

Media Release

Hyphens Pharma net profit grew 20.7% to S\$6.5 million in FY2019

- FY2019 gross profit improved by 4.6% despite 1.2% dip in revenue from S\$120.9 million to S\$119.4 million
- Dividend of S\$0.01 per share proposed for FY2019, 82% increase from FY2018

Singapore, 26 February 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 fourth quarter (“4Q2019”) and full year (“FY2019”) results ended 31 December 2019.

Financial Highlights

S\$'mil	FY2019	FY2018	% Change	4Q2019	4Q2018	% Change
Revenue	119.4	120.9	(1.2)	32.7	30.0	9.2
Gross Profit	42.7	40.8	4.6	12.2	10.6	14.9
Profit before tax	8.0	7.0	14.1	2.1	1.2	74.4
Profit after tax	6.5	5.4	20.7	1.7	0.8	104.5

The Group has recorded progressively higher revenue quarter on quarter, culminating with the highest quarterly revenue for the year in 4Q2019, reaching S\$32.7 million, a growth of 9.2% from S\$30.0 million in the fourth quarter ended 31 December 2018 (“4Q2018”). The revenue increase in 4Q2019 was attributed to increased sales across all three business segments with the largest increase contributed by the proprietary brands segment which grew by 23.7%.

Despite a slight decrease in the Group’s FY2019 revenue by 1.2% to S\$119.4 million (FY2018: S\$120.9 million), its net profit after tax increased by 20.7% to S\$6.5 million (FY2018: S\$5.4 million)

as a result of improved gross profit margins, reduced administrative expenses and other losses, partially offset by higher advertising and promotional expenses, and strengthening of human capital to support the Group's long-term growth strategy.

The Group recorded net cash inflow of S\$3.8 million, with strong net cash inflow of S\$9.5 million from operating activities (FY2018: S\$7.5 million), offset by a S\$5.2 million cash outflow from financing activities following FY2018 dividend pay-out and repayment of bank borrowings.

In view of the improvement in profits and strong cash inflow generated from operating activities, the Group has proposed a final dividend of S\$0.01 per share for FY2019, representing 81.8% increase from the final dividend for FY2018. This is subject to shareholders' approval at the upcoming AGM.

Mr Lim See Wah, (“林世华”), Executive Chairman and CEO of Hyphens Pharma commented: “It has been an exciting year for us at Hyphens as we have not only continued to grow in profit, but also in capacity and abilities. All these developments further solidify Hyphens' position as the leading specialty pharmaceutical and consumer healthcare group in ASEAN and we will diligently press on with our growth plans despite the volatility taking place globally.”

Business Outlook

COVID-19 is creating uncertainty in the broader business environment. Potential ramifications include a disruption to the Group's supply chain and business outreach to doctors. However, the Group also observed an increase in demand for certain categories of its products.

Despite the current turbulence, the Group remains focused on further cementing its leadership position in Singapore and deepening its presence in ASEAN. The Group will continue to enhance its product offerings. Driving growth of its skin health portfolio through its **Ceradan®** and **TDF®** brands remains the Group's strategic priority. The Group will also strive to nurture **Ocean Health®** brand as a leading nutritional supplement brand of Singapore. Besides its proprietary brands, the Group will continue to grow its existing sizable portfolio of specialty pharma principals' products.

End.

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.

Issued on behalf of the Company by Cogent Communications Pte Ltd.

For enquiries, please contact:

Ms Candy Soh, Tel: (65) 6704-9284, Mob: (65) 9816-8391

Email: candysoh@cogentcomms.com

Mr Gerald Woon, Tel: (65) 6704-9268, Mob: (65) 9694-8364

Email: woon@cogentcomms.com

This press release has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the Rules of Catalist. The Sponsor has not independently verified the contents of this press release.

This press release has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this press release including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this press release.

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