

Media Release

## Hyphens Pharma’s 1Q2020 net profit soared 48.6% to S\$2.1 million

- Proprietary brands segment led with strong 35.9% revenue growth
- Maintain dividend policy to pay at least 30% of the Group’s net profits attributable to shareholders

Singapore, 11 May 2020 – Hyphens Pharma International Limited (“凯帆药剂国际有限公司”, “Hyphens Pharma”, or the “Company”, and together with its subsidiaries, the “Group”), Singapore’s leading specialty pharmaceutical and consumer healthcare group, is pleased to announce its first quarter (“1Q2020”) results ended 31 March 2020.

### Financial Highlights

The Group’s 1Q2020 revenue increased by 16.4% to S\$31.4 million from S\$27.0 million in the first quarter ended 31 March 2019 (“1Q2019”). The revenue increase was due to increased sales across all three of the Group’s business segments with the highest growth of 35.9% coming from the proprietary brands segment. Furthermore, 1Q2020 also saw revenue increase across all geographical locations<sup>1</sup> that the Group operates in.

| S\$’mil           | 1Q2020 | 1Q2019 | % Change |
|-------------------|--------|--------|----------|
| Revenue           | 31.4   | 27.0   | 16.4     |
| Gross Profit      | 10.9   | 9.5    | 15.1     |
| Profit before tax | 2.6    | 1.7    | 54.6     |
| Profit after tax  | 2.1    | 1.4    | 48.6     |

<sup>1</sup> Geographical locations include Singapore, Vietnam, Malaysia and Others.

Gross profit correspondingly rose by 15.1% in 1Q2020 to S\$10.9 million (1Q2019: S\$9.5 million) and the gross profit margin eased slightly to 34.7% (1Q2019: 35.1%).

| S\$'mil                       | 1Q2020      | 1Q2019      | % Change    |
|-------------------------------|-------------|-------------|-------------|
| Specialty pharma principals   | 15.4        | 13.8        | 11.2        |
| Proprietary brands            | 4.6         | 3.4         | 35.9        |
| Medical hypermart and digital | 11.4        | 9.7         | 17.0        |
| <b>Total</b>                  | <b>31.4</b> | <b>27.0</b> | <b>16.4</b> |

As a result, the Group's net profit after tax in 1Q2020 increased by 48.6% to S\$2.1 million (1Q2019: S\$1.4 million). The Group's Net Asset Value per share was 15.36 Singapore cents as at 31 March 2020, an increase compared to 14.67 Singapore cents as at 31 December 2019.

**Mr Lim See Wah, (“林世华”), Executive Chairman and CEO of Hyphens Pharma** commented:

“Our 1Q2020 financial results are consistent with the execution of our plans and we are seeing good growth in our proprietary brands segment and our Virtual Medical Hypermart. COVID-19 has created a challenging operating environment, however we remain agile and to adapt to a different operating environment, in particular accelerating on digital adoption in the execution of our strategy. for all businesses, despite the benefits we had from the increased sales of medical supplies and health supplements. As we ride out this pandemic together, we remain committed to supporting the healthcare needs of Singapore and the region.”

### **Business Outlook**

Driving the growth of its skin health portfolio through its Ceradan® and TDF® brands remains the Group's strategic priority, and it will continue to nurture its Ocean Health® brand as a leading nutritional supplement brand of Singapore. Besides its proprietary brands, the Group will also continue to grow its existing sizable portfolio of specialty pharma principals' products, leveraging on its deep understanding of market needs and dynamics. With COVID-19, digital adoption across different sectors is expected to grow exponentially. We will speed up our investment into digitization across all our business segments to capture new business opportunities.

The Group has continued to operate while complying with each country's regulatory requirements and social distancing measures. With a net cash position of S\$27.1 million as of 31 March 2020 and net operating cash inflow of S\$2.0 million in 1Q2020, the Group does not expect to face any material adverse liquidity or going concern issues. With our strong financial position, the Group is in a good position to seize opportunities as and when they arise and will regularly review its business plans in relation to changes in the market landscape.

To reward its shareholders, Hyphens Pharma remains committed to maintaining its dividend policy to pay at least 30% of the Group's net profits attributable to shareholders, which is subject to the Board's consideration of various factors such as earnings, cash flow requirements, plans for expansion, and availability of distributable reserves.

Furthermore, the Group is committing S\$150,000 to support frontline healthcare professionals with personal protection equipment in Singapore, Indonesia, Malaysia, the Philippines and Vietnam, as well as to donate to marginalised communities adversely affected by the COVID-19 pandemic.

End.

**Note: Please read this media release in conjunction with the SGXNET announcement released on the same date.**

**About Hyphens Pharma International Limited** (<https://www.hyphensgroup.com/>)

Hyphens Pharma International Limited and its subsidiaries (the "**Group**") is Singapore's leading specialty pharmaceutical and consumer healthcare group leveraging on its diverse footprint in ASEAN countries. The Group has a direct presence in Singapore, Vietnam, Malaysia, Indonesia and the Philippines, and is supplemented by a marketing and distribution network covering six additional jurisdictions, namely, Hong Kong, Myanmar, Brunei, Cambodia, Oman and Bangladesh.

Singapore is the Group's regional headquarters, where its strategic planning, finance, regulatory affairs, research and development, legal, business development and logistics operations are based. The Group's core business comprises the following segments: Specialty Pharma Principals, Proprietary Brands, and Medical Hypermart and Digital. Besides marketing and selling a range of specialty pharmaceutical products in selected ASEAN countries through exclusive distributorship or licensing and supply agreements with brand principals mainly from Europe and the United States, the Group also develops, markets and sells its own proprietary range of dermatological products and health supplement products. In addition, the Group operates a medical hypermart for healthcare professionals, healthcare institutions and retail pharmacies, to supply pharmaceutical products and medical supplies.

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For enquiries, please contact:

Ms Candy Soh, Tel: (65) 6704-9284, Mob: (65) 9816-8391  
Email: [candysoh@cogentcomms.com](mailto:candysoh@cogentcomms.com)

Mr Gerald Woon, Tel: (65) 6704-9268, Mob: (65) 9694-8364  
Email: [woon@cogentcomms.com](mailto:woon@cogentcomms.com)

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*The contact persons for the Sponsor are Ms Heng Mui Mui, Managing Director, and Mr Kelvin Wong, Senior Vice President, who can be contacted at 12 Marina Boulevard, Level 46, Marina Bay Financial Centre Tower 3, Singapore 018982, Telephone: +65 6878 8888.*