do not constitute a notifiable transaction nor a connected transaction of the Company under the Listing Rules.

This voluntary announcement is made by the Company to keep the shareholders of the Company and the potential investors informed of the details of the Strategic Cooperation between the Group and Tycoon Group.

For further updates with regards to the Strategic Cooperation or any other future cooperation between the Group and Tycoon Group, the Group will comply with all applicable compliance requirements under the Listing Rules as and when appropriate.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Company”	JBM (Healthcare) Limited, a company incorporated in the Cayman Islands whose shares are listed on the Stock Exchange (stock code: 2161), an indirect non-wholly owned subsidiary of Jacobson Pharma
“Director(s)”	the director(s) of the Company
“Dynasty Garden”	Dynasty Garden Limited, a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of Tycoon
“GMP”	Good Manufacturing Practice, a set of detailed guidelines on practices governing the production of pharmaceutical products designed to protect consumers by minimizing production errors and the possibility of contamination
“Greater China”	refers to China, Hong Kong, Macau and Taiwan, collectively
“Group”	collectively, the Company and its subsidiaries

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“IP Company”	a company to be incorporated in Hong Kong with limited liability for the purpose of holding all IP Rights of the Own-brand Products and shall be owned as to 70% by the Group or its associate and 30% by the JV Company
“IP Rights”	all patents, trademarks, service marks, trade and business names (including internet domain names and email address(es)), copyrights, registered designs, confidential information and all applications for any of the aforesaid rights in relation to and arising from the development, manufacture and distribution of the Own-brand Products
“Jacobson Pharma”	Jacobson Pharma Corporation Limited, a company incorporated in the Cayman Islands whose shares are listed on the Stock Exchange (stock code: 2633)
“Jacobson Pharma Group”	collectively, Jacobson Pharma and its subsidiaries (including the Group)
“JBM BVI”	JBM (BVI) Limited, a company incorporated in the BVI with limited liability and a direct wholly-owned subsidiary of JBM (Healthcare)
“JMM”	JMM Healthcare Limited (健滿滿保健有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the JV Company
“JV Agreement”	the agreement dated 8 April 2021 entered into between JBM BVI, Million Effort and the JV Company in relation to the formation of the joint venture between the Group and Tycoon Group and the management and operation of the business of the JV Group
“JV Company”	Five Ocean Inc., a company incorporated in the BVI with limited liability and is owned as to 50% by JBM BVI and 50% by Million Effort upon completion of the formation of the joint venture between the Group and Tycoon Group
“JV Group”	collectively, the JV Company and JMM
“JV Partners”	collectively, Million Effort and JBM BVI
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“Marketing Service Agreement”	the agreement dated 8 April 2021 entered into between Dynasty Garden and JMM in relation to the provision of Services by JMM to Tycoon Group for an initial term commencing on the date of the agreement and ending on 7 April 2024 (both days inclusive), renewable for a further term of three (3) years upon the expiry of the initial term
“Million Effort”	Million Effort Investment Limited, a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of Tycoon
“OTC”	a term used to describe medicines that can be sold directly to a consumer without a prescription from a healthcare professional, as compared to prescription drugs which are sold only to consumers possessing a valid prescription
“Own-brand Products”	certain PCM and Chinese healthcare and supplement products to be developed and manufactured by the Group and designated by the JV Partners for such purpose
“PCM”	“proprietary Chinese medicines” as defined in the Chinese Medicine Ordinance (Cap. 549 of the Laws of Hong Kong)
“PIC/S”	the Pharmaceutical Inspection Convention and the Pharmaceutical Inspection Co-operation Scheme, which seeks to promote constructive co-operation in the field of GMP between the participating authorities in different geographic markets
“PIC/S GMP”	Good Manufacturing Practice in accordance with the PIC/S GMP Guide issued by PIC/S
“Private Label Products”	certain products developed and marketed under the brands owned by Tycoon Group and manufactured by external manufacturers engaged by Tycoon Group on an ODM (i.e. original design manufacturing) basis
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategic Cooperation”	the cooperation between member(s) of the Group and member(s) of Tycoon Group as contemplated under the various agreements as mentioned in this announcement
“Tycoon”	Tycoon Group Holdings Limited, a 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: 3390)

“Tycoon Group” Tycoon and its subsidiaries

“Western medicines” pharmaceutical products and medicines as stipulated in the Pharmacy and Poisons Ordinance (Chapter 138 of the Laws of Hong Kong)

On behalf of the Board
JBM (Healthcare) Limited
Wong Yat Wai, Patrick
Executive Director and Chief Executive Officer

Hong Kong, 8 April 2021

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. Chu Ka Wing 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.