

3RD ANNUAL GENERAL MEETING

Date : 28 April 2021
Place : Video conferencing
Present : Refer to the Attendance List

CHAIRMAN

Mr Lim See Wah presided at the meeting.

QUORUM

After ascertaining the presence of a quorum, the Chairman called the meeting to order at 2.00 p.m.

INTRODUCTION

Chairman welcomed the shareholders to the 3rd Annual General Meeting ("AGM") of the Company and introduced the members of the Board to the shareholders.

The Company informed the shareholders of the following:-

- a) In accordance with the Company's Constitution, electronic voting was not allowed. Shareholders who wish to vote on any or all of the resolutions would have submitted their proxy form to appoint the Chairman to vote on their behalf.
- b) Shareholders' microphones would be muted to avoid audio interference during the course of the AGM

A presentation was made to the shareholders to update them on the Group's businesses.

QUESTIONS & ANSWERS

The Company has received questions from shareholders. The Board and Management addressed some of these questions. The full written response is attached in Appendix A.

NOTICE

A copy of the Company's Notice of AGM had been circulated to the shareholders on 13 April 2021. The Notice of the AGM, with the consent of the shareholders, was taken as read.

RESOLVED -

RESOLUTION 1 - DIRECTORS' REPORT AND ACCOUNTS

That the audited financial statements and the Reports of the Directors and Auditors for the year ended 31 December 2020 submitted to this Meeting be and are hereby received.

Proposer : Chairman
 Seconder : Fang Lee Wei

The motion was put to vote by poll and the results were as follows:-

	No.	Percentage (%)
No. of votes in favour of the Resolution	241,290,256	100.00
No. of votes against the Resolution	-	-
No. of votes abstained from voting on the Resolution	-	-

The Chairman declared the motion carried.

RESOLVED -

RESOLUTION 2 – DECLARATION OF FINAL DIVIDEND

That the Company do hereby approve a final exempt (one-tier) dividend of 0.62 Singapore cents per share for the year ended 31 December 2020 based on the issued and fully paid ordinary shares and that such dividend be paid on 25 May 2021 to the shareholders registered with the Company on 12 May 2021.

Proposer : Chairman
 Seconder : Fang Lee Wei

The motion was put to vote by poll and the results were as follows:-

	No.	Percentage (%)
No. of votes in favour of the Resolution	241,290,256	100.00
No. of votes against the Resolution	-	-
No. of votes abstained from voting on the Resolution	-	-

The Chairman declared the motion carried.

RESOLVED -

RESOLUTION 3 - RE-ELECTION OF DIRECTOR

That Mr Heng Wee Koon be and is hereby re-elected as Director of the Company in accordance with Regulation 97 of the Company's Constitution.

Proposer : Chairman
 Seconder : Fang Lee Wei

The motion was put to vote by poll and the results were as follows:-

	No.	Percentage (%)
No. of votes in favour of the Resolution	234,669,056	97.26
No. of votes against the Resolution	6,621,200	2.74
No. of votes abstained from voting on the Resolution	-	-

The Chairman declared the motion carried.

RESOLVED -

RESOLUTION 4 – RE-ELECTION OF DIRECTOR

That Mr Ng Eng Leng be and is hereby re-elected as Director of the Company in accordance with Regulation 97 of the Company's Constitution.

Proposer : Chairman
 Seconder : Fang Lee Wei

The motion was put to vote by poll and the results were as follows:-

	No.	Percentage (%)
No. of votes in favour of the Resolution	234,669,056	97.26
No. of votes against the Resolution	6,621,200	2.74
No. of votes abstained from voting on the Resolution	-	-

The Chairman declared the motion carried.

RESOLVED -

RESOLUTION 5 – RE-ELECTION OF DIRECTOR

That Mr Chan Kiat be and is hereby re-elected as Director of the Company in accordance with Regulation 103 of the Company's Constitution.

Proposer : Chairman
 Seconder : Fang Lee Wei

The motion was put to vote by poll and the results were as follows:-

	No.	Percentage (%)
No. of votes in favour of the Resolution	241,290,256	100.00
No. of votes against the Resolution	-	-
No. of votes abstained from voting on the Resolution	-	-

The Chairman declared the motion carried.

RESOLVED -

RESOLUTION 6 – DIRECTORS’ FEES

That the Directors’ fees of SGD 184,900 for the year ended 31 December 2020 be hereby approved.

Proposer : Chairman
 Seconder : Fang Lee Wei

The motion was put to vote by poll and the results were as follows:-

	No.	Percentage (%)
No. of votes in favour of the Resolution	126,863,895	100.00
No. of votes against the Resolution	-	-
No. of votes abstained from voting on the Resolution	114,426,361	-

The Chairman declared the motion carried.

RESOLVED -

RESOLUTION 7 - RE-APPOINTMENT OF AUDITORS

That Messrs RSM Chio Lim LLP be and they are hereby re-appointed as Auditors of the Company, to hold office until the conclusion of the next Annual General Meeting and that the Directors be and are hereby authorised to fix their remuneration.

Proposer : Chairman
 Seconder : Fang Lee Wei

The motion was put to vote by poll and the results were as follows:-

	No.	Percentage (%)
No. of votes in favour of the Resolution	234,669,056	97.26
No. of votes against the Resolution	6,621,200	2.74
No. of votes abstained from voting on the Resolution	-	-

The Chairman declared the motion carried.

SPECIAL BUSINESSES

RESOLVED -

RESOLUTION 8 – AUTHORITY TO ALLOT AND ISSUE SHARES

That pursuant to Section 161 of the Companies Act (Chapter 50) of Singapore (“**Companies Act**”) and Rule 806 of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”), authority be and is hereby given to the Directors of the Company to allot and issue shares and/or convertible securities in the capital of the Company (whether by way of rights, bonus or otherwise) at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit provided that:

- (i) the aggregate number of shares and/or convertible securities to be issued pursuant to this resolution must not be more than one hundred per cent (100%) of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of shares and/or convertible securities to be issued other than on a *pro-rata* basis to existing shareholders of the Company must not be more than fifty per cent (50%) of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company (as calculated in accordance with sub-paragraph (ii) below);
- (ii) (subject to such manner of calculations as may be prescribed by the SGX-ST), for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (i) above, the total number of issued shares excluding treasury shares and subsidiary holdings shall be based on the total number of issued shares excluding treasury shares and subsidiary holdings of the Company at the time this resolution is passed after adjusting for:
 - (a) new shares arising from the conversion or exercise of any convertible securities;
 - (b) new shares arising from exercising share options or vesting of share awards provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
 - (c) any subsequent bonus issue, consolidation or sub-division of shares;
- (iii) in exercising the authority conferred by this resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Company's Constitution; and
- (iv) unless revoked or varied by the Company in a general meeting, the authority conferred by this resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.

Proposer : Chairman
 Secunder : Fang Lee Wei

The motion was put to vote by poll and the results were as follows:-

	No.	Percentage (%)
No. of votes in favour of the Resolution	234,622,900	97.24
No. of votes against the Resolution	6,667,356	2.76
No. of votes abstained from voting on the Resolution	-	-

The Chairman declared the motion carried.

RESOLVED -

RESOLUTION 9 - AUTHORITY TO GRANT AWARDS AND TO ALLOT AND ISSUE SHARES IN ACCORDANCE WITH HYPHENS PERFORMANCE SHARE PLAN

That pursuant to Section 161 of the Companies Act (Chapter 50) and the Rules of Catalist, approval be and is hereby given to the Directors of the Company to:

- (i) offer and grant awards in accordance with the provisions of the Hyphens Performance Share Plan ("the **Performance Share Plan**"); and

- (ii) and issue from time to time such number of fully paid-up shares in the capital of the Company as may be required to be allotted and issued pursuant to the vesting of awards under the Performance Share Plan, provided always that the aggregate number of Shares issued and/or issuable pursuant to the Performance Share Plan, the Share Option Scheme and any other share based incentive schemes of the Company shall not exceed 15% of the total number of issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings, if any) from time to time.

Proposer : Chairman
 Seconder : Fang Lee Wei

The motion was put to vote by poll and the results were as follows:-

	No.	Percentage (%)
No. of votes in favour of the Resolution	120,127,339	94.75
No. of votes against the Resolution	6,657,356	5.25
No. of votes abstained from voting on the Resolution	114,505,561	-

The Chairman declared the motion carried.

RESOLVED -

RESOLUTION 10 - AUTHORITY TO GRANT OPTIONS AND TO ALLOT AND ISSUE SHARES IN ACCORDANCE WITH HYPHENS EMPLOYEE SHARE OPTION SCHEME

That pursuant to Section 161 of the Companies Act (Chapter 50) and the Rules of Catalist, approval be and is hereby given to the Directors of the Company to:

- (i) offer and grant Options in accordance with the provisions of the Hyphens Share Option Scheme ("the **Share Option Scheme**"); and
- (ii) to allot and issue from time to time such number of fully paid-up shares as may be required to be allotted and issued pursuant to the exercise of the Options under the Share Option Scheme, provided always that the aggregate number of Shares issued and/or issuable pursuant to the Share Option Scheme, the Performance Share Plan and any other share based incentive schemes of the Company shall not exceed 15% of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) from time to time.

Proposer : Chairman
 Seconder : Fang Lee Wei

The motion was put to vote by poll and the results were as follows:-

	No.	Percentage (%)
No. of votes in favour of the Resolution	120,127,339	94.75
No. of votes against the Resolution	6,657,356	5.25
No, of votes abstained from voting on the Resolution	114,505,561	-

The Chairman declared the motion carried.

TERMINATION OF MEETING

There being no other business, the Meeting ended at 2.25 p.m. with a vote of thanks to the Chair.

CONFIRMED AS A TRUE RECORD OF MINUTES

LIM SEE WAH

Chairman

*This document has been prepared by the Company and its contents have been reviewed by the Sponsor, DBS Bank Ltd. ("**Sponsor**") for compliance with the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this document.*

This document has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this document including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this document.

The contact person for the Sponsor is Mr Kelvin Wong, Senior Vice President, who can be contacted at 12 Marina Boulevard, Level 46, Marina Bay Financial Centre Tower 3, Singapore 018982, Telephone: +65 6878 8888.

ATTENDANCE LISTS

Physical attendance

Name	Position
Lim See Wah	Executive Chairman and CEO
Heng Wee Koon	Lead Independent Director
Lim Sher Mei (Lin Shimei)	Company Secretary
Fang Lee Wei	Chief Financial Officer

Attendance via web conference

Board of Directors

Name	Position
Tan Chwee Choon	Executive Director
Tan Kia King	Non-Executive Director
Ng Eng Leng	Independent Director
Tan Seok Hoong @Mrs Audrey Liow	Independent Director
Chan Kiat	Independent Director

Professionals

Company Name	
Boardroom Corporate & Advisory Services Pte Ltd	Share registrar / Poll agent
Drewcorp Services Pte Ltd	Scrutineer
DBS Bank Ltd	Sponsor
RSM Chio Lim LLP	Independent Auditor
Stone Forest Corpserve Pte. Ltd.	Corporate Secretarial

Shareholders

Due to the restriction on the use of personal data pursuant to the provisions of the Personal Data Protection Act 2012, the names of the shareholders present at the meeting will not be published in this minutes.

Question 1

Why did revenue of Medical Hypermart & Digital segment increase from S\$39.8 million to S\$40.8 million yet EBITDA declined from S\$3.4 million to S\$1.1 million? Did you face more competition that necessitated a reduction in your margins?

Company's Response

The lower EBITDA in FY2020 was mainly due to:

- (i) S\$1.3m of impairment allowance on inventories obsolescence; and
- (ii) Absence of a tender sales recorded in FY2019 which had good margin.

If the above two factors were excluded, EBITDA margin of Medical Hypermart & Digital segment in FY2020 would have been comparable with that in FY2019.

Question 2

For the past 3 years, Group revenue is stagnant at around S\$120 million and profit net of tax is also stagnant at around S\$6 million. Is the Company concerned with this stagnation? Where is the growth going to come from, both top line and bottom line?

Company's Response

Revenue of our Specialty Pharma Principals segment, which is the Group's largest business segment, was adversely affected by COVID-19 and showed a decline in FY2020, thereby curtailing the Group's revenue. Management will focus on executing the 5 growth strategies outlined in the CEO's presentation.

Question 3

Did the Company see increased demand for its products due to COVID-19? If so, which product(s)? What percentage of the revenue increase is attributed to COVID-19? Is this increase in revenue sustainable, going forward?

Company's Response

Although the Group saw an increase in demand for personal protection equipment ("PPE") and health supplements, these contributed to less than 5% of the Group's revenue in FY2020. Given the relatively small contribution, we expect continual growth in revenue barring any unforeseen circumstances.

Question 4

Is Hyphens able to tap onto any of our local government's schemes (e.g. Enterprise Singapore, IMDA) to help local enterprises grow its capabilities, e.g. overseas expansion, going digital, etc?

Company's Response

Yes, we are constantly tapping support from various government agencies to develop our capabilities in relevant aspects.

Question 5

Hyphens had signed a memorandum of understanding with Doctor Anywhere, and was awarded e-pharmacy license for WellAway Pharmacy. Other than telemedicine and perhaps onboarding more products / end customers in the B2B platform, are there any other major potential avenues for business growth in the Medical Hypermart segment?

Company's Response

We are still in the early stage of developing the digital business within the Medical Hypermart & Digital business segment. Hence, we will continue to focus on the areas mentioned above to build a leading edge in Singapore before exploring new areas of growth.

Question 6

Is it part of Hyphens' strategy to venture into the area of MedTech/HealthTec, for e.g. collaborating with government organizations (e.g. SG innovate) to develop or partner with startups?

Company's Response

We do not have plans in this area at the moment.

Question 7

Regarding the integrated facility in Singapore :

- (a) does it involve manufacturing the products or mainly packaging end products for retail sale?
- (b) does it cater only to Ocean Health products or other proprietary products as well? Will the integrated facility eventually be expanded to cater to the other range e.g. Ceradan / TDF / CG 210?
- (c) is the facility's current capacity enough to cater to the company's expansion plans for the next 5 years?

Company's Response

It is a repackaging facility for most of Ocean Health supplements and TDF products. Ceradan and CG210 are contract manufactured up to the commercial pack size level. The facility has capacity to meet future needs.

Question 8

Were there any supply chain/logistics challenges as a result of the Covid pandemic or the recent Suez Canal incident, both in terms of receiving supplies from Contract Manufacturing Organizations (CMOs) as well as shipping the finished goods to other countries for sale? If so, were there steps undertaken to improve the resilience of the supply chain?

Company's Response

Most of our shipments are by air. Although a couple of shipments were delayed by the Suez incident, there was no material adverse effect.

Question 9

As Hyphens deepens its digital transformation, can the management consider sharing its digital initiatives (and outcomes) especially for the proprietary brands in future annual reports, e.g. outline the increase in the number of social media followers / engagements, number of social media mentions?

Company's Response

Our marketing team tracks these digital parameters, however these are competitively sensitive indicators that we will prefer to keep confidential.

Question 10

As there will not be any more quarterly reporting, would the management consider providing shareholders with at least some form of quarterly business updates?

Company's Response

Yes, we will continue to keep shareholders updated on a timely basis.

Question 11

It is heartening to know that Hyphens put in a lot of effort to engage the investing community. Would the management consider having "live" video sessions (perhaps facilitated through local brokers) with minority shareholders for company updates/results briefings and perhaps Q&A?

Company's Response

We have held webinars with Philip Securities in 2020 to reach out to retail investors. We will continue to look out for similar events to engage with investors.

Question 12

The fixed pay component of the compensation of directors / key management personnel ranges from 75% to 100%. Would the board of directors consider allocating a higher portion of the compensation to the variable component to better align with shareholder value creation?

Company's Response

The Group has put in place a management remuneration structure that aligns with the long-term interest and risk management policies of the Group. Variable performance incentives are tied to the performance of the Group or business unit and the individual's performance. The disclosure in the Corporate Governance Report is the actual remuneration paid and the variable proportion varies.

Question 13

Hyphens markets & sells a range of specialty pharmaceutical products in selected ASEAN countries, and has strong regulatory capabilities as well as significant experience in certain therapeutic areas/ medical specialties. As such,

- (a) Is Hyphens actively seeking to leverage this strong capability to expand the distribution of the specialty pharmaceutical products to the rest of the ASEAN countries (i.e. those in which Hyphens has no direct presence currently)? Other than entrenching Hyphen's position in ASEAN, it may also help to achieve economies of scale.
- (b) Are there plans to synchronise the distribution of its full range of specialty pharmaceutical products across the ASEAN countries (which it has a direct presence)? Taking an example from the IPO prospectus, Vivomixx is marketed and sold in Singapore, whereas Fenosup Lidose are marketed and sold in Singapore, Vietnam, Malaysia, Indonesia and the Philippines. Are there any reasons why Hyphens is not distributing Vivomixx in Vietnam, Malaysia, Indonesia and the Philippines? Is it because the brand principals already appointed distributors in those countries or is it due to insufficient market demand or some other reasons?

Company's Response

The Group is open to exploring other countries in ASEAN where we currently do not have a presence. We will weigh the opportunities vs costs before making inroads. Similarly we are also open to extending our collaborations with the specialty pharma principals to other countries, subject to factors such as market demand, local regulatory regulations, etc. We have extended such collaborations in the past, e.g. we first distributed contrast media products from Guerbet in Vietnam and this partnership is now extended to Indonesia.

Question 14

Last year, Hyphens expanded the Ocean Health distribution to Sri Lanka / HK / Macau / Duty free in China. Are the results (sales / brand awareness) encouraging so far? Are there any lessons learnt in terms of penetrating a new market, which the Group can incorporate into future expansion plans?

Company's Response

As we have indicated in our press release, we do not expect a material effect on the financials of the Group in the immediate year as it typically takes time to market and gain traction in a new market.

Question 15

In the IPO prospectus, it was mentioned that Ocean Health products are sold in online marketplaces such as ICBC mall, JD worldwide, Lazada:

- (a) Is Hyphens considering/ exploring other online platforms like Tmall/Taobao especially for the China market? If so, are there plans to participate in the Alibaba's 11.11 event?
- (b) How well received is Ocean Health brand/products in the China market so far?
- (c) What types of marketing efforts (online/offline) has been employed for the China market so far?

Company's Response

Efforts for Ocean Health to make inroads into the China market have been challenging. We are constantly exploring opportunities in the Chinese market and are continuously looking out for and assessing the right partner and business model, which takes time.

Question 16

Is the full range of Ocean Health products Halal-Certified?

Company's Response

Not the full range but our flagship product, Omega-3 Fish Oil, is Halal-Certified.

Question 17

While browsing Ceradan products in Guardian retail stores, I noticed different products have various country labelling, e.g. some packages are labelled "Developed in Japan; Made in Singapore" whereas some are labelled "Marketed by Singapore, Malaysia/ Vietnam; Imported by and distributed by Indonesia / Philippines". Can the management please clarify:

- (a) where are Ceradan products manufactured and packaged in? Are Ceradan products in our local Singapore Guardian retail stores imported from Indonesia/Philippines but made in Singapore?
- (b) what is the difference between the country offices that market vs those which import / distribute?
- (c) Is the R&D for all the Ceradan products done (outsourced) in Japan which developed the formulation (except for the hand cream formulation, which is a collaboration with A*STAR) ?

Company's Response

Ceradan products are developed in Japan and manufactured & packed in Singapore. Reason for stating the various ASEAN countries on the packaging is because we are sharing a common packaging across the countries and it is a regulatory requirement to state the licence holder in each country.

Question 18

CG210 is available in retail channels only in Malaysia. Are there plans to bring the CG 210 range into the retail channels in Singapore (similar to Ceradan/Ocean Health brands)?

Company's Response

Yes, we are open to consider at an appropriate time, especially when new SKUs become available.

Question 19

The TDF brand seems to have a long history and was acquired by Hyphens in 2016. Is Hyphens targeting to expand TDF range sold unto the retail channel in the foreseeable future? If so, can management please share some of the initiatives planned? If not, what are the reasons, for e.g. not suitable due to the nature (e.g. controlled ingredients) of the product?

Company's Response

Dermocosmetic is a very fragmented and crowded market, especially in the consumer channel. Hence, TDF is positioned as a medically recommended brand that we market mainly to medical professionals and make available only in selective pharmacies. We will review this positioning and strategy from time to time.

Question 20

Hyphens has launched the Ceradan / TDF websites - are there plans to enable ecommerce (online purchase) function on those sites like for Ocean Health? If not, are there any particular reasons?

Company's Response

Ceradan is readily available on e-commerce platforms like Shopee, Lazada, Qoo10, etc.

Question 21

Are there plans to launch a CG 210 website (with/without ecommerce function)?

Company's Response

No plans at the moment.

Question 22

Are there plans to launch mobile apps for the proprietary products (e.g. Ceradan, Ocean Health), given the high penetration of mobile devices usage?

Company's Response

iControl Eczema app is developed by Hyphens to help patients assess their eczema severity on a daily basis and facilitate interactive eczema management between medical professionals and patients.

Question 23

Ceradan has its own website as well as Facebook/Youtube/Instagram channels and is marketed primarily through medical professionals:

- (a) are there plans to expand its digital ecosystem, perhaps showcasing online videos of customer testimonies or work with influencers ?
- (b) are there plans to establish country specific website / facebook page based on the native language of the country(e.g. Malay, Vietnamese) ?
- (c) are there also plans to feature educational content (videos/text) by dermatologists in all the native countries where Ceradan are sold ?

Company's Response

We have regular engagements with doctors, influencers and Ceradan users to share their experience with others. Respective countries use local languages to reach their doctors and consumers more effectively.

Question 24

Although the China market holds enormous opportunities, it is also very competitive. As such, can the management please share the China expansion /marketing strategy for Ceradan:

- (a) Offline: Is Hyphens only marketing Ceradan through medical channels in China (via Shanghai Good Luck)? What are some of the offline marketing initiatives planned, for e.g. distribute free samples to new mothers in maternity hospitals or roadshows/seminars to help promote brand/product awareness, hosting roadshows?
- (b) Online: Can the management share more about its online (digital) initiatives for Ceradan, for e.g. any plans to leverage on popular platforms like WeChat, Xiaohongshu for brand awareness/engagement or working with Key Opinion Leaders (KOL)?
- (c) How does the company position/differentiate Ceradan products vs other local China products (perhaps including Traditional Chinese Medicine) and other premium Europe / USA imported eczema products in China?
- (d) Although the expansion to China started late last year, how is the reception to the Ceradan products so far (perhaps to the medical professionals)? Does the “Top-Of-Mind” branding in Singapore resonate with the China medical professionals / audience?

Company’s Response

Hyphens supports our appointed distributor, Shanghai Good Luck, in both online and offline engagements with customers in China. Ceradan is now featured on WeChat and Xiaohongshu.

Question 25

Where/How is Ceradan sold in China:

- (a) Offline: Other than medical channels (hospitals/clinics), are the products available for sale via retail pharmacies (in shopping centers) like in Singapore?
- (b) Online: Are there plans for Ceradan products sold in popular online platforms like Tmall/Taobao this year and plans for Ceradan to participate in this year’s Alibaba’s 11.11 event in China this year?

Company’s Response

Ceradan is currently available on Tmall.

Question 26

Is there any specific reason to only market TDF Fairence to the Korea market, e.g. is it because there is currently not many hyperpigmentation brands in Korea? Is there potential to expand the rest of the TDF range in Korea?

Company’s Response

TDF Fairence is a novel Tranexamic Acid cream enhanced with patented XCELAREV® delivery system for melisma. It is proven to deliver 11x higher penetration of key ingredients to the deeper skin layers¹. Hence, it is the first product that we are introducing to the South Korea market with potential to expand to the full range of TDF products.

¹ Ng SP, et al. In vitro human skin concentrations following topical application of 2% tranexamic acid in co-enhancer cream and branded cream formulations. J Cosmet Dermatol. 2020;00:1–7.

Question 27

Is there a specific overseas expansion playbook Hyphens follow before embarking onto a new market (country):

- (a) How does Hyphens gauge the potential demand of its proprietary products in a new market? Does Hyphens engage a 3rd party external consultant for such purposes?
- (b) How does Hyphens consider and decide on the appropriate marketing strategies (presumably localized to the country)? Is it done in consultation with the appointed distributors?
- (c) Are the brand awareness/ marketing campaigns done solely by the distributors (e.g. Shanghai Good Luck", JSPharma, SUTL) or spearheaded by Hyphens?
- (d) What are some of the challenges Hyphens face when searching/ appointing distributors for a new market (country)?
- (e) The climate differs in equatorial Asia region (e.g. Singapore) compared to the northern parts of Asia (e.g. China). Consequently, there may be varying customer preferences in terms of texture of the skin care products. Does Hyphens think it is a potential issue to be addressed for the Ceradan / TDF range, and if so how?

Company's Response

Internationalisation is a key growth strategy of the Group. The business development team spearheads market entry into new countries through working with Enterprise Singapore, market consultants and tapping on the Group's network of KOLs, distributors and principals.

After distributors have been identified and appointed in each country, our Hyphens team in Singapore works hand in hand with the distributors to drive marketing campaigns in the local countries.

Question 28

How does Hyphens track and evaluate the effectiveness of the appointed distributors (e.g. Shanghai Good Luck/ JSPharma / SUTL), for e.g. what are some of the key performance indicators to measure the success of brand awareness or sales?

Company's Response

There are various performance measurements that we use to monitor the distributors and sales offtake is one of them.