



Jacobson Pharma Announces FY2019 Annual Results

* * * *

**Profit Attributable to Shareholders Increased by 23.9%
 to a Record High of HK\$250.6 Million**

Total Dividend Up 18.4% to HK4.5 Cents per Share

(Hong Kong, 25 June 2019) **Jacobson Pharma Corporation Limited** (“**Jacobson Pharma**” or the “**Company**”; **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 2019 (the “FY2019”).

Financial Review

During the reporting period, the Group’s revenue increased by 10.1% to HK\$1,704.6 million (FY2018: HK\$1,548.7 million). Profit attributable to the shareholders of the Company rose by 23.9% to HK\$250.6 million (FY2018: HK\$202.3 million). Profit from operations was reported at HK\$376.6 million (FY2018: HK\$297.2 million), up by 26.7% on a year-on-year basis. The growth was mainly attributed to consistent sales performance along with operating leverages and financial savings derived from cost control measures.

The Board recommends a payment of a final dividend of HK3.0 cents per share for the year ended 31 March 2019 (FY2018: HK2.9 cents per share). Together with the interim dividend of HK1.5 cents per share, the total dividend for FY2019 amounts to HK4.5 cents per share, representing an increase of 18.4%. The Group maintains a strong financial position with cash and cash equivalents of HK\$629.8 million at the end of FY2019.

The Group has cemented its predominant position in the generic drugs market in Hong Kong with a steady growth momentum boosted by an expanded product portfolio and a broadened market coverage. With a host of consumer-preferred heritage brands in its portfolio, the Group’s proprietary medicines business also delivered a notable growth driven by its persistent brand management efforts.

Mr. Derek Sum, Chairman and Chief Executive Officer of Jacobson Pharma, said, “It was a productive year for execution of our growth strategies and realisation of our operational excellence. I am delighted that Jacobson Pharma continued to deliver a sound performance, thanks to the team’s concerted efforts in implementing the growth strategies across our core and new businesses. And we are pleased to share such promising results with our shareholders through the declaration of a steady dividend payout.”

Generic Drugs

For the reporting period ended 31 March 2019, the Generic Drugs business of the Group registered a growth of 6.3% in sales revenue, accounting for HK\$1,253.0 million (FY2018: HK\$1,178.8 million). The growth in therapeutic class products remained robust due to the rising healthcare demands from an aging population and increased prevalence of chronic diseases. Besides, the Group has launched a number of new products during the reporting period, including Celecoxib Capsule, Etoricoxib Tablet, Valsartan Tablet, Irbesartan Tablet, and Levocetirizine Tablet. The Group has also secured registration approvals for a handful of new products which are ready to be launched into the market adding strength to its portfolio.

In view of the government's attempt to alleviate the strains in public healthcare system by integrating certain primary healthcare services with private practices, the demand from the private sector for cost-effective generic drugs is likely to be enhanced. As a major provider of generic drugs in Hong Kong, the Group is well-positioned to exploit the emerging market trends and opportunities.

Proprietary Medicines

The sales performance of the Group's proprietary medicines business during the reporting period witnessed an encouraging uptrend. Total revenue of the propriety medicines segment of the Group presented a strong growth of 17.1% over last year, amounting to HK\$225.1 million (FY2018: HK\$192.2 million).

Po Chai Pills, the most recognised household brand for Chinese gastro-intestinal medicine in Hong Kong with a strong presence in overseas markets, achieved a notable growth of 15.6% in total sales over the same period of last year, underpinned by the Group's persistent and effective efforts in marketing, brand building and promotional activities across the trade, retail and chain store channels. Ho Chai Kung contributed a sales growth of 8.3% during the reporting period.

The business of medicated oils of the Group also showed remarkable growth during the reporting period. Sales revenue of Flying Eagle Woodlok Oil and Shiling Oil both delivered significant growth as a result of coordinated sales and distribution strategies and a revival of sales coverage in certain markets.

Tapping New Market Potentials

The Group has successfully forged a number of strategic collaborations with multinational partners including leading pharmaceutical manufacturers in Spain, Korea, Taiwan and other countries. It has signed agreements for the in-licensing of a total of 52 high-performing specialised drugs in the cardiovascular, central nervous system, anti-infective, oncology, gastrointestinal and other therapeutic areas during the reporting period, among which a number of items are eligible for tender bidding in the coming year including some injectable generic drugs.

Backed by its underlying market expertise, the Group will continue to enrich its portfolio through in-house development or in-licensing of high value-added products covering sterile injections, oncology products, combination drugs, specialty medicines, as well as orphan drugs and biosimilars. In this way the Group is poised to strengthen its resilient position to seize the emerging market opportunities in Asia.

Making Good Headway on Regional Expansion

In line with its growth strategy, the Group has continued to orchestrate its advance into strategically selected markets in Asia. The expansion plan has gained traction, currently operating five business offices established in China, Macau, Taiwan, Singapore and Cambodia. The Group has thereby built a regional market platform with strong commercial capabilities to collaborate strategically with reputable partners globally through in-licensing, technology transfer or product representation to tap the high growing market potential in the Asia Pacific and Greater China regions.

Further Business Cooperation with Yunnan Baiyao Group

Jacobson Pharma has previously entered into a letter of intent with Baiyao Holdings for conducting feasibility studies on possible business cooperation and other collaborations. Subsequent to Baiyao Holdings being merged into Yunnan Baiyao Group, 200,000,000 shares of Jacobson Pharma, representing approximately 9.92% of the total number of the Group's issued shares, are to be held by Yunnan Baiyao Group as the merged entity. In the future, the Group will accelerate exploring potential business cooperation and further possibilities of strategic collaboration with Baiyao Holdings to broaden and deepen its market coverage in China and Asia Pacific in forging a competitive regional commercial platform.

Mr. Sum remarked, "As we continue to build momentum on the accomplishments that we achieved in 2018, we will safeguard the unique balance of our expertise, ingenuity and deliberation. 2019 is off to a good start and I am optimistic about the year ahead. We have in place a clear and strategically-aligned growth plan and will contemplate a refinement of our strategies to ensure that we can withstand the competitive pressure with a fortified position to deliver sustainable growth over the long term."

"We remain well-positioned with a balanced product portfolio, and an array of established core competences as well as a robust financial profile. These propositions enable us to be more agile in seizing new opportunities and maximising returns to our shareholders"

– End –

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 Woodlok 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 recognised 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>

For media enquiries, please contact:

Strategic Financial Relations Limited

Vicky Lee	Tel: (852) 2864 4834	Email: vicky.lee@sprg.com.hk
Stephanie Liu	Tel: (852) 2864 4852	Email: stephanie.liu@sprg.com.hk
Tika Lum	Tel: (852) 2864 4806	Email: tika.lum@sprg.com.hk

Fax: (852) 2527 1196