



HYPHENS PHARMA INTERNATIONAL LIMITED

(Company Registration No. 201735688C)

(Incorporated in the Republic of Singapore)

**RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS FROM
SHAREHOLDERS ON ANNUAL REPORT 2024**

The Board of Directors of Hyphens Pharma International Limited ("**Hyphens**", "**HPIL**" or the "**Company**", and together with its subsidiaries, the "**Group**") would like to thank shareholders who have submitted questions in advance of the Company's Annual General Meeting ("**AGM**") which will be held at 750A Chai Chee Road, ESR BizPark @ Chai Chee, #06-02/03, Singapore 469001 on Monday, 28 April 2025 at 10:00 a.m.

Please refer to the Appendix below setting out the Company's responses to substantial and relevant questions from shareholders on the annual report for the financial year ended 31 December 2024 ("**Annual Report 2024**").

BY ORDER OF THE BOARD

Lim See Wah

Executive Chairman and Chief Executive Officer

22 April 2025

This announcement 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 announcement including the correctness of any 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) at 1 Robinson Road, #21-01 AIA Tower, Singapore 048542.

1. General / Overall Business**1.1. Top customers**

	Sales (S\$m)		Change (%)
	2024	2023	
#1	32.5	20.2	61%
#2	24.0	18.7	29%
#3	19.0	16.6	15%
Top 3	75.5	55.5	35%
Total	195.4	170.6	15%

What caused sales to #1 customer to surge 61%?

The conventional wisdom is that a diversified customer base is desirable. In Hyphens' case, total revenue to top three customers was 39% in 2024, up from the prior year's 32%. Is the concentration to be welcomed in the pharma distribution business?

Company's Response

We define local pharmaceutical distributors or wholesalers, rather than specific hospitals or pharmacy chains, as our direct customers. This is due to the nature of the business value chain, whereby the Company specialises in product registration, sales, and marketing, while partnering with local distributors for logistics and fulfilment.

The top three customers are the main distributors we work with in various countries. The increase in sales to these customers reflects a general increase in sales in the respective countries, rather than a concentration of revenue from any particular customer.

1.2. Inventories

Was the increase from S\$25.5m in 2023 to S\$34.4m in 2024 to pre-empt possible supply chain disruption?

Company's Response

The increase in inventory balance was a result of the supply chain disruption in 2023. As supplies from the principals resumed, a re-stocking exercise was carried out, resulting in a higher inventory level in the short term.

1.3. What led to the increase in revenue from Singapore and Malaysia in FY2024 compared to FY2023?

Company's Response

The increase in revenue for Singapore was driven by all three segments: Proprietary Brands, Specialty Pharma Principals, and Medical Hypermart & Digital. Malaysia's revenue growth was mainly contributed by Proprietary Brands and Specialty Pharma Principals.

1.4. Why did revenue from Vietnam decline in 2H2024?

Company's Response

Revenue is recognised when sales occur between Hyphens and local Vietnamese distributors. Vietnam was the main market affected by the supply chain disruption in 1H2023. Accordingly, the re-stocking exercises conducted during 2H2023 and 1H2024 had the greatest impact on this market. As a result, we saw an increase in revenue in Vietnam during this period. Since most of the re-stocking was completed by the end of 1H2024, there was a subsequent slowdown in sales to Vietnamese distributors during 2H2024.

1.5.	What percentage of the Group's overall revenue comes from sales to Vietnam hospitals? Company's Response Sales to Vietnam hospitals contribute approximately 20% of the Group's revenue.
1.6.	Will the Company require any significant capital expenditure in FY2025? Company's Response The Group will continue to invest in technologies to upskill the workforce and enhance sales and operational efficiency. DocMed Technology will also continue investing in platform development. However, as these are ongoing efforts, we do not anticipate a significant increase in capital expenditure in FY2025.
1.7.	How will the lapse of the MOU with A*STAR affect R&D costs and new products pipeline moving forward? Company's Response Hyphens will continue to invest in R&D and its new product pipeline. While A*STAR has been a key partner in our R&D collaboration, we have also been working with other parties. We remain open to continuing our collaboration with A*STAR should the opportunity arise.
1.8.	Are there any distributorship or licensing agreements expiring in FY2025 and FY2026? Company's Response Thank you for your question. However, due to the confidential nature of this information, we are unable to disclose specific details at this time. We appreciate your understanding.
1.9.	Have there been any recent healthcare policy changes in Vietnam, Singapore, or Malaysia that could impact the Company going forward? Company's Response We are not aware of any significant changes in healthcare policies in these countries.
1.10.	Vietnam is the 2nd largest revenue contributor for the Group. However, the year-on-year and sequential half-yearly drop in 2H2024 is notable. Are short-term factors or more structural elements driving this weakness? Company's Response As mentioned in Question 1.4, the slowdown in Vietnam's sales during 2H2024 was primarily due to a re-stocking exercise affected by the supply chain disruption in 2023. Hence, we believe this to be a short-term factor.
1.11.	Are the tax benefits from in-licensing of new pharmaceutical products one-off? Company's Response Yes, this is one-off during the year of acquisition of new intellectual properties.

1.12. How many SKUS does HPIL current have?

1.12.1. Has HPIL conducted a SKU rationalisation or contribution margin analysis across its products? What frameworks are in place to evaluate the performance of each product SKU and avoid inventory obsolescence, cannibalisation, or working capital drag?

Company's Response

1.12. Thank you for your question. However, due to the confidential nature of this information, we are unable to disclose specific details. We appreciate your understanding.

1.12.1. Yes, the Group has implemented ongoing SKU rationalisation and contribution margin analysis to ensure a balanced and profitable product portfolio. We regularly review each SKU's performance using a combination of financial metrics (e.g. contribution margin, inventory turnover), market demand data, and customer feedback.

To ensure optimal inventory management and product performance, the Group employs a structured approach that includes aligning demand and supply forecasting with inventory levels, alongside regular cross-functional portfolio reviews involving commercial, finance, and supply chain teams. These integrated processes enable data-driven decision-making on product retention, discontinuation, or strategic repositioning, helping to minimise inventory obsolescence and working capital inefficiencies.

1.13. How does HPIL's Specialty Pharma /Medical Hypermart, compare with DKSH's and Zuellig Pharma's pharmaceuticals segment? Are all direct competitors, including selling/distributing duplicate medical products? Are there any fundamental differences (e.g. is HPIL more of a "niche" player)?
(<https://www.zuelligpharma.com/segments/pharmaceuticals> ; <https://www.dksh.com/global-en/home/healthcare/industries/pharmaceuticals>)

Company's Response

While the Group operates within the same healthcare ecosystem as DKSH and Zuellig Pharma, there are key differences in our business model and strategic focus.

Zuellig Pharma and DKSH are large-scale regional distributors that focus heavily on logistics, warehousing, and broad-line distribution across multiple therapeutic areas. In contrast, our Specialty Pharma Principals segment is not logistics-driven. Instead, it focuses on the registration, commercialisation, sales, and marketing of licensed pharmaceutical products. We partner with international principals to bring differentiated products into ASEAN markets and build their presence through targeted promotion.

Our Medical Hypermart and Digital business complements this by offering a curated portfolio of pharmaceuticals, medical devices, and consumables to private clinics, mainly in Singapore.

2. Proprietary Brands Segment

2.1. In February 2024, Hyphens announced a partnership with Cooper Pharma to bring Ceradan® to the Middle East, including Saudi Arabia, United Arab Emirates, Kuwait, Qatar, and Bahrain.

Did the Middle East contribute to the bulk of S\$2.2m revenue increase in 2024 (from 2023's S\$19.4m) for markets other than Singapore, Malaysia, and Vietnam? Or is the business in the Middle East still at the gestation stage? Do you have any updates on the progress?

Company's Response

The increase in revenue from 'Other' geographies was **not** driven by the Middle Eastern markets, as Ceradan® is still undergoing product registration in various Middle Eastern countries.

2.2. It was mentioned that sales for Proprietary Brands segment were lower in 2H2024 than 2H2023 due to lower demand for products of Ceradan and Ocean Health.

- a. Was the lower demand broad-based across geographic markets?
- b. What is the management's assessment of the causes for the lower demand?

Company's Response

- a. The Group's major markets experienced weak demand for Proprietary Brands. This was generally due to sluggish demand in the respective local consumer healthcare markets, which are the main channels through which Ceradan® and Ocean Health® are sold.
- b. We remain cautious in our assessment due to the current macroeconomic situation, especially with U.S. tariffs impacting key markets such as Vietnam.

2.3. In December 2022, HPIL obtained licences for Winlevi, a first-in-class topical drug for the treatment of acne approved by U.S. FDA.

(<https://links.sgx.com/1.0.0/corporate-announcements/2M3SAEE6WRALZ3JX/906af137eb0e145c0679ce16c2beccf7391953bf2d1733b4a7c4eae4baf9ca14>)

It has been reported that Winlevi has been one of the most successful US launches in the topical acne space in the last 15 years. (<https://firstwordpharma.com/story/5688969>)

Can management provide clarity as to how Winlevi is doing in ASEAN markets, i.e. whether it is of comparable performance as in the US, in terms of sales, which 10 ASEAN countries are Winlevi currently available in?

Company's Response

Winlevi® is currently not yet available in ASEAN markets, as we are still undergoing the necessary product registration processes across the region. We are working diligently to bring the product to market in ASEAN. Our goal is to ensure timely regulatory approvals and a successful commercial rollout once registration is complete.

2.4. It is heartening to know that in FY2024, Ocean Health product range has successfully expanded into Indonesia, Malaysia, and Vietnam. (AR2024 pg 7) However, the health supplement market seems to be a competitive market with big players. (<https://www.mordorintelligence.com/industry-reports/asia-pacific-dietary-supplement-market>).

2.4.1. Why does the management feel that Ocean Health can compete effectively especially against bigger companies or brands that have been around much longer?

2.4.2. Why would the management not consider channelling resources and focus instead on the HPIL's good performing and high potential medical aesthetics segment or instead choose to build Ceradan/TDF instead of Ocean Health into a truly regional brand? These would be in line with HPIL's long-term strategic focus of being Asia's No.1 skin health company. (https://links.sgx.com/FileOpen/Hyphens%20Presentation%20Deck_DBIS_030820.ashx?App=Announcement&FileID=626088) (Pg 2)

2.4.3. Alternatively, could HPIL have chosen to focus its resources on turning around/strengthening the margins of the Medical Hypermart segment?

Company's Response

2.4.1. Ocean Health® is one of Singapore's leading homegrown supplement brands, known for its quality, efficacy, and consumer trust. These attributes form a strong competitive advantage as

we expand into regional markets such as Indonesia, Malaysia, and Vietnam. In these markets, purchasing decisions are still strongly influenced by brand credibility, healthcare professional recommendations, and product safety—areas where Ocean Health® performs well. Our focused product range, coupled with an omni-channel strategy and growing healthcare partnerships, positions Ocean Health® to compete effectively even in a competitive market landscape.

2.4.2. The Group remains committed to our proprietary dermatological brands as well as Specialty Pharma Principals segment, which are key pillars in our long-term strategy to be Asia's No.1 skin health company. The expansion of Ocean Health® does not detract from these priorities; rather, it complements them by addressing consumer demand for preventive and wellness-related skin health solutions. Together, these offerings create a comprehensive skin health ecosystem that spans across prescription, aesthetic, and wellness categories. Strategic resource allocation continues to be driven by brand synergy, growth potential, and long-term value creation.

2.4.3. Improving operational efficiency and profitability within the Medical Hypermart segment remains a priority. However, the Group takes a balanced portfolio approach to growth. Expanding into consumer wellness through Ocean Health®, while simultaneously investing in core businesses like proprietary dermatology brands and specialty pharma portfolio, allows us to diversify revenue streams and strengthen our market presence.

3. Specialty Pharma Principals

3.1. What proportion of specialty pharma revenue comes from Singapore, Vietnam, and Malaysia, respectively?

Company's Response

The contribution of Specialty Pharma revenue to the Group's total revenue from these countries ranges from 10% to 30%.

MEDICAL AESTHETICS

3.2. **Ardence Pharma**

Was S\$2.379m Ardence Pharma's 2024 profit from a revenue of S\$7.183m?

What were the figures for the whole of 2023? (I understand Ardene Pharma was an associated company mostly in 2023.)

	2024 \$'000	2023 \$'000
<u>Ardence Pharma Sdn. Bhd.</u>		
Profit allocated to NCI of the subsidiary during the reporting year	832	104
Accumulated NCI of the subsidiary at the end of the reporting year	2,160	946
The summarised financial information of the subsidiary (not adjusted for the percentage ownership held by the Group and amounts before inter-company eliminations) is as follows:		
Current assets	4,772	2,981
Non-current assets	1,931	52
Current liabilities	(80)	(328)
Non-current liabilities	(452)	(1)
Revenue	7,183	900
Profit for the reporting year	2,379	298

Company's Response

1) Yes, Ardence Pharma's 2024 profit of S\$2.379m was generated from a revenue of S\$7.183m.

2) The revenue of S\$900k and profit of S\$298k represent the results for two months of Ardence Pharma as a subsidiary of the Group, following its acquisition in November 2023.

- 3.3. HPIL has identified a new growth trajectory in the medical aesthetics sector which has seen remarkable expansion across ASEAN in recent years and among the products are Plinest, Newest, Nabota. (AR2024 pg4)

According to Evolus (which sells Nabota as Jeuveau), Jeuveau has been the fastest growing neurotoxin in the US for the past 3 years and Daewoong Pharmaceutical expects sales of its botulinum toxin product will be able to post an average annual growth rate of some 20 percent until 2030. (<https://www.koreaherald.com/article/3414018>).

Nabota seems to be a very sellable product. HPIL brought Nabota to Malaysian and Singapore markets in Feb/Aug 2023, and has since officially launched it. (<https://www.hyphens.com.sg/nabota-approved-for-use-in-malaysia> ; https://www.linkedin.com/posts/hyphens-pharma-international_hyphens-pharma-medicalaesthetics-activity-7122807186442911744-JuDD/).

Can management provide clarity on the following operational/financial aspects?

- 3.3.1. What is the growth rate of Nabota so far in terms of its sales?
- 3.3.2. What is the market penetration of Nabota, i.e. has HPIL managed to approach all the medical clinics in Singapore and Malaysia?
- 3.3.3. Ardence Pharma is located in Petaling Jaya. There are media reports about medical tourism prospects in Penang (<https://www.straitstimes.com/asia/se-asia/penang-s-medical-tourism-industry-in-good-shape-with-the-bulk-of-patients-from-indonesia>). Does HPIL have a strong sales presence in Penang or cities where there is potential for high demand for its medical aesthetics offerings(e.g. areas with higher working populations and monthly income)?

Company's Response

- 3.3.1. Thank you for your question. However, due to the confidential nature of this information, we are unable to disclose specific details. We appreciate your understanding.
- 3.3.2. Yes, Nabota is currently available in both Singapore and Malaysia, and we have established a growing customer base across both countries. While we have successfully partnered with several medical clinics, market penetration is still in progress as we continue to expand our outreach and build stronger relationships within the medical aesthetics community.
- 3.3.3. Yes, Ardence Pharma has a presence throughout Malaysia, including in Penang. We recognise the growing demand for medical aesthetics in areas with strong medical tourism prospects and higher-income working populations. As such, HPIL continues to strengthen its sales presence not only in Penang but also in other key urban centers where demand for premium aesthetic treatments is rising.

4. Medical Hypermart and Digital Segment

- 4.1. Will the Medical Hypermart and Digital segment require additional funding in FY2025? If so, how will it be raised?

Company's Response

There is currently no ongoing fundraising activity for DocMed Group. The Group will regularly assess its funding needs in light of business progress. The Group always welcomes like-minded partners to collaborate with us in driving mutual growth.

- 4.2. Where do you see the Medical Hypermart and Digital segment in 5 years?

Company's Response

We believe that DocMed Technology's business model will revolutionise the pharmaceutical industry value chain by streamlining access, improving transparency, and driving efficiency

across procurement, distribution, and patient engagement. Pan-Malayan will serve as a solid foundation for the next stage of the business's growth.

- 4.3. After developing the B2B pharmaceutical marketplace, POM, for some time, is there greater clarity or confidence to set an appropriate timeline for it to turn profitable?

Company's Response

POM remains in its early growth phase, especially with the new launch of POM in Malaysia and Vietnam. However, we are encouraged by the progress and remain focused on building long-term value.

- 4.4. In Jan 2025, Straits Times reported that "8 telehealth providers investigated by MOH for lapses" <https://www.straitstimes.com/singapore/politics/eight-telehealth-providers-investigated-by-singapores-health-ministry-for-lapses>

Is our telehealth business, DocMed and/or WellAway being investigated by MOH for lapses? Please detail.

Company's Response

The MOH investigation targets eight telemedicine providers but DocMed Technology and WellAway e-pharmacy platform are **not** among them. Our Company does not provide teleconsultations or medical certificate services because we run an HSA-licensed e-pharmacy platform that delivers medicines through digitally verified prescriptions from verified doctors. The two entities face no investigation at present and all Health Sciences Authority licenses remain active.

- 4.5. Telehealth providers have come under increased scrutiny from the authorities and employers for unethical practices. These include: A) "doctors issuing prescriptions and medical certificates without proper clinical assessment or not conducting video consultations for first-time patients.", B) "inappropriate advertisements, such as those promoting the unnecessary use of telemedicine services", C) "telemedicine may be abused to get easy access to medical certificates" D) Other unethical practices etc. Have there been any instances whereby DocMed and/or WellAway fell short of proper ethical standards? How does the Company ensure that DocMed and/or WellAway adhere to high ethical standards? Please detail, explain and elaborate.

Company's Response

The Company has operated since 2021 without receiving any warning letters or regulatory findings or customer-safety incidents. Our operational framework prevents the specific unethical practices you mentioned (A, B, C and other unethical practices) from happening in our workflow:

A: DocMed and WellAway do not conduct clinical consultations, issue prescriptions, or provide MCs. The dispensing of medicines at our facility requires digitally authenticated e-prescriptions from licensed doctors who operate on separate MOH-licensed telemedicine platforms.

B: Our Company provides pharmacy-fulfilment services exclusively without offering consultation or telehealth services to patients. Our marketing efforts target Healthcare Professionals exclusively instead of directing them to the public.

C: We are not involved in MC issuance. The system maintains complete prescription metadata which doctors and employers and MOH can use for auditing prescription practices.

D: WellAway verifies every prescriber account as a Singapore-registered doctor before accepting any e-prescription. The HSA can access our database to retrieve credential checks and transaction logs during their annual audit.

The digital infrastructure of DocMed combines with WellAway's licensed e-pharmacy support to meet the compliance needs of responsible telehealth providers. Our closed-loop model, pharmacist checks, compulsory prescriber verification and rigorous audit program ensure we adhere to the highest ethical and regulatory standards; hence we have an unblemished track record till date.

- 4.6. Under the segmental results, it appears that "Medical Hypermart and Digital" went from a profit to a loss last year. Which division(s) of "Medical Hypermart and Digital" registered a loss, is it Pan-Malayan? DocMed? or WellAway? What are the reasons this particular division registered a loss? What is the Company doing to turnaround the loss-making division? Please detail, explain and elaborate clearly.

Company's Response

The loss in the "Medical Hypermart and Digital" segment was mainly due to initial investments in DocMed Malaysia and Vietnam, both of which had their first full year of operations in FY2024. As these businesses are in the early set-up phase, resources were directed towards building teams, local operations, and meeting regulatory requirements.

We are focused on growing revenue, improving efficiency, and leveraging regional synergies. We remain confident in the long-term growth potential of these markets.

- 4.7. The Medical Hypermart and Digital ("MHD") segment incurred a loss of about S\$1.4m, despite a slight increase in revenue in FY2024. (AR2024 pg106)

4. Financial information by operating segments (cont'd)

4B. Profit or loss from continuing operations and reconciliations

	Specialty pharma principals		Proprietary brands		Medical hypermart and digital	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue by segment						
Total revenue by segment	124,245	102,195	27,546	25,651	43,629	42,749
Total revenue	124,245	102,195	27,546	25,651	43,629	42,749
EBITDA	14,808	9,511	3,826	3,839	(1,365)	243
Finance costs	-	-	-	-	-	-
Depreciation and amortisation	(623)	(288)	(419)	(414)	-	-
Profit (loss) before tax	14,185	9,223	3,407	3,425	(1,365)	243
Income tax expense						
Profit net of tax						

- 4.7.1. Can management help shareholders understand what are the competitive advantages of the MHD (B2B marketplace) segment over those digital platform/marketplace provided by competitors like Zuellig, DSKH?
<https://www.zuelligpharma.com/news-insights/zuellig-pharma-launches-innovative-b2b-e-commerce-healthcare-purchasing-platform-ezrxplus> ; <https://www.dksh.com/mm-en/home/media/news?id=en-2d3843a4-216e-44f0-aca3-9f9609c440b8:1-lt>?

Company's Response

The MHD platform offers distinct, sustainable advantages in the B2B healthcare marketplace space, especially when compared to more recently launched offerings from major distributors like Zuellig and DKSH. These advantages include:

1. First-Mover Advantage with Deep Market Trust

With a legacy dating back to the 1940s, Pan Malayan operates Singapore's original "Medical Hypermart" and remains the largest and longest-established pharmaceutical wholesaler in the

country. This decades-long presence has established strong trust and brand equity with local healthcare providers.

2. Unmatched Penetration in Primary Care

MHD currently serves over 1,500 general practitioner (GP) clinics and pharmacies through its web and mobile platforms, reflecting its entrenched position in the primary care channel.

3. Breadth of Offerings via a Vendor-Neutral Model

Unlike competitors who promote primarily their own distributed products, MHD's platform offers an "open shelf" model with a single-login access to:

- Hyphens' proprietary brands (e.g., Ceradan, TDF, Ocean Health)
 - Dedicated stores for pharmaceutical principals (regardless of whether they are distributed by Pan Malayan)
 - Pan Malayan's wholesale catalogue (>4,000 SKUs "under one roof")
- This vendor-neutral approach provides greater product choice and flexibility for healthcare providers.

4. A Fully Integrated Digital Healthcare Ecosystem

MHD's platform goes beyond order fulfilment. It supports:

- On-platform CME (Continuing Medical Education) content
- A doctor-only professional social network
- One-click integration with WellAway, Singapore's first HSA-licensed e-pharmacy, enabling direct-to-patient medication delivery

Summary:

While platforms like Zuellig's eZRx+ and DKSH's digital offerings function primarily as transactional ordering portals tied to their own distribution networks, the MHD platform distinguishes itself as a doctor-centric, vendor-neutral ecosystem—built on decades of trust, comprehensive product access, and integrated clinical and patient support services.

- 4.8. Referring to AGM2021 Q&A Q8.1 where concerns about the MHD segment were raised. (https://links.sgx.com/FileOpen/Hyphens%20AGM2021%20QA_Final.ashx?App=Announcement&FileID=713081)

HPIL's reply then was that to invest into its digital assets to transform the business and that the past 15 years' record since FY2007 indicate that Pan-Malayan Pharmaceuticals has been profitable.

- 4.8.1. What are management's key operational priorities to stabilise and turn around the MHD segment? What performance milestones have been set for FY2025?
- 4.8.2. Does HPIL consider MHD more of a strategic asset (e.g. access to healthcare professionals) than an income asset?
- 4.8.3. WellAway achieved a significant milestone in FY2024, processing 100,000 e-prescriptions since its launch. (AR2024 pg 7). Is WellAway profitable? If not, what plans have management put in place to make it a sustainable business model?

Company's Response

- 4.8.1. Some of the top priorities that the Group will continue to focus on in the coming years:
- a) Business development efforts to onboard principals and vendors as well as healthcare practitioners.
 - b) Rolling out new platform iterations to improve user experience.

- 4.8.2. The Group considers MHD both a strategic asset that will revolutionise the pharmaceutical industry value chain as well as an income asset in the long-run.
- 4.8.3. We are actively working towards making WellAway a sustainable business model. Our efforts focus on enhancing operational efficiency, expanding the customer base, and exploring new revenue streams to ensure long-term growth and profitability.

- 4.9. Some companies' in-house sales force make regular physical visits to its customers. (<https://www.nextinsight.net/story-archive-mainmenu-60/946-2023/15349-food-empire-analysts-takeaways-from-viet-visit>) Does HPIL sales team go door-to-door and make in-person visits to every healthcare outlet(in Malaysia /Vietnam) to market its MHD(B2B marketplace) or how does HPIL typically approach healthcare outlets to sign up its MHD(B2B marketplace) services? Has the sign-up in Vietnam met management's expectations?

Company's Response

Yes, the sales team conducts regular in-person visits to healthcare outlets, including clinics and pharmacies. These physical visits are an important part of our customer engagement strategy to introduce and onboard users to our MHD (B2B marketplace) platform, provide product education, and build strong relationships with healthcare professionals. Beyond the traditional in-person visits, the teams also attend medical conferences, partnered with doctors' associations and has a digital referral program to increase new sign-ups on our platforms.

In Vietnam, while market development takes time, we continue to expand outreach efforts. Management remains committed to strengthening our presence and remains cautiously optimistic about long-term growth in this market.