



Jacobson Pharma Announces 2018 Annual Results

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Revenue Increased 23.3% to HK\$1,548.7 Million

Adjusted EBITDA Up by 20.7% to HK\$397.0 Million

Profit Attributable to Shareholders Increased 12.8% to HK\$202.3 Million

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Recommends a Final Dividend of HK2.9 Cents per Share

(Hong Kong, 25 June 2018) **Jacobson Pharma Corporation Limited** (“**Jacobson Pharma**” or the “**Group**”; **Stock Code: 2633**), a leading company engaged in the research, development, production, marketing and sale of generic drugs and proprietary medicines, today announced its annual results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 March 2018 (“FY2018”).

Financial Highlights

During the reporting period, the Group’s revenue grew by 23.3% to HK\$1,548.7 million (FY2017: HK\$1,256.0 million). Gross profit rose by 10.9% to HK\$617.7 million (FY2017: HK\$556.9 million) and adjusted EBITDA was up by 20.7% to HK\$397.0 million (FY2017: HK\$328.9 million). Profit from operations posted a solid growth of 26.4% to approximately HK\$297.2 million (FY2017: HK\$235.2 million). The profit attributable to the shareholders of the Company rose by 12.8% to HK\$202.3 million (FY2017: HK\$179.3 million). Basic and diluted earnings per share were HK11.14 cents (FY2017: HK11.39 cents).

The Group maintains a strong financial position with cash and cash equivalents of HK\$656.7 million at the end of FY2018. The Board has recommended a payment of a final dividend of HK2.9 cents per share for the year ended 31 March 2018 (FY2017: HK1.4 cents per share). Together with the interim dividend of HK0.9 cent per share, the total dividend for FY2018 amounts to HK3.8 cents per share.

Generic Drugs

Revenue of generic drugs demonstrated a steady growth at 7.4% amounting to HK\$1,178.8 million (FY2017: HK\$1,097.6 million), of which public and private sectors grew by 7.9% and 7.2% respectively. The Group saw solid sales growth for its central nervous system and respiratory categories at 20.5% and 36.0% respectively, whilst the ophthalmic preparations and dermatological products also posted an encouraging growth of 14.9% and 20.0% respectively in the public sector.

Biosimilars and Specialty Drugs

The Group has entered into a licensing framework agreement with a subsidiary of Shanghai Fosun Pharmaceutical (Group) Co., Ltd. namely, Shanghai Henlius Biotech Inc., for an exclusive right to develop and market a propriety biosimilar product, Recombinant Humanised Anti-Her2 Monoclonal Antibody Injection (biosimilar version of Trastuzumab) in Hong Kong and Macau, in association with a right of first negotiation to commercialise the product in certain emerging markets within ASEAN region. This allows the Group to swiftly tap into the fast-growing biosimilar market in Hong Kong and certain emerging ASEAN markets.

On broadening its portfolio of specialty drugs, the Group has also signed an in-licensing agreement for a specialized anti-viral drug for manufacturing and exclusive distribution right in Hong Kong and other Asian markets such Thailand, Vietnam, Cambodia, Malaysia, Myanmar, and Philippines.

Proprietary Medicines

Revenue from the Proprietary Medicine segment achieved a year-on-year growth of 21.3% to HK\$192.2 million. The increase in revenue was mainly contributed by the increase in sales of newly acquired household brand, Ho Chai Kung (何濟公), which posted HK\$73.8 million in revenue to the proprietary medicine business. Another well recognized proprietary medicine brand, Shiling Oil (十靈油), acquired by the Group, also contributed HK\$5.3 million in sales revenue to the segment during the reporting period.

The sales of Po Chai Pills (保濟丸) in chain-store channel in Hong Kong posted a notable growth, thanks to the persistent marketing efforts as well as the online adverting campaign “Po Chai Pills x Angela Yuen” launched during the reporting period proved to be a hit and succeeded in serving the objectives of product education and creating a contemporary appeal of the brand among the younger segment.

Product Development on Clinical Diagnostics

In addition to its various on-going collaborative technological projects, the Group has signed a heads of terms with a university spin-off company on the collaborative development of an innovative, non-invasive, accurate diagnostic test of prostate cancer. This technology can provide a reliable alternative of blood PSA level testing in a medical laboratory setting with the benefits of better patient experiences. The collaboration includes the conduct of clinical trials, in-licensing of the technology, scale-up manufacturing, registration, and product commercialization for global market delivery.

Business Update

The recent announcement of the landmark results of the TAILORx study, the largest ever breast cancer treatment trial, sponsored by the National Cancer Institute (NCI) and led by the ECOG-ACRIN Cancer Research Group (ECOG-ACRIN), provided definitive evidence that the Oncotype DX Breast Recurrence Score test identified 70 per cent of early-stage breast cancer patients who received no benefit from chemotherapy and can be effectively treated with endocrine therapy alone.

The Oncotype DX® gene expression tests carried out by Genomic Health, Inc., the world's leading provider of genomic-based diagnostic tests, have been used to guide treatment decisions for more than 900,000 cancer patients in more than 90 countries. Jacobson has been the exclusive distributor of Genomic Health in Hong Kong and Macau for 10 years, and is well positioned in expanding business opportunities emerging in this arena.

Mr. Derek Sum, Chairman and Chief Executive Officer of Jacobson Pharma said, "The year of 2018 marks our 20th anniversary and gives us the opportunity to reflect not only on our past achievements, but also on what it takes to prepare us well for facing the challenges ahead. Throughout the year we have carefully integrated the newly acquired businesses into our core operations and our management team had made tremendous efforts in maximizing the synergies amongst these units. I'm delighted that Jacobson's overall business continued to deliver solid results, which was driven by the execution of our balanced business strategies that focused on delivering results across our generics and proprietary medicine businesses.

Looking ahead, we will continue to invest in expanding our generic drug and proprietary medicine product portfolios and pipelines, integrate our operational capabilities and explore opportunities through in-licensing, strategic alliances and acquisitions. We are committed to expanding our regional platform, building on our commercial strengths, maximizing our ability to invest in opportunities, and retaining the best talent in the industry. We remain adamantly positive that Jacobson will continue to do well by doing good."

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About Jacobson Pharma Corporation Limited (雅各臣科研製藥有限公司 ; Stock Code: 2633)

Jacobson Pharma is the largest generic drug company in Hong Kong with over 30% share of the total generic drug market for each year since 2012. The Group's proprietary medicines, notably being Po Chai Pills (「保濟丸」), Tong Tai Chung Woodlok Oil (「唐太宗活絡油」), Ho Chai Kung Tji Thung San (「何濟公止痛退熱散」), Contractubex Scar Gel (「秀碧除疤膏」) Doan's Ointment (「兜安氏藥膏」), Flying Eagle Wood Lok Medicated Oil (「飛鷹活絡油」), Saplingtan (「十靈丹」), Shiling Oil (「十靈油」) and Col-gan Tablet (「傷風克」) have been widely recognized by the market. Jacobson Pharma has been a constituent stock of MSCI Hong Kong Micro Cap Index since 1 June 2017. For more details about Jacobson Pharma, please visit the Group's website: <http://www.jacobsonpharma.com>

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