

ASSET ACQUISITIONS AND DISPOSALS::ENTRY INTO A SALE AND PURCHASE AGREEMENT RELATING TO THE PROPOSED ACQUISITION

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HYPHENS PHARMA INTERNATIONAL LIMITED

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ENTRY INTO A SALE AND PURCHASE AGREEMENT RELATING TO THE PROPOSED ACQUISITION

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Submitted By (Co./ Ind. Name)

Lim See Wah

Designation

Executive Chairman and Chief Executive Officer

Description (Please provide a detailed description of the event in the box below)

Please refer to the attached.

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

The contact person for the Sponsor is Ms Lee Khai Yinn (Tel: (65) 6232 3210) who can be contacted at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.

Attachments

[Elixir_SGX Announcement Acquisition by HPPL final.pdf](#)

[Project Elixir Media Release final.pdf](#)

Total size =984K MB

PROPOSED ACQUISITION OF 100% OF THE ISSUED SHARE CAPITAL IN EACH OF (A) NOVEM HEALTHCARE PTE LTD; (B) NOVEM PHARMA PRIVATE LIMITED; AND (C) NOVEM SCIENCES PRIVATE LIMITED BY HYPHENS PHARMA PTE. LTD.

1. INTRODUCTION

1.1 Hyphens Pharma International Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) is pleased to announce that its wholly-owned subsidiary, Hyphens Pharma Pte. Ltd. (“**HPPL**”, or the “**Purchaser**”) has entered into a sale and purchase agreement (“**SPA**”) with Ng Kian Peng Albert (“**Albert Ng**”) and Lau Jui Fang (collectively, the “**Vendors**”) for HPPL’s acquisition of 100% of the issued and paid up shares in the share capital of the following entities (collectively, the “**Sale Shares**”):

- (a) Novem Healthcare Pte Ltd (“**Novem Healthcare**”);
- (b) Novem Pharma Private Limited (“**Novem Pharma**”); and
- (c) Novem Sciences Private Limited (“**Novem Sciences**”, and together with Novem Healthcare and Novem Pharma, the “**Target Group**”, the “**Target Companies**” or “**Novem**”),

(the “**Proposed Acquisition**”).

1.2. The Proposed Acquisition constitutes a “discloseable transaction” under Chapter 10 of the Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), and is not subject to the approval of the shareholders of the Company. For further details on the relative figures in respect of the Proposed Acquisition computed on the bases set out under Rule 1006 of the Catalist Rules, please refer to paragraph 5 of this announcement.

1.3. Upon completion of the Proposed Acquisition (“**Completion**”), the Target Companies will become wholly-owned subsidiaries of HPPL.

1.4. Each of the Vendors is an independent third party unrelated to any of the directors and controlling shareholders (as defined in the Catalist Rules) of the Company and their respective associates. As at the date of this announcement, none of the Vendors holds shares, directly or indirectly, in the Company.

2. INFORMATION ON THE TARGET COMPANIES

2.1 TARGET GROUP

Novem is a leading Singapore-based, healthcare-focused distributor of pharmaceutical products, nutraceutical products and medical devices, with a stable operating track record of over 20 years. The Target Group represents over 40 brand principals mainly across Europe and Asia and serves over 1,000 active customers including hospitals, polyclinics, specialists

and general practitioners. Offering over 150 products, including a portfolio of proprietary brand of generics and in-house developed nutraceutical products, Novem's products cater for a variety of diseases and therapeutic areas such as musculoskeletal, cardiology, ophthalmology and general surgery.

Through delivering high quality and innovative products, Novem aims to improve the health and wellness standards in our communities, arising from a growing aging population and greater awareness of and demand for such health and wellness needs.

Novem Healthcare, Novem Pharma and Novem Sciences were incorporated in Singapore on 20 August 1992, 8 January 2010 and 4 April 2017 respectively, with each of the Vendors holding 50% of the total issued and paid up shares in the share capital of each of the Target Companies.

Novem Sciences holds 45% of the total issued and paid up shares in the share capital of Ardence Pharma Sdn Bhd, an associated company incorporated in Malaysia which is involved in the wholesale of pharmaceutical and medical goods. The remaining 55% shareholding interest in Ardence Pharma Sdn Bhd is held by IREG Solution Sdn Bhd, an independent third party unrelated to the Vendors or any of the directors and controlling shareholders (as defined in the Catalyst Rules) of the Company and their respective associates. Novem Sciences will continue to hold its investment in Ardence Pharma Sdn Bhd subsequent to Completion.

Please also refer to paragraph 3.7 of this announcement for further information on the management of the Target Group.

All information in respect of the Vendors (including Albert Ng in paragraph 3.7 of this announcement) and the Target Companies is based solely on information and representations made and provided by the Vendors and the Target Companies to the Company. In respect of such information, the Company has not independently verified the accuracy and correctness of the same and the Company's responsibility is limited to ensuring that such information has been accurately and correctly extracted and reproduced in this announcement in its proper form and context.

3. MATERIAL TERMS OF THE PROPOSED ACQUISITION

3.1 Consideration

The consideration for the Proposed Acquisition (the "**Consideration**") under the SPA, is S\$16,280,000, subject to adjustments as prescribed under the SPA and as set out in paragraph 3.3 of this announcement.

3.2 Satisfaction of Consideration

The Consideration shall be satisfied by HPPL as follows:

- (a) the sum of S\$13,838,000, being 85% of the Consideration, being paid in cash to the Vendors in equal proportion; and
- (b) the allotment and issuance to the Vendors in equal proportion of an aggregate of 8,345,800 new ordinary shares in the capital of the Company ("**HPIL Shares**") (to be issued at the Issue Price (as defined below)) (rounded down to the nearest 100 HPIL Shares), having a value as nearly as possible as S\$2,442,000, being 15% of the Consideration (the "**Consideration Shares**"). The issue price per Consideration Share ("**Issue Price**") shall be S\$0.2926, being the higher of (a) the volume weighted

average price (“**VWAP**”) for trades done on the SGX-ST for five (5) full market days immediately prior to the date of the SPA; and (b) 90% of the VWAP for trades done on the SGX-ST for the full market day immediately preceding the date of the SPA.

3.3 Determination of Consideration

The Consideration was arrived after arm’s length negotiations between the Purchaser and the Vendors and on a willing-buyer and willing-seller basis, taking into consideration the EBITDA of the Target Group for the financial years ended 31 December (“**FY**”) 2019 and FY2020, on a cash-free and debt-free basis. For the purposes of this announcement, “**EBITDA**” means the normalised pro-forma consolidated earnings before interest, taxes, depreciation and amortisation.

In addition, the Consideration will be adjusted for the net cash/(debt) and the consolidated amount of working capital of the Target Group as at the date of Completion if they are outside the agreed range as prescribed in the SPA.

3.4 Conditions

Completion is subject to certain conditions (“**Conditions**”) being fulfilled or waived by notice in writing (if permitted), which include, amongst others, the following Conditions:

- (a) the completion of the transfer of the pharmaceuticals distribution business owned by Mecredo Private Limited (“**Mecredo**”) to Novem Healthcare⁽¹⁾;
- (b) written consents from identified key suppliers and contract manufacturers of the Target Companies in respect of the transfer of the Sale Shares to the Purchaser having been obtained;
- (c) written acknowledgements from identified key suppliers and contract manufacturers of the Target Companies in respect of the transfer of the Sale Shares to the Purchaser having been obtained;
- (d) no material adverse event having occurred contemporaneously with or prior to Completion;
- (e) the execution of a tenancy agreement by Mecredo and Novem Healthcare in respect of the lease of properties located at 23 New Industrial Road, #03-04, #03-08 and #04-10, Solstice Business Centre, Singapore 536209; and
- (f) the listing and quotation notice (“**Listing and Quotation Notice**”) from SGX-ST for the listing and quotation of the Consideration Shares on the Catalist Board of the SGX-ST (“**Catalist Board**”) being issued or granted by the SGX-ST (and if such approval is subject to conditions, such conditions being reasonably acceptable to the Vendors (if applicable) and the Purchaser), and such Listing and Quotation Notice not being revoked or withdrawn on or prior to the date of Completion.

Note:

- (1) Mecredo is a company incorporated in Singapore on 11 November 2009 with its current shareholders being the Vendors, each holding 50% of the total issued ordinary shares in Mecredo. Mecredo is principally in the business of pharmaceuticals distribution. As part of the Proposed Acquisition, prior to the acquisition of Novem Healthcare (being a Target Company), the pharmaceuticals distribution business and certain assets of Mecredo shall have been transferred to Novem Healthcare.

3.5 Consideration Shares

The Consideration Shares will, when allotted and issued, be free from all encumbrances and will rank *pari passu* with the existing HPIL Shares.

The Company will be making an application, through its sponsor, to the SGX-ST for dealing in, listing of, and quotation for, 8,345,800 Consideration Shares on the Catalist Board. An announcement will be made by the Company to notify shareholders of the receipt of the Listing and Quotation Notice in due course.

The Consideration Shares will be issued pursuant to the general mandate (the “**Share Issue Mandate**”) obtained at the annual general meeting of the Company held on 28 April 2021 (the “**2020 AGM**”), where the total number of new HPIL Shares that may be issued pursuant to the Share Issue Mandate on a non-*pro rata* basis is 150,215,200 HPIL Shares. The Company had not issued any new HPIL Shares subsequent to the 2020 AGM to date. Accordingly, the proposed issuance of 8,345,800 Consideration Shares will fall within the limit of the Share Issue Mandate.

3.6 Moratorium

The Vendors have undertaken to the Purchaser that for a period of three (3) years after Completion, the Vendors will not, directly or indirectly, offer, sell, transfer, encumber or otherwise dispose of any or all of the Vendors’ interests in an aggregate of 5,563,800 Consideration Shares, being approximately two-thirds of the total number of Consideration Shares (rounded down to the nearest 100 HPIL Shares), to any person, other than pursuant to any Offer (as defined in the Singapore Code on Take-overs and Mergers) or voluntary delisting in respect of the Company.

3.7 Management of the Target Group

As part of the Proposed Acquisition, one of the Vendors, Albert Ng, will be entering into an employment contract to be appointed as the Managing Director and Director of each of the Target Companies. Albert Ng will continue to oversee and manage the operations of the Target Group post-Completion of the Proposed Acquisition.

Albert Ng is the founder of the Target Group and a registered pharmacist with over 20 years of relevant industry experience in the distribution, sales and marketing of healthcare products. Over the years, Albert Ng’s entrepreneurial personality and sincere disposition have enabled him to build a wide network of suppliers as well as gain the trust of customers. Under Albert Ng’s leadership, the Target Group has established itself as a reliable and trusted partner in Singapore’s healthcare community.

4. RATIONALE AND BENEFITS OF THE PROPOSED ACQUISITION

The Proposed Acquisition presents a strategic opportunity for the Company to acquire a portfolio of businesses that is financially attractive from a revenue scale and earnings accretion perspective and with a good management team.

Through the Proposed Acquisition, the Company will gain access to new brand principals, products and customers that will enhance and enlarge the Group’s revenue and profits, and strengthen its presence in the Singapore market. This will further entrench the Group’s market leadership position in Singapore and enhance its ability to deliver a variety of high quality

healthcare products and services to an enlarged customer base comprising both private and public sectors.

In line with the Company's growth strategy of investing in proprietary brands, the Company believes that the Proposed Acquisition will further strengthen its proprietary brands business segment with the addition of Novem's proprietary brand of products.

The Proposed Acquisition is expected to accelerate the Company's growth as it positions itself to reap revenue synergies with Novem.

5. **RELATIVE FIGURES UNDER CHAPTER 10 OF THE CATALIST RULES IN RELATION TO THE PROPOSED ACQUISITION**

5.1 For the purposes of Chapter 10 of the Catalist Rules, the relative figures computed on the bases set out in Rule 1006 of the Catalist Rules based on the latest announced condensed interim financial statements for the six (6) months ended 30 June 2021 ("1H2021") are set out below:

BASE OF CALCULATION		RELATIVE FIGURES (%)
(a)	Net asset value (" NAV ") of the assets to be disposed of, compared with the Group's NAV	Not applicable as this is not a disposal
(b)	Net profits ⁽¹⁾ attributable to the Sale Shares to be acquired, compared with the Group's net profits	18.4% ⁽²⁾
(c)	Aggregate value of the Consideration given ⁽⁵⁾ , compared with the Company's market capitalisation ⁽³⁾⁽⁴⁾ based on the total number of issued HPIL Shares excluding treasury shares	18.5% ⁽⁶⁾
(d)	Number of HPIL Shares to be issued by the Company as Consideration ⁽⁵⁾ for the Proposed Acquisition, compared with the number of HPIL Shares previously in issue	2.8% ⁽⁷⁾⁽⁸⁾
(e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil or gas company, but not to an acquisition of such assets	Not applicable as this is not a disposal of mineral, oil or gas assets

Notes:

- (1) Under Rule 1002(3)(b) of the Catalist Rules, "**net profits**" means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.

- (2) The net profits attributable to the Sale Shares for the purposes of this calculation is approximately S\$960,000 based on the unaudited pro-forma combined financial statements of the Target Companies (assuming completion of the transfer of the pharmaceuticals distribution business and certain assets from Mecredo) for 1H2021. The net profits of the Group based on the latest announced condensed interim consolidated financial statements for 1H2021 is approximately S\$5,230,000.
- (3) Under Rule 1002(5) of the Catalist Rules, “**market capitalisation**” is determined by multiplying the number of shares in issue by the weighted average price of such shares transacted on the market day preceding the date of the sale and purchase agreement.
- (4) The Company’s market capitalisation of approximately S\$88,266,000 is computed based on the Company’s issued share capital (excluding treasury shares) of 300,430,400 HPIL Shares, and the VWAP of HPIL Shares transacted on 5 November 2021 of S\$0.2938 per HPIL Share, being the last trading date preceding the date of the SPA.
- (5) Under Rule 1003(3) of the Catalist Rules, where the consideration is in the form of shares, the value of the consideration shall be determined by reference either to the market value of such shares or the net asset value represented by such shares, whichever is higher. In this instance, the value of Consideration based on Rule 1003(3) shall be the highest of (a) the Consideration in the SPA, being S\$16.28 million; (b) the total value of Consideration of approximately S\$16.29 million based on cash Consideration of approximately S\$13.84 million and the market value of the 8,345,800 Consideration Shares of approximately S\$2.45 million based on VWAP of S\$0.2938 on 5 November 2021, being the last trading day for the HPIL Shares prior to the date of the SPA; and (c) the total value of Consideration of approximately S\$15.22 million based on cash Consideration of approximately S\$13.84 million and the NAV represented by the 8,345,800 Consideration Shares of approximately S\$1.38 million computed based on the Group’s NAV per share as at 30 June 2021 of S\$0.1651. Based on the above, for the purpose of Rule 1006(c) of the Catalist Rules, the consideration for the Proposed Acquisition is deemed to be approximately S\$16.29 million (being the highest of (a) to (c) above).
- (6) For illustrative purpose only, assuming the date of Completion is 30 June 2021, the Consideration, after taking into account the effect of the adjustments as prescribed in paragraph 3.3 of this announcement, will amount to approximately S\$17.19 million, with the additional Consideration of approximately S\$0.91 million payable to the Vendors in cash (“**Adjustments Amount**”), based on the unaudited pro-forma combined financial statements of the Target Companies for 1H2021 (assuming completion of the transfer of the pharmaceuticals distribution business and certain assets from Mecredo). After taking into account the Adjustments Amount, the relative figure calculated pursuant to Rule 1006(c) will be 19.5%. For avoidance of doubt, the Adjustments Amount may vary subject to the finalisation of the Target Group’s unaudited financial statements on the date of the Completion.
- (7) Calculated using the Issue Price of S\$0.2926 per Consideration Share, being the higher of (a) VWAP for trades done on the SGX-ST for five (5) full market days immediately prior to the date of the SPA, being S\$0.2926; or (b) 90% of the VWAP for trades done on the SGX-ST for the full market day immediately preceding the date of the SPA, being S\$0.2644.
- (8) Assuming the successful allotment and issue of the Consideration Shares, the total number of issued Shares will increase from 300,430,400 HPIL Shares to 308,776,200 HPIL Shares. The Consideration Shares represents approximately 2.78% of the existing total number of issued HPIL Shares as at the date of this announcement and approximately 2.70% of the enlarged total number of issued HPIL Shares following the allotment and issue of the Consideration Shares.

5.2 As the relative figures set out under Rules 1006(b) and 1006(c) of the Catalist Rules exceed 5% but do not exceed 75%, pursuant to Rule 1010 of the Catalist Rules, the Proposed Acquisition constitutes a “discloseable transaction” and is therefore not subject to shareholders’ approval.

6. FINANCIAL INFORMATION

6.1 Value Attributable to the Sale Shares

(a) Book Value

Based on unaudited pro-forma combined financial statements of the Target Companies as at 31 December 2020 and 30 June 2021 (assuming completion of the transfer of the pharmaceuticals distribution business and certain assets from Mecredo), the book values attributable to the Sale Shares as at 31 December 2020 and 30 June 2021 are approximately S\$4,206,000 and S\$4,526,000 respectively.

(b) Net Tangible Assets (“NTA”)

Based on unaudited pro-forma combined financial statements of the Target Companies as at 31 December 2020 and 30 June 2021 (assuming completion of the transfer of the pharmaceuticals distribution business and certain assets from Mecredo), the NTA attributable to the Sale Shares as at 31 December 2020 and 30 June 2021 are approximately S\$4,206,000 and S\$4,526,000 respectively.

(c) Latest Available Open Market Value

The open market value of the Sale Shares is not available as the Sale Shares are not listed or traded on any securities exchange. No independent valuation of the Sale Shares was commissioned by the Company for the purpose of the Proposed Acquisition.

6.2 Source of funds of the Proposed Acquisition

The Consideration will be satisfied out of the Group’s internal resources and bank borrowings.

7. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

The financial effects of the Proposed Acquisition on the Group are set out below, based on the Group’s latest audited consolidated financial statements for FY2020 and the pro-forma combined financial statements of the Target Companies (assuming completion of the transfer of the pharmaceuticals distribution business and certain assets from Mecredo) for FY2020. The financial effects are shown for illustrative purposes only and they do not necessarily reflect the exact future financial position and performance of the Group immediately after Completion. The financial effects do not take into consideration (i) expenses incurred or to be incurred in connection with the Proposed Acquisition; and (ii) effect of purchase price allocation exercise in relation to the Proposed Acquisition to be conducted post-Completion in accordance with the requirements under the accounting standards.

Share Capital

Based on the Issue Price per Consideration Share of S\$0.2926, the Company’s issued and paid-up share capital will increase from 300,430,400 HPIL Shares to 308,776,200 HPIL Shares after Completion of the Proposed Acquisition.

NTA and NAV per share

Assuming that the Proposed Acquisition had been completed on 31 December 2020, the effect of the Proposed Acquisition on the NTA and NAV per share of the Group is as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition
NTA attributable to shareholders of the Company (S\$'000)	39,285	29,084
NAV attributable to shareholders of the Company (S\$'000)	47,175	49,617
Number of shares ('000)	300,430	308,776
NTA per share (S\$ cents)	13.08	9.42
NAV per share (S\$ cents)	15.70	16.07

Earnings per share ("EPS")

Assuming that the Proposed Acquisition had been completed on 1 January 2020, the effect of the Proposed Acquisition on the EPS of the Group is as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition
Profit attributable to shareholders of the Company (S\$'000)	6,163	8,230
Weighted average number of shares (excluding treasury shares and subsidiary holdings) ('000)	300,430	308,776
EPS (S\$ cents)	2.05	2.67
EPS accretion (%)	Not applicable	29.9

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors or controlling shareholders of the Company and their respective associates has any interest, direct or indirect, in the Proposed Acquisition (other than through their respective shareholdings in the Company, if any).

9. SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Proposed Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

10. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPA is available for inspection at the Company's registered office at 16 Tai Seng Street, #04-01, Singapore 534138 during normal business hours for a period of three (3) months from the date of this announcement.

In light of the prevailing safe distancing measures due to the Covid-19 situation, shareholders should provide their names, contact number, proposed date and time of inspection to ir@hyphens.com.sg at least three (3) working days in advance to make a prior appointment to attend at the registered office of the Company to inspect the documents.

11. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to exercise caution when dealing or trading in their shares. Completion is subject to certain conditions. There is no certainty or assurance as at the date of this announcement that the Proposed Acquisition will be completed or that no changes will be made to the terms thereof.

The Company will make the necessary announcements when there are further material developments in relation thereto. Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential advisers should consult their stock brokers, bank managers, solicitors, accountants, tax advisers or other professional advisers if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Lim See Wah

Executive Chairman and Chief Executive Officer

9 November 2021

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

The contact person for the Sponsor is Ms Lee Khai Yinn (Tel: (65) 6232 3210) who can be contacted at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.

Media Release

Hyphens Pharma boosts Singapore market leadership with acquisition of Novem group of companies

- Consideration of S\$16.28 million for the acquisition of Novem group to be paid in cash and issuance of new shares
- Proposed Acquisition is earnings accretive and will add new brand principals, products and customers to enhance and enlarge the Group's revenue and profits
- Proposed Acquisition is part of the Group's growth strategy to invest in proprietary brands and will further strengthen the Group's proprietary brands business segment

Singapore, 9 November 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 that its wholly-owned subsidiary, Hyphens Pharma Pte. Ltd., has entered into a sale and purchase agreement (“SPA”) with Mr. Ng Kian Peng Albert (“Albert Ng”) and Ms. Lau Jui Fang (collectively, the “Vendors”) to acquire the Novem group of companies¹ (“Novem”, the “Target Companies” or collectively, the “Target Group”) for a consideration of S\$16.28 million (“Consideration”), to be satisfied with a cash payment and the issuance of new ordinary shares in Hyphens Pharma (“Consideration Shares”) to the Vendors (the “Proposed Acquisition”). The Proposed Acquisition is subject to the fulfilment of the conditions precedent in the SPA.

¹ The Target Companies comprise Novem Healthcare Pte Ltd, Novem Pharma Private Limited and Novem Sciences Private Limited.

About Novem

Singapore-based Novem is a leading healthcare-focused distributor of pharmaceutical products, nutraceutical products and medical devices, with a 20-year stable operating track record. The Target Group represents over 40 brand principals mainly across Europe and Asia, and serves over 1,000 active customers including hospitals, polyclinics, specialists and general practitioners. With over 150 products in its portfolio, including proprietary brand of generics and in-house developed nutraceutical products, Novem's products cater for a variety of diseases and therapeutic areas such as musculoskeletal, cardiology, ophthalmology and general surgery. Through the delivery of its high quality and innovative products, Novem aims to improve community health and wellness standards to address the needs of a growing aging population, and the greater awareness of and demand for health and wellness. One of the Target Companies, Novem Sciences Private Limited, has a 45% shareholding interest in Ardence Pharma Sdn Bhd, an associated company incorporated in Malaysia which is involved in the wholesale of pharmaceutical and medical goods.

Mr. Albert Ng is the founder of Novem and a registered pharmacist with over 20 years of relevant industry experience in the distribution, sales and marketing of healthcare products. Under his leadership, Novem has established itself as a reliable and trusted partner in Singapore's healthcare community. As part of the Proposed Acquisition, Mr. Albert Ng will enter into an employment contract to be appointed as the Managing Director and Director of each of the Target Companies. In these roles, he will continue to oversee and manage the operations of the Target Group after the completion of the Proposed Acquisition.

Mr. Albert Ng (黃健平), Founder and Managing Director of Novem, remarked: “We look forward to being a part of Hyphens Pharma, the leading specialty pharmaceutical and consumer healthcare group in Singapore. Being part of the Group, Novem will be able to leverage on Hyphens’ strength in the private sector to accelerate our growth in Singapore and capitalise on new opportunities.”

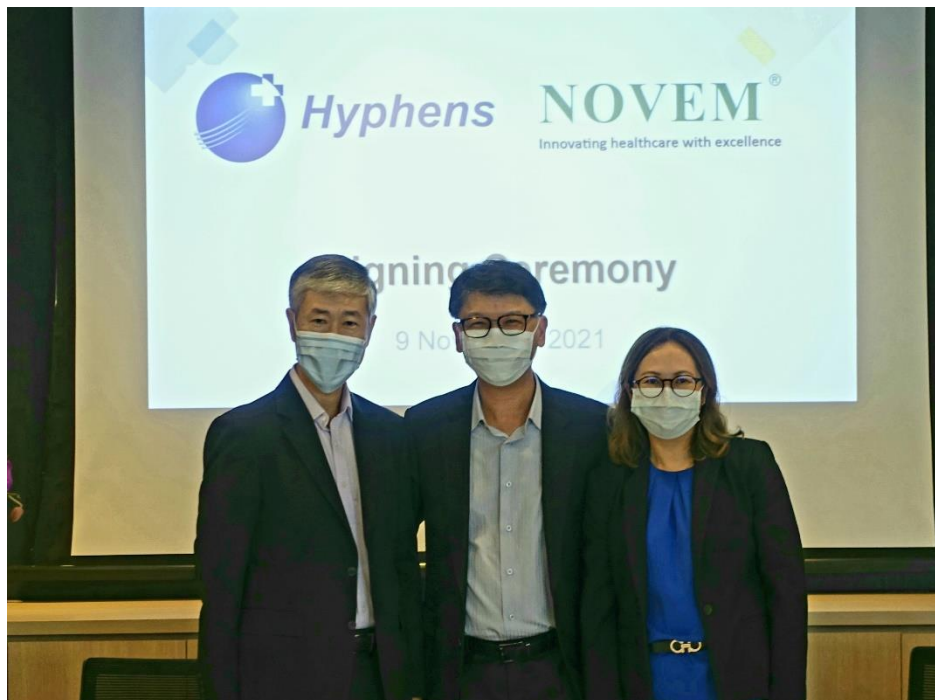


Rationale for the Proposed Acquisition

The Proposed Acquisition is a strategic opportunity for Hyphens Pharma to acquire a portfolio of businesses with a good management team that is financially attractive from a revenue scale and earnings accretion perspective. It will enable the Company to gain access to new brand principals, products and customers that will enhance and enlarge the Group's revenue and profits, and strengthen its presence in the Singapore market. With the Proposed Acquisition, the Group's market leadership position in Singapore will be further entrenched and its ability to deliver a variety of high quality healthcare products and services to an enlarged customer base comprising both private and public sectors will be enhanced. In line with the Company's growth strategy of investing in proprietary brands, the Proposed Acquisition will further strengthen its proprietary brands business segment with the addition of Novem's proprietary brand of products.

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

"Besides being earnings accretive, the acquisition of Novem will help to cement our market leadership in Singapore and expand our product portfolio, while giving us access to new principals, market segments, and customers like the restructured hospitals. Our proprietary brands business segment will also get a boost with the addition of Novem's proprietary products and we expect to accelerate our growth as we reap revenue synergies with them."



End.

All information in respect of the Vendors and the Target Companies is based solely on information and representations made and provided by the Vendors and the Target Companies to the Company. In respect of such information, the Company has not independently verified the accuracy and correctness of the same and the Company's responsibility is limited to ensuring that such information has been accurately and correctly extracted and reproduced in this media release in its proper form and context.

Note: This media release is to be read 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 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.

Issued on behalf of : **Hyphens Pharma International Limited**

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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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