

Media Release

Hyphens Pharma delivered Revenue of S\$65.4 million and Net Profit of S\$4.3 million for 1H2021

- Revenue growth of 6.1%, steered by increase in Specialty Pharma segment
- Strong net cash inflow of S\$6.3 million from operating activities

Singapore, 11 August 2021 – 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 financial results for the 6 months ended 30 June (“1H”) 2021.

Financial Highlights

S\$’mil	1H2021	1H2020	Y-o-Y % Change
Revenue	65.4	61.6	6.1
Gross Profit	24.8	21.1	17.3
Profit before tax	5.2	5.1	1.6
Profit after tax	4.3	4.3	0.8

For 1H2021, revenue increased by 6.1% to S\$65.4 million from S\$61.6 million in 1H2020. All three business segments contributed to the revenue growth, in particular the specialty pharma principals segment which grew by 10.9%, with increased demand in Vietnam, Singapore and Malaysia.

S\$'mil	1H2021	1H2020	Y-o-Y % Change
Specialty pharma principals	34.8	31.4	10.9
Proprietary brands	9.4	9.2	2.4
Medical hypermart and digital	21.2	21.0	0.4
Total	65.4	61.6	6.1

Gross profit correspondingly rose by 17.3% in 1H2021 to S\$24.8 million as compared to S\$21.1 million in 1H2020. Gross profit margin increased from 34.2% in 1H2020 to 37.9% in 1H2021 due to improved margin in specialty pharma principals segment.

Net profit after tax increased by 0.8% to S\$4.3 million (1H2020: S\$4.3 million) due mainly to higher revenue, offset by decrease in other income (lower government grants from Jobs Support scheme), higher advertising and promotional expenses and increase in research and development (“R&D”) costs.

Mr Lim See Wah (林世华), Executive Chairman and CEO of Hyphens Pharma commented: “With the fluid situation amid COVID-19, we are gratified to share that Hyphens Pharma delivered its highest ever half yearly sales. The stable sales growth in our specialty pharma principals and proprietary brands segments reflects our Group’s strategy to strengthen our focus on skin health and efforts to bolster specialty pharma portfolio. We managed to maintain our profit at S\$4.3 million even with the reduced government grants. We are continuously exploring new digital initiatives such as e-commerce sales on various platforms and e-pharmacy to reinforce Hyphens Pharma’s position as the leading specialty pharmaceutical and consumer healthcare group in ASEAN.”

Business Outlook

Internationalisation and Investment in Proprietary Brands

The Group continues to actively pursue prospective partners in its internationalisation efforts to expand to other parts of Asia in relation to its proprietary brands. The Group will continue to undertake further clinical developments to reinforce **Ceradan**®'s clinical positioning and to delve into applied R&D for new products through improved formulations.

The Group has recently launched its latest **Ocean Health**® nutritional supplement High Strength Eye Moist Omega Formula to promote moist eyes and healthy vision.

Strengthen Specialty Pharma Portfolio

The Group remains focused on further cementing its leadership position and deepening its presence in the ASEAN region and is actively seeking licencing opportunities for new products.

Going Digital

With rising acceptance of telemedicine, the Group intends to enhance its service offering to capture this growing opportunity. The Group has been awarded an e-pharmacy licence for its **WellAway Pharmacy** by the Health Sciences Authority. The e-pharmacy is set to provide a reliable and convenient medication delivery service to residential homes, complementing the increasing usage of telemedicine by the Group's medical partners in Singapore.

Impact from COVID-19

Market recovery in the region has been inconsistent and unpredictable. With the recent lockdowns in several ASEAN countries, demand in certain markets may be affected. The Group will remain agile and vigilant to respond to market conditions.

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Note: This media release is to be read in conjunction with the Company's SGXNet announcement of its 1H2021 financial results on the same date.

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 10 other markets – Bangladesh, Brunei, Cambodia, China, Hong Kong S.A.R., Macau S.A.R., Myanmar, Oman, South Korea and Sri Lanka.

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 & 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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This media release has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the SGX-ST assumes no responsibility for the contents of this media release, including the correctness of any of the statements or opinions made or reports contained in this media release.

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