



STRONGER TOGETHER, UNLOCKING POSSIBILITIES



ANNUAL REPORT 2024
HYPHENS PHARMA
INTERNATIONAL LIMITED

OUR VALUES



Care

We respect and support one another, showing empathy and appreciation for everyone's unique contributions. Our relationships with customers and partners are built on trust and a commitment to enduring connections.



Passion

We are passionate about engaging and empowering our people, embracing diversity, and celebrating successes both large and small.



Integrity

We uphold the highest standards of professionalism, choosing transparency and ethical conduct in every action and decision.



Ambition

We strive for excellence, committed to continuous growth, and believe in the positive impact each individual can make.

MISSION

To be ASEAN's leading pharmaceutical and consumer healthcare group, built on trusted brands and relationships

VISION

To provide a better quality of life for our customers, employees and community

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CORPORATE PROFILE

As Singapore’s leading pharmaceutical and consumer healthcare group, we make quality healthcare accessible across ASEAN and communities worldwide.

Founded in 1998, we are headquartered in Singapore with direct operations across Indonesia, Malaysia, the Philippines and Vietnam. Additionally, we support a broad marketing and distribution network in 15 other markets – **Bangladesh, Brunei, Cambodia, Hong Kong S.A.R., Macau S.A.R., Myanmar, South Korea, Sri Lanka, Thailand** and Gulf Cooperation Council countries, including **Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and United Arab Emirates**.

Our group comprises five key entities – Hyphens Pharma, DocMed Technology, Ocean Health, Novem and Ardence Pharma advancing three core segments: Specialty Pharmaceutical Principals, Proprietary Brands, Medical Hypermart and Digital.

Together, we develop and deliver pharmaceutical and healthcare solutions that make a difference.



OUR BUSINESS SEGMENTS

SPECIALTY PHARMACEUTICAL PRINCIPALS

Therapeutic Solutions, Medicines and Devices

As Singapore’s leading pharmaceutical and consumer healthcare group, we bring innovative healthcare solutions across ASEAN. With strong commercialisation, sales, and marketing capabilities, we connect world-class healthcare brands with local markets.

We believe in cultivating strong, enduring partnerships on a global scale. Our network spans Europe, the United States, Japan, and beyond. Through deep regulatory expertise, marketing insights and licensing know-how, we facilitate market access for our partners to ensure that their products reach healthcare professionals and patients effectively and efficiently.

Our therapeutic focus includes specialty pharmaceutical products for dermatology, paediatrics and neonatology, allergy, otorhinolaryngology (ear, nose and throat), orthopaedics and rheumatology, radiology, ophthalmology, gastroenterology, child psychiatry, family medicine and general surgery.



Medical Aesthetics

We have identified a new growth trajectory in the medical aesthetics sector which has seen remarkable expansion across ASEAN in recent years. This growth is fuelled by a growing consumer base, technological advancements, and an accompanying diversification of product portfolios. In 2023, we solidified our presence in this sector by establishing a medical aesthetics division. With the acquisition of Ardence Pharma, we are well-positioned to capitalise on upcoming opportunities.

Ardence Pharma specialises in medical aesthetics products, delivering innovative, clinically proven solutions to both health professionals and consumers.

Plinest® and Newest®

Originating from Italy, Plinest® and Newest® are pioneering Polynucleotides-HPTTM (PN-HPTTM) products. Manufactured with Highly Purified Technology (HPTTM), these products adhere rigorously to pharmaceutical standards, ensuring highest quality and safety.



In 2021, we enhanced our portfolio by welcoming Novem to our Group, a leading player in pharmaceutical distribution. Novem carries over 150 pharmaceutical products, nutraceuticals, and medical devices from more than 40 brand principals, serving over 1,000 active customers, including healthcare institutions such as hospitals and polyclinics, specialists and general practitioners across Singapore.



OUR BUSINESS SEGMENTS

Nabota®

A high-purity botulinum toxin from Daewoong Pharmaceutical Co. Ltd., Nabota® is formulated using Daewoong Pharmaceutical’s patented Hi-Pure™ technology. This ensures minimal impurities, exceptional safety, swift efficacy and uniform spreading power. Marketed as Jeuveau™ in the United States, it is registered and approved by both the United States Food and Drug Administration and European Medicines Agency.



TDF®

A trusted name since 2016, TDF® has provided medical-grade skincare that targets concerns like acne, dehydration, aging and hyperpigmentation to promote facial skin health and comprehensive dermatological care. For more, visit www.tdf-derma.com.



PROPRIETARY BRANDS

Our commitment to fulfilling diverse healthcare needs inspires us to innovate and develop our proprietary Ceradan®, TDF® and CG 210® dermatological brands, and Ocean Health® supplement brand.

Our dermatological products are meticulously formulated with active ingredients designed to support skin health and address various skin conditions. The products are primarily marketed through medical professionals, while Ocean Health® supplements are available through retail channels.

Dermatology

Ceradan®

Since launching Ceradan® in 2011 as our first in-house ceramide-dominant emollient, the brand has grown into an expansive portfolio addressing diverse, evolving skincare needs for eczema-prone and sensitive skin. This year, we introduced Ceradan® Advanced Hand Balm in collaboration with A*STAR (Agency for Science, Technology and Research) in Singapore. The first of its kind, it features patented active pH control technology for long-lasting relief. Explore the full Ceradan® collection at <https://www.instagram.com/ceradan3llsg>.

CG 210®



OUR BUSINESS SEGMENTS

We expanded our dermatology portfolio in 2020 with the acquisition of CG 210®, a series of botanical scalp care products designed to support natural hair growth.

This revolutionary, patented topical solution combines the unique properties of *Allium cepa* (onion), *Citrus medica limonum* (lemon), *Theobroma cacao* (cocoa), and *Paullinia cupana* (guarana). For more information, visit <https://cg210.sg/> and <https://www.cg210.my/>.

Health Supplements

Ocean Health®

Ocean Health®, a household name in Singapore, continues to grow its footprint both locally and internationally with supplements designed for daily wellness.

Its latest releases include Sustainable Algae Omega-3, Liver Detox Aid and the new and improved MinusFat Extra. Sustainable Algae Omega-3, derived from algae, offers an eco-friendly, plant-based alternative to Omega-3 EPA fish oil. Liver Detox Aid contains scientifically-backed botanical herbs for optimal liver support. MinusFat Extra combines White Kidney Bean extract, Chitosan, Gymnema extract, and chromium to help reduce the absorption of fat, carbohydrate, and sugar.

Ocean Health® products are widely available at leading retail pharmacies, hospital pharmacies, department stores, supermarkets, convenience stores, and selected Chinese medical halls. They are also available online at <https://oceanhealth.com> and e-commerce platforms like Lazada, Redmart, and Shopee.

For healthcare professionals, Ocean Health® offers a clinical series tailored to meet specific patient nutritional needs.



MEDICAL HYPERMART AND DIGITAL



At the heart of our digital ecosystem is **DocMed Technology**, our dedicated digital arm that develops solutions to support healthcare providers and pharmaceutical companies navigate today's pharmaceutical landscape. The flagship platform is a B2B marketplace serving the procurement needs of over 25,000 healthcare providers, transparently and securely. It is currently live in Singapore (<https://www.pom.com.sg>), Malaysia (<https://www.pomacy.com.my>), and Vietnam (<https://www.vietpom.com>).

DocMed Technology also powers **WellAway** (<https://www.wellaway.com.sg>), Singapore's first and largest HSA-registered e-pharmacy. It allows licensed doctors to manage e-prescriptions seamlessly and arrange for direct medication delivery to patients. Additionally, WellAway's dedicated pharmacists provide medication counseling for a comprehensive healthcare experience.

These platforms are built on the strong foundation of **Pan-Malayan**, Singapore's longest-established pharmaceutical wholesaler since the 1940's, with a rich history of supplying clinics, pharmacies, hospitals, nursing homes and trade partners. Building on the success of its platforms, DocMed Technology is evolving to offer a more comprehensive platform to better support healthcare professionals. In 2025, a revamped platform will debut with enhanced features and functionality.

CHAIRMAN'S STATEMENT



LIM SEE WAH
Chairman,
Executive Director
& CEO

Dear Shareholders,

I am pleased to present you Hyphens Pharma International Limited's ("**Hyphens**" and together with its subsidiaries, the "**Group**") annual report for the financial year ended 31 December 2024 ("**FY2024**").

FY2024 was marked by both challenges and opportunities. Despite global economic uncertainty, geopolitical conflicts, inflation and high interest rates, our business begun recovering from past supply chain disruptions. Our diversified business model and strategic initiatives have enabled us to deliver strong performance and reach a record revenue of S\$195.4 million and a net profit after tax of S\$10.9 million in FY2024.

REINFORCING KEY BUSINESS PILLARS

We remain focused on reinforcing our key business pillars, which has each demonstrated consistent progress and growth in FY2024.

Our Proprietary Brands segment maintained a strong momentum in FY2024 as demand increased. We also launched Ceradan® Advanced Hand Balm, which was developed in collaboration with the Agency for Science, Technology, and Research ("**A*STAR**"), demonstrating our commitment to product development and innovation. Meanwhile, Ocean Health® expanded into Indonesia, Malaysia, and Vietnam, underlining its position as a regional brand. Furthermore, the exclusive licencing of Wyzora® Cream positions us to capture new opportunities in plaque psoriasis treatment across ASEAN. We will continue to nurture our proprietary brands in new and dynamic markets, while enhancing our product offerings.

Our Specialty Pharma segment saw robust growth, with exclusive distribution rights secured for products like Amenalief®, highlighting our strong regulatory and commercial capabilities. We are also making significant strides in developing a medical aesthetics business under

this segment with the successful launch of Plinest® in Indonesia, the Philippines, and Thailand, and the addition of NCTF® to our portfolio.

Meanwhile, DocMed Technology Pte Ltd ("**DocMed**") has continued to scale. Its online business-to-business pharmaceutical marketplace ("**POM**") is now operational in Singapore, Malaysia, and Vietnam. Additionally, its e-pharmacy WellAway, Singapore's first Health Sciences Authority registered e-pharmacy, achieved a significant milestone in FY2024, processing 100,000 e-prescriptions since its launch.

SUPPORTING GROWTH THROUGH ACQUISITIONS

Our strategy of expanding through prudent and accretive acquisitions over the years has proven effective in supporting our organic growth. By increasing our stake in Ardence Pharma Sdn Bhd ("**Ardence Pharma**"), we were able to capitalise on its strong performance in FY2024. The Group will continue to maintain its disciplined approach towards identifying suitable acquisition targets that can contribute to Hyphens' strategic goals.

REWARDING OUR SHAREHOLDERS

The Board is pleased to propose a dividend of 1.50 Singapore cents per share for FY2024, representing a payout of 45.4% of the net profit attributable to shareholders. This proposed dividend exceeds our established dividend policy of paying out at least 30% of net profit attributable to shareholders and reflects our confidence in the Group's financial position and future growth.

LOOKING AHEAD

We anticipate FY2025 to bring its share of challenges, but we remain committed to reinforcing our business pillars. By leveraging our strong fundamentals, diversified portfolio, and strategic initiatives, we will stay resilient and agile. Despite inflation, rising procurement prices and ASEAN currency fluctuations, we are confident in navigating these complexities through strong partnerships, operational efficiency, and a relentless focus on innovation.

RECOGNITION FOR EXCELLENCE IN GOVERNANCE

Hyphens Pharma received the Gold Award for Best Managed Board for listed companies with a market capitalisation of less than S\$300 million at the Singapore Corporate Awards 2024. This prestigious accolade is testament to our Board's strategic vision, commitment to corporate governance, and dedication to creating long-term shareholder value. I extend my deepest gratitude to our Board for their counsel, and our management team and employees for their passion and dedication. To our shareholders, thank you for your continued support. Together, we will continue driving sustainable growth and creating value for all stakeholders.

2024 KEY EVENTS



Ceradan®
Inked collaboration with Cooper Pharma to expand Ceradan® into Saudi Arabia, UAE, Kuwait, Qatar, and Bahrain

Amenalief®
Licensed Amenalief® across SEA in partnership with Maruho Co., Ltd.



Ocean Health® Sustainable Algae Omega-3
Launched Ocean Health® Sustainable Algae Omega-3



JAN

FEB

MAR

APR

MAY

JUN



Wynzora® Cream
Licensed Wynzora® Cream across SEA in partnership with MC2 Therapeutics
(Wynzora® Cream (calcipotriene and betamethasone dipropionate) Cream, 0.005%/0.064%, approved for the United States and countries in Europe)



Ocean Health® Liver Detox Aid
Launched Ocean Health® Liver Detox Aid






Plinest®
Introduced Plinest® to the Philippines in partnership with The Aivee Clinic



Ceradan® Advanced Hand Balm
Launched Ceradan® Advanced Hand Balm with patented active pH-control technology



Ocean Health® MinusFAT Extra
Launched Ocean Health® MinusFAT Extra

JUL

AUG

SEP

OCT

NOV

DEC



Singapore Corporate Awards 2024
Awarded Gold for Best Managed Board at Singapore Corporate Awards 2024




Plinest®
Introduced Plinest® to Jakarta and Surayaba in Indonesia, in partnership with Miracle Clinic



NCTF®
Introduced NCTF® Boost to Singapore

OPERATIONS REVIEW

In FY2024, the Group achieved a record revenue of S\$195.4 million, attributed mainly to a 21.6% increase by the Specialty Pharma Principals segment. Within the segment, the newly acquired Ardence Pharma Sdn Bhd (“**Ardence Pharma**”) contributed S\$7.2 million in revenue. The Group remains committed to its long-term strategic goals to be ASEAN’s leading specialty pharmaceutical and consumer healthcare group.



NURTURING OUR PROPRIETARY BRANDS

Our Proprietary Brands segment continued its growth with revenue rising by 7.4% in FY2024 to S\$27.6 million, boosted by higher demand for Ceradan® dermatological products and Ocean Health® health supplements, TDF® dermocosmetic products and Novem® nutraceuticals.



In September 2024, the Group launched Ceradan® Advanced Hand Balm in Singapore—the first and only hand balm with patented pH control technology, specially designed for hand eczema. Ceradan® Advanced Hand Balm was jointly developed with the Agency for Science, Technology, and Research (“**A*STAR**”).



Ocean Health® health supplements, renowned for their established brand, affordability, and high quality, has continued a strong growth momentum throughout the year despite a highly competitive landscape. In FY2024, the Group successfully expanded its Ocean Health® product range into Indonesia, Malaysia, and Vietnam, creating a solid foundation for Ocean Health® to evolve into a truly regional brand. Ocean Health® Joyful Gummies have also demonstrated remarkable growth since their launch, and the Group remains optimistic about this product range’s continued success in 2025.



In March 2024, the Group secured an exclusive licence, supply, and commercialisation agreement with MC2 Therapeutics, granting us exclusive rights to register and commercialise Wyzora® Cream, together with all future product extensions and/or improvements, in 10 ASEAN countries for the topical treatment of plaque psoriasis.

The Proprietary Brands segment will remain a key focus for the Group. We will continue to grow our signature brands Ocean Health®, Ceradan®, TDF® and CG 210® in both new and existing markets, while continuously innovating to improve their product offerings.

OUR SPECIALTY PHARMA PRINCIPALS PORTFOLIO

The Specialty Pharma Principals segment had a fruitful year in FY2024, with revenue surging 21.6% to S\$124.2 million. During the year, the Group signed an exclusive licence, development, and commercialisation agreement with Maruho Co., Ltd. for the exclusive rights to register and commercialise Amenalief® in 10 ASEAN countries for the treatment of shingles.

OPERATIONS REVIEW

Significant milestones were also achieved in the Group's Medical Aesthetics portfolio. Plinest® was successfully launched in Indonesia, the Philippines, and Thailand. The portfolio also expanded with the addition of NCTF®, a facial rejuvenation injection by Laboratoires Fillmed, now available in Singapore and Malaysia.



With its strong regulatory, sales, and marketing expertise, the Group will continue to strengthen its position as the go-to ASEAN expert, working with specialty pharma principals to drive mutual growth and success in the region.

GROWING THROUGH ACQUISITIONS

ArdencePharma, now a subsidiary since the Group increased its stake in November 2023, has delivered a remarkable performance in FY2024. Ardence Pharma is another example that validates our strategy of expansion through prudent and accretive acquisitions. The Group maintains its discipline to continuously look for acquisition targets that contribute to its strategic goals and the accelerated growth the Group is working to achieve. We will also seek partnership opportunities to enter new markets, widen product offerings, and bring innovation into the region.

ADVANCING DIGITAL EFFORTS

Our digital arm, DocMed Technology Pte Ltd (**"DocMed"**), powers the Group's pharmaceutical product marketplace (**"POM"**). POM is a business-to-business (**"B2B"**) digital pharmacy solutions platform that connects healthcare stakeholders like healthcare practitioners and institutions with industry stakeholders such as pharmaceutical companies and medical consumables manufacturers, to empower them to meet patients' needs more efficiently. Today, POM has been launched in Singapore, Malaysia, and Vietnam.

DocMed also powers WellAway, Singapore's first Health Sciences Authority-registered e-pharmacy, where licenced doctors can manage e-prescriptions and arrange for direct delivery to patients. In FY2024, WellAway achieved a major milestone of 100,000 e-prescriptions processed since its launch.



NAVIGATING CHALLENGES WITH AGILITY

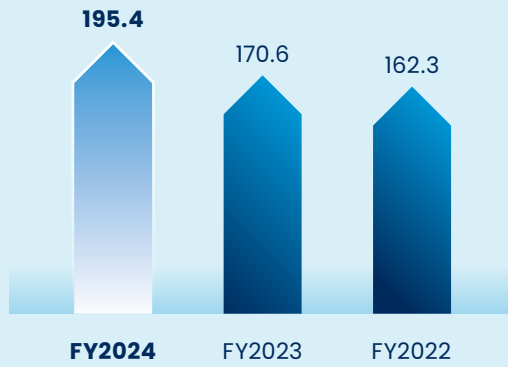
Looking ahead, the Group anticipates a challenging operating environment driven by external market factors, including geopolitical tensions, potential trade wars, and economic weakness in certain regions. One key pressure is the rising cost from the Group's principals, which has led to a tightening of the Group's gross profit margins. Global inflationary trends and increased manufacturing costs have also contributed to higher procurement prices. While Hyphens Pharma continues to collaborate with its partners to optimise cost structures, these external factors remain a headwind in the near term.

In addition, foreign exchange volatility presents another challenge, particularly the potential depreciation of ASEAN currencies against the EUR and USD, which are the Group's primary payment currencies for supplier transactions. A weaker local currency drives up import costs, putting additional pressure on margins. To mitigate this impact, we are continuously exploring opportunities to refine pricing strategies, negotiate dynamic rates, and improve operational efficiencies.

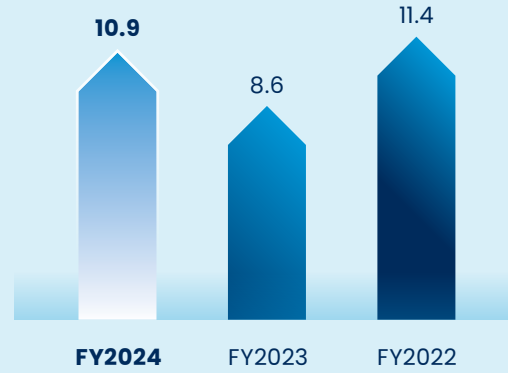
Despite these headwinds, the Group remains confident in its ability to navigate market volatility. With strong fundamentals, a diversified portfolio, and strategic initiatives, the Group will remain resilient and agile. Together with its steadfast focus on long-term growth, the Group is well positioned to weather the challenges ahead and continue to deliver value to its stakeholders.

FINANCIAL HIGHLIGHTS

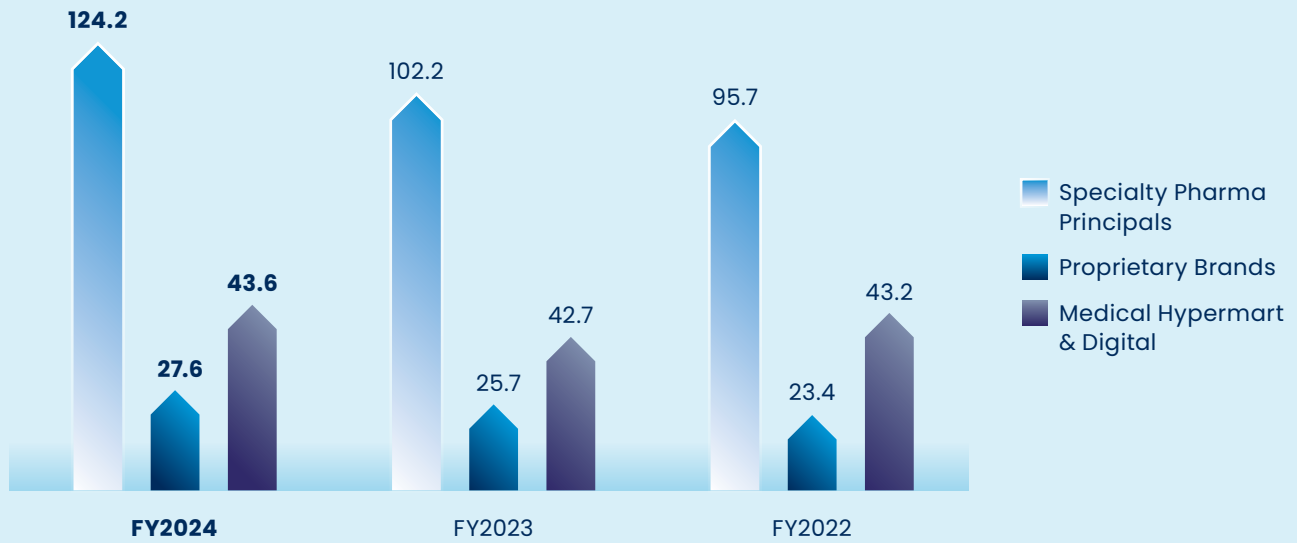
REVENUE (S\$'MIL)



PROFIT, NET OF TAX (S\$'MIL)



REVENUE BY BUSINESS SEGMENT (S\$'MIL)



REVENUE BY GEOGRAPHY (S\$'MIL)



FINANCIAL REVIEW

REVIEW OF FINANCIAL PERFORMANCE

Revenue and margin

The Group's revenue increased by 14.6% or S\$24.8 million from S\$170.6 million in FY2023 to S\$195.4 million in FY2024. The newly acquired Ardence Pharma contributed S\$7.2 million in revenue.

All three business segments contributed to the revenue increase:

- Specialty pharma principals segment led the growth with 21.6% increase in revenue. The growth was contributed by all geographies.
- Proprietary brands segment grew by 7.4%, contributed by higher demand for Ceradan® dermatological products, Ocean Health® health supplement products, TDF® dermocosmetic products and Novem® nutraceutical products.
- Revenue from the medical hypermart and digital segment increased by 2.1%.

Gross profit increased by 12.3% or S\$7.6 million from S\$61.9 million in FY2023 to S\$69.5 million in FY2024.

Gross profit margin had decreased marginally from 36.3% in FY2023 to 35.6% in FY2024 due to increase in cost of sales from the principals and suppliers.

Operating expenses

Distribution costs increased by 10.7% or S\$3.8 million from S\$35.9 million in FY2023 to S\$39.7 million in FY2024, in tandem with the higher sales achieved.

Administrative expenses increased by 7.8% or S\$1.1 million from S\$14.1 million in FY2023 to S\$15.2 million in FY2024 mainly due to increase in manpower related costs and amortisation of intangible assets.

Finance costs increased by 103.2% or S\$0.3 million from S\$0.3 million in FY2023 to S\$0.6 million in FY2024 mainly due to increase in interest expenses on new short-term revolving loans of S\$9.0 million.

Other losses decreased by 26.6% or S\$0.6 million from S\$2.3 million in FY2023 to S\$1.7 million in FY2024 due mainly to decrease in foreign exchange losses.

Profit for the year

As a result of the foregoing, the Group's net profit after tax increased by 26.5% or S\$2.3 million, from S\$8.6 million in FY2023 to S\$10.9 million in FY2024.

REVIEW OF FINANCIAL POSITION

Assets

The Group's non-current assets increased by S\$1.1 million from S\$28.6 million as at 31 December 2023 to S\$29.7 million as at 31 December 2024 primarily due to increase in intangible assets arising from increase in distribution rights and trademarks arising from in-licensing of Wynzora® during the year.

The Group's current assets increased by S\$13.9 million from S\$92.2 million as at 31 December 2023 to S\$106.1 million as at 31 December 2024 mainly due to increase in trade and other receivables and inventories by S\$4.3 million and S\$8.9 million respectively.

Liabilities

The Group's non-current liabilities decreased by S\$2.1 million from S\$5.7 million as at 31 December 2023 to S\$3.6 million as at 31 December 2024 mainly due to shifting of a portion of the term loan and office lease from non-current liabilities to current liabilities.

The Group's current liabilities increased by S\$8.5 million from S\$49.2 million as at 31 December 2023 to S\$57.7 million as at 31 December 2024. This was mainly due to borrowing of short-term revolving loans of S\$9.0 million.

REVIEW OF STATEMENT OF CASH FLOWS

The Group generated net cash of S\$0.06 million from operating activities in FY2024, mainly due to operating cash inflows before changes in working capital of S\$16.9 million, netting off working capital outflows of S\$14.5 million and income taxes paid of S\$2.4 million.

The net working capital outflows were due to (i) increase in inventories of S\$8.9 million; (ii) increase in trade and other receivables and prepayments of S\$4.7 million; and (iii) decrease in trade and other payables of S\$0.9 million.

Net cash flows used in investing activities during FY2024 amounted to S\$3.0 million, mainly attributable to acquisition of intangible assets of S\$2.0 million, plant and equipment additions of S\$1.2 million, partially offset by S\$0.2 million interest received.

Net cash inflows from financing activities amounted to S\$3.0 million during FY2024, mainly due to increase in new bank borrowing of S\$9.0 million, partially offset by dividend payment of S\$2.7 million, lease payment of S\$1.6 million and bank borrowing repayment of S\$1.3 million.

INVESTOR RELATIONS

At Hyphens, we are committed to effective, open and timely communications with our shareholders and stakeholders via frequent disclosures on SGXNet and media coverage.

In FY2024, Hyphens held two results briefings for analysts, as well as four investor webinars, with the objective of building relations and increasing research coverage.

During the year, three research firms covered Hyphens and their reports can be found at www.hyphensgroup.com:

1. CGS International (Rated)
2. PhillipCapital (Rated)
3. SAC Capital (Rated)

On 25 April 2024, we convened our sixth Annual General Meeting (“AGM”). The AGM serves as a key platform for the Board and management to share Hyphens’ full financial year performance with shareholders. The AGM also provides the Board and Management an opportunity to address shareholders’ queries.



Gain Control, Regain Life

Ceradan[®]
ADVANCED
HAND BALM



SUSTAINED
lowering of
skin pH



RESTORE
skin barrier
optimally

RELIEVE
irritated,
inflamed hands

BOARD OF DIRECTORS

1

MR LIM SEE WAH

*Chairman,
Executive Director & CEO*



Mr Lim See Wah was appointed Executive Director in December 2017. As the founder of the Group, he brings over 30 years of experience in the pharmaceutical industry and is responsible for overseeing the Group's operations and shaping its strategic direction.

See Wah holds a Bachelor of Science (Pharmacy) with Honours (Second Class Honours Upper Division) and a Graduate Diploma in Business Administration from the Singapore Institute of Management. Additionally, he has taken part in the UC Berkeley-Nanyang Advanced Management Program, Spring Singapore: Executive Leadership Development Programme at The Wharton School of the University of Pennsylvania in 2017, and completed the Enterprise Scale-Up SG Programme at Stanford University Graduate School of Business in 2022.

2

DR TAN KIA KING

Non-Executive Director



Dr Tan Kia King was appointed Non-Executive Director in December 2017, bringing over 30 years of experience as a medical doctor. He began his career as a Medical Officer in the Ministry of Health. He also serves as Independent Director and Chairman of Taka Jewellery Holdings Limited.

Over the years, Kia King has held various leadership roles, including Managing Director of Westpoint Family Hospital Pte. Ltd. where he oversaw the hospital's day-to-day operations. In the community, he served as Chairman of the Sengkang West Citizen Consultative Committee in 2022 and Grassroots Advisor to the Sengkang North Grassroots Organisation in 2023. In recognition of his public service, he was awarded the National Day Awards, the Public Service Medal (Pingat Bakti Masyarakat) by the Prime Minister's Office in 2016 and the Public Service Star (Bintang Bakti Masyarakat) in 2021.

Kia King graduated from the National University of Singapore with a Bachelor of Medicine and Bachelor of Surgery.

3

MR HENG WEE KOON

*Lead Independent
Director*



Mr Heng Wee Koon has served as Lead Independent Director since April 2018. Prior to his appointment, Wee Koon held a significant tenure with KPMG, attaining the position of Executive Director in October 2008 before becoming a Partner at KPMG Advisory LLP till December 2016. He also previously held the role of Senior Advisor at a Japanese boutique M&A firm. Wee Koon is currently the Executive Director of Acelyr M&A Pte Ltd and Acelyr Advisory Pte Ltd.

In addition to being a CFA charterholder, Wee Koon holds a Bachelor of Business Administration (Honours) from the National University of Singapore and a Master of Business Administration from Nanjing University, China.

BOARD OF DIRECTORS

4

MR NG ENG LENG

Independent Director



Mr Ng Eng Leng was appointed Independent Director in April 2018. With over 33 years of legal experience, Eng Leng has been a Senior Partner at Dentons Rodyk & Davidson LLP since October 2011, specialising in mergers and acquisitions and corporate matters.

He holds a Bachelor of Laws (LLB) and Master of Laws (LLM) from the National University of Singapore.

5

**MS TAN SEOK HOONG @
MRS AUDREY LIOW**

Independent Director



Ms Tan Seok Hoong @ Mrs Audrey Liow was appointed Independent Director in July 2019. Audrey brings a multi-faceted perspective with her background in consumer marketing, general management, research and development, and operations within the food, nutrition, health, and wellness industry.

She is currently an Independent Director at Venture Corporation Limited and Heliconia Capital Management Pte Ltd. Audrey retired from the Nestlé Group in May 2018 as the Market Head, Chairman, and CEO of Nestlé Indochina Region after 30 years of service. During her tenure, Audrey held various commercial and leadership roles in Singapore, China, Switzerland, and Southeast Asia. She previously served as a Director on the Board of Nestlé ROH (Thailand) Ltd and on the Tanjong Katong Girls' School Advisory Committee.

Audrey is an alumna of the National University of Singapore (NUS), holding a Bachelor of Science degree. In 2014, she received the Outstanding Science Alumni Award from NUS in recognition of her outstanding achievements and contributions. She has also completed the Leadership Program at London Business School and the Berkeley-Nanyang Advanced Management Program at Nanyang Technological University.

6

MR CHAN KIAT

Independent Director



Mr Chan Kiat was appointed Independent Director in November 2020. With over 20 years of experience in corporate finance, strategy and investments, he is a Managing Director and Partner of Archipelago Capital Partners, a Singapore-based private equity fund manager focused on Southeast Asia, a position he has held since 2016.

Before co-founding Archipelago Capital Partners, he was Executive Vice President of Investments at Singapore Post Limited. Prior to that, he was a member of McKinsey & Company's Corporate Finance Practice in Southeast Asia.

Chan Kiat holds a Bachelor of Engineering from the National University of Singapore and obtained a Master in Business Administration from INSEAD.

EXECUTIVE TEAM

1

MR YANN ALAIN MARCHE
Chief Operating Officer



Mr Yann Alain Marche is the Chief Operating Officer of Hyphens Group, overseeing our Specialty Pharma Principals and Proprietary Brands segments. Having joined Hyphens in 2019, he brings over 28 years of extensive experience in the global pharmaceutical industry, specialising in dermatology, rheumatology, and aesthetics. Yann's career includes over 18 years with Galderma, where he held key leadership roles, including Vice President for Latin America. Prior to joining Hyphens, he served as Senior Chief Operating Officer at Laboratoires Expanscience, managing operations and revenue growth across more than 50 countries, 16 subsidiaries, and 400 collaborators.

Yann holds a Doctorate in Pharmacy from the Université de Paris V, France. He has also participated in Wharton's Essentials of Management at The Wharton School of the University of Pennsylvania and the L'Oréal Management Program at CEDEP-INSEAD in Fontainebleau.

2

MS FLORA ZHANG
Chief Financial Officer



Ms Flora Zhang currently holds the position of Chief Financial Officer, leading the Group's financial strategy and investor relations. Joining in 2023, Flora brings over 17 years of experience in finance, accounting and strategic planning.

During her 9-year tenure with PricewaterhouseCoopers (PwC) LLP since 2006, Flora has worked in multiple offices in Singapore, London, Beijing and Hong Kong. Following her departure from PwC in 2015, she held several senior finance roles across diverse industries, including Associate Finance Director at CreditEase Insurance Sales & Services Co. Ltd, Finance Director at Good Doctor Technology (Singapore) Pte. Ltd, and Chief Financial Officer at TVM Capital Healthcare Partners, a healthcare-focused private equity firm.

Flora is a Fellow of the Institute of Chartered Accountants in England and Wales (FCA) and graduated with a Bachelor's Degree in Accountancy (Second Class Honours Upper Division) from Nanyang Technological University.

EXECUTIVE TEAM

3

MR JASON YEO

*Managing Director,
Pan-Malayan
Pharmaceuticals and
Novem Healthcare*



Mr Jason Yeo, formerly General Manager of Hyphens Pharma (Singapore), now assumes the role of Managing Director of Pan-Malayan Pharmaceuticals (PMP) and Novem Healthcare, succeeding Mr Albert Ng. Jason will lead the strategic management and expansion of PMP and Novem in Singapore.

Jason holds a Bachelor's Degree in Business and Management Studies with Honors from the University of Bradford.

4

MS STELLA ANG

Head, Regulatory Affairs

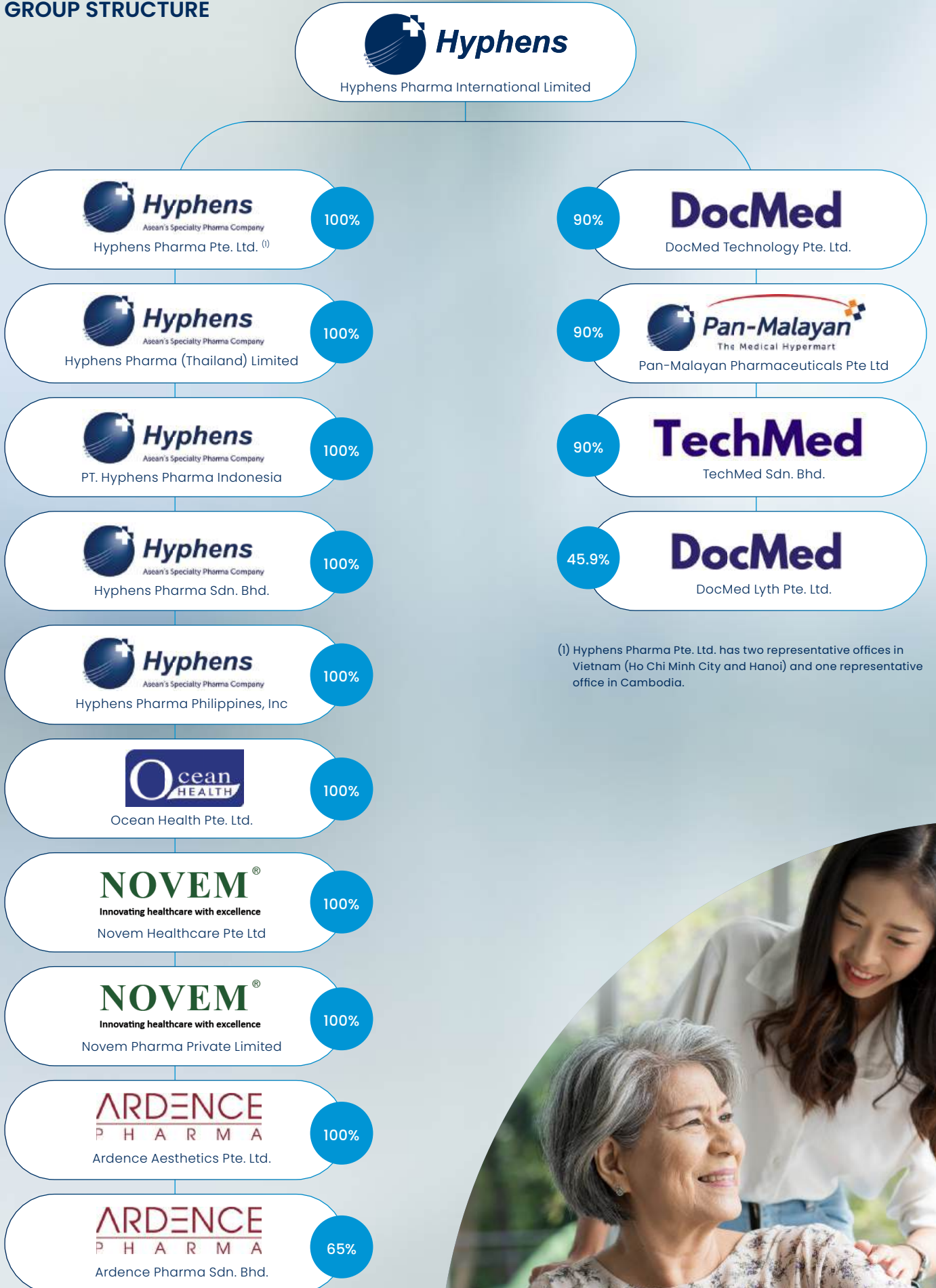


Ms Stella Ang serves as Hyphens' Head of Regulatory Affairs at Hyphens, where she leads both regulatory affairs and pharmacovigilance initiatives.

Before joining Hyphens in 1997, Stella worked as a Pharmacist at Singapore General Hospital. With over 20 years of regulatory experience across ASEAN, her expertise encompasses diverse fields, including therapeutic products, medical devices, cosmetic products, and complementary medicines.

Stella is a Registered Pharmacist and holds a B.Sc (Pharm) from the National University of Singapore.

GROUP STRUCTURE



(1) Hyphens Pharma Pte. Ltd. has two representative offices in Vietnam (Ho Chi Minh City and Hanoi) and one representative office in Cambodia.



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr Lim See Wah
Executive Chairman & CEO

Dr Tan Kia King
Non-Executive Director

Mr Heng Wee Koon
Lead Independent Director

Mr Ng Eng Leng
Independent Director

Ms Tan Seok Hoong @ Mrs Audrey Liow
Independent Director

Mr Chan Kiat
Independent Director

AUDIT COMMITTEE

Mr Heng Wee Koon, *Chairman*
Mr Ng Eng Leng, *Member*
Ms Tan Seok Hoong @ Mrs Audrey Liow, *Member*
Mr Chan Kiat, *Member*

NOMINATING COMMITTEE

Ms Tan Seok Hoong @ Mrs Audrey Liow, *Chairperson*
Mr Heng Wee Koon, *Member*
Dr Tan Kia King, *Member*

REMUNERATION COMMITTEE

Mr Ng Eng Leng, *Chairman*
Mr Heng Wee Koon, *Member*
Mr Chan Kiat, *Member*

COMPANY SECRETARY

Ms Lim Sher Mei

REGISTERED OFFICE

16 Tai Seng Street
Level 4
Singapore 534138

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
Keppel Bay Tower #14-07
Singapore 098632

AUDITORS

RSM SG Assurance LLP
8 Wilkie Road
#03-08 Wilkie Edge
Singapore 228095
Partner-in-charge: Mr Lee Mong Sheong
(effective from the year ended 31 December 2020)

PRINCIPAL BANKERS

DBS Bank Ltd.
Citibank, N.A. Singapore branch
Maybank Singapore Limited
The Hongkong and Shanghai Banking Corporation Limited

CATALIST SPONSOR

SAC Capital Private Limited
1 Robinson Road
#21-01 AIA Tower
Singapore 048542



Sustainable VEGAN OMEGA-3

OCEAN-FRIENDLY, PURELY-SOURCED MICRO-ALGAE

NEW



VEGAN OMEGA-3
EPA & DHA
(from micro-algae)



OCEAN-FRIENDLY

Sustainably sourced,
zero impact
on marine life



MINI
soft gel



SINGAPORE'S NO. 1 OMEGA-3 BRAND*
THERE'S ONE TO SUPPORT YOUR NEEDS

*Best-selling fish oil (Omega-3) supplement in major retail pharmacies Guardian, Watsons and Unity from 2013 to 2023, based on retailer's scanned sales data.

A member of
 Hyphens



SUSTAINABILITY REPORT

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ABOUT THIS REPORT

We are pleased to present the sixth annual Sustainability Report of Hyphens Pharma International Limited (“**Hyphens**”, and together with its subsidiaries, the “**Group**”). This report provides an overview of Hyphens’ environmental, social, and governance (“**ESG**”) performance from January 1 to December 31, 2024 (“**FY2024**”), aligning with our financial reporting year.

REPORTING STANDARDS

This report has been prepared in reference to the Global Reporting Initiative (“**GRI**”) Standards. We use the GRI Standards for preparing our sustainability report due to their international recognition and acceptance by stakeholders. We have also incorporated disclosures recommended by the Task Force on Climate-related Disclosures (“**TCFD**”). The report aligns with the United Nations (“**UN**”) Sustainable Development Goals (“**SDGs**”) and follows the SGX-ST Catalist Rules (711A and 711B), detailing our ESG strategies, targets and achievements.

SINGAPORE EXCHANGE (“**SGX**”) PRIMARY COMPONENTS

As required by the SGX-ST sustainability reporting rules, this report covers five primary components: Material ESG factors, Climate-related disclosures, Policies, Practices and Performance, Targets, Sustainability Reporting Framework and Board Statement.

REPORTING PROCESS

We have followed GRI standards and guidelines to identify, assess, prioritise, and validate material ESG topics. This report reflects our stakeholders’ expectations, our understanding of the sustainability landscape, ESG risks and opportunities, key sustainability trends, and alignment with TCFD disclosures.

To ensure the quality of the report, we have applied GRI’s principles of accuracy, balance, clarity, comparability, completeness, context, timeliness, and verifiability. The data in this report is sourced directly from our primary official records to ensure both accuracy and consistency. For ease of comparison across different years, we have



STANDARDS, FRAMEWORKS AND GUIDELINES

- GRI Standards
- SGX-ST Listing Rules (711A and 711B) – Sustainability Reporting
- TCFD Recommendations
- UN SDGs
- Greenhouse Gas (“**GHG**”) Protocol

incorporated historical ESG performance data. All financial information is presented in Singapore dollars, unless indicated otherwise.

RESTATEMENTS

This report does not contain any restatements of previously reported information or data.

ASSURANCE

An independent auditor has reviewed and audited our financial statements. We maintain an internal system to validate the accuracy and reliability of our ESG data. The possibility of obtaining external verification for our ESG data for future reports remains under consideration.

AVAILABILITY

The report is part of our Annual Report, available in PDF format on our website (www.hyphensgroup.com) and the SGX website (www.sgx.com).

CONTACT

For feedback or inquiries about this report, please reach out to us at ir@hyphens.com.sg.

HEAD OFFICE

Hyphens Pharma International Limited
Company Registration No. 201735688C
16 Tai Seng Street, Level 4
Singapore 534138
www.hyphensgroup.com

GOVERNANCE

Hyphens Pharma International Limited (the ‘Company’ or ‘Hyphens’) and its subsidiaries (the ‘Group’) are committed to maintaining a high standard of corporate governance. We believe that good corporate governance is essential for protecting stakeholders’ interests, strengthening investor confidence, and ultimately creating long-term value for our shareholders.

CORPORATE GOVERNANCE

The Corporate Governance section of this Annual Report details our corporate governance structure and measures, following the principles and provisions of the Code of Corporate Governance 2018 (the “**2018 Code**”).

For a more in-depth look, please refer to the Corporate Governance section of this report.

SUSTAINABILITY GOVERNANCE

The Board has established a sustainability governance structure for effective oversight and management of material ESG issues, impacts, risks and opportunities.

The Board holds ultimate responsibility for the Group’s sustainability matters, sustainability strategy and risk management. The management is responsible for implementing the sustainability strategy, monitoring performance against targets and providing regular updates to the Board.

The Board is assisted by the Sustainability Committee (“**Committee**”), which comprises senior management executives from major functions and is chaired by the Chief Executive Officer. The Committee reports to the Board, which periodically reviews ESG impact, practices, performance, and stakeholder engagement to understand their expectations and concerns.

The Board is also assisted by the Audit Committee in reviewing the effectiveness and adequacy of internal controls relating to sustainability data and compliance with SGX reporting requirements.



BOARD STATEMENT

At Hyphens, the Board of Directors upholds the highest standards of corporate governance, ethics, and sustainability. Sustainability guides our approach to responsible growth, as a cornerstone of our business strategy and long-term success. Working closely with Management, the Board identifies the ESG impacts, risks and opportunities that are material to our business and stakeholders. These material issues shape the development of the Group’s strategic direction in line with responsible business practices.

Management is responsible for implementing ESG strategies, tracking performance, achieving goals and targets, keeping the Board informed through regular updates, as well as preparing the sustainability report. The Board provides ongoing oversight of the Group’s sustainability performance, reviewing and approving sustainability reporting to ensure alignment with our objectives.

GOVERNANCE

SUSTAINABILITY COMMITTEE

The Sustainability Committee is responsible for assisting the Board in identifying and prioritising material ESG factors and climate-related risks and opportunities, managing and monitoring the implementation of material ESG factors, setting and achieving ESG targets for the short, medium, and long term, and preparing the annual sustainability report.

Led by Hyphens’ Head of HR and Admin, the Committee comprises senior leaders and personnel from key functions: Chief Operating Officer, Chief Financial Officer, Marketing Director, Corporate Communications, Supply Chain Manager, and the Head of the Product Development Department. The Committee reports directly to the Chief Executive Officer, who is also Chairman of the Board.

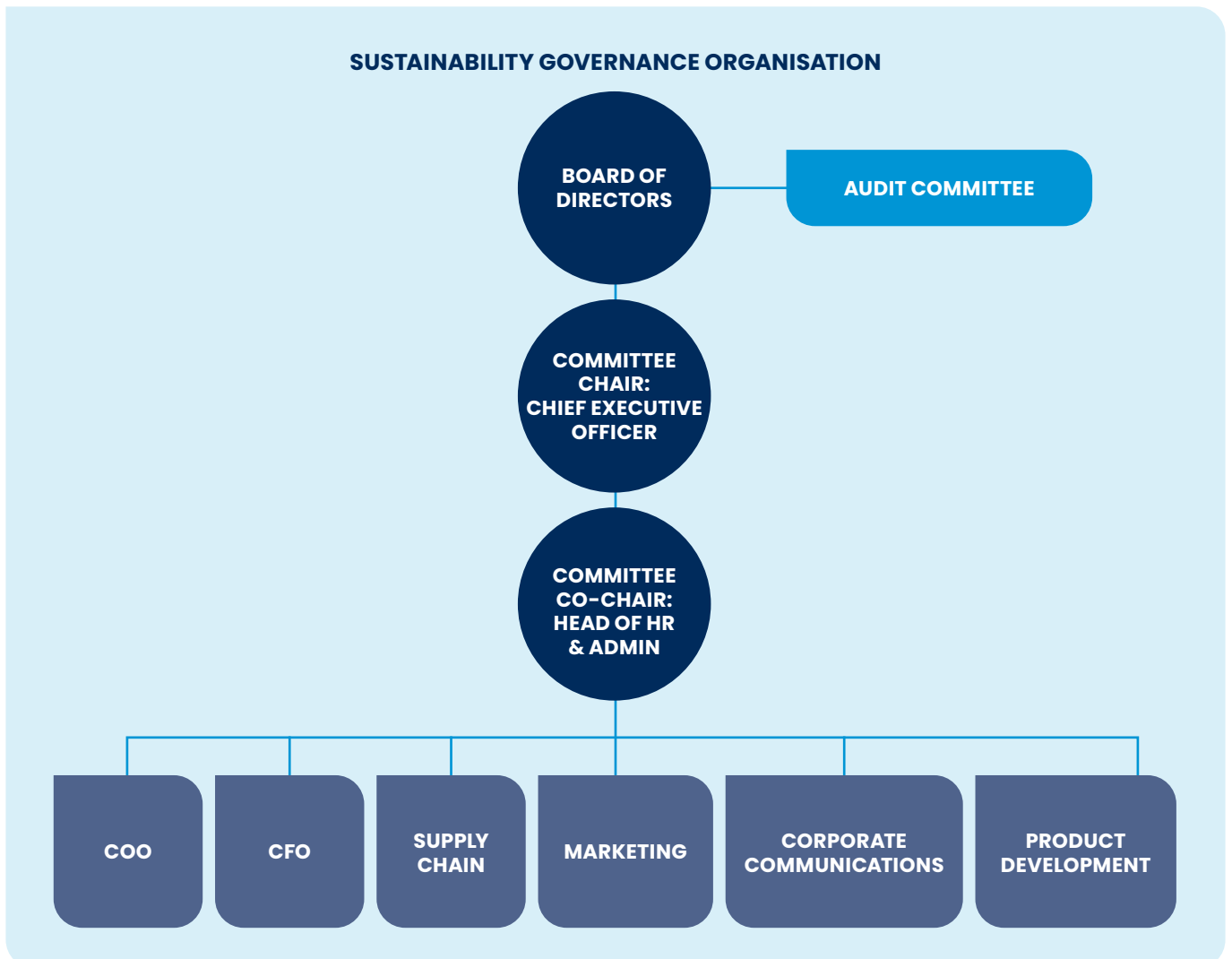
The Committee is tasked with steering the Group’s sustainability strategy, policies, and targets, ensuring these align with the Board’s strategic direction. This involves

regular engagement with stakeholders to integrate their perspectives into Hyphens’ sustainability strategy and business decisions. The Committee is also responsible for maintaining accurate and reliable data controls, regularly reviewing ESG performance, and providing updates to the Board using key performance indicators. The Committee also oversees the preparation of sustainability reports as per SGX sustainability reporting guidelines and seeks the Board’s approval.

For more details on our factor reporting and delegation process, please refer to the TCFD Report on page 43.

DIRECTORS’ TRAINING

The Board stays informed on sustainability trends and developments through training, expert briefings, webinars and self-directed learning. All Board Directors have also attended sustainability training, as mandated by the SGX sustainability reporting rules.



GOVERNANCE

BOARD DIVERSITY POLICY

Our Board Diversity Policy endorses the principle that the Board should be an appropriate balance and mix of skills, knowledge, and experience, thereby avoiding groupthink and fostering constructive debate so that the Group can benefit from their collective expertise.

An effective Board brings together professionals with a range of complementary professional qualifications, skills, regional and global business expertise, industry knowledge, and varying backgrounds in terms of gender, geography, nationality, tenure, seniority, and other unique characteristics. We take these attributes into account when determining the optimal composition of our Board, aiming for balanced representation whenever possible.

To uphold gender diversity, we strive to maintain at least one female director on the Board. Presently, of the six directors on the Board, one is female. All six directors are above the age of 50 years. To support gender diversity on our Board, we have implemented several key measures. External search consultants responsible for identifying Board candidates are required to incorporate female candidates in their search criteria. Simultaneously, our Nominating Committee (“NC”) is instructed to consider female candidates when selecting new Directors, ensuring a consistent focus on gender representation in our Board’s composition.

SUSTAINABILITY POLICY

At Hyphens, we are committed to playing our part in improving global health while minimising our environmental and social impact. We have adopted a comprehensive sustainability policy which outlines our commitment to sustainable practices in the pharmaceutical industry and guides our employees, partners, and stakeholders towards a sustainable future. Please refer to our sustainability framework in the Sustainability Strategy section of this report to learn more about our policy commitments.

REGULATORY COMPLIANCE

We believe that operating within legal and regulatory frameworks is essential to sustaining our long-term growth and delivering value to our shareholders and stakeholders. Our approach involves taking preventive measures to mitigate legal risks while continuously monitoring our performance.

The Group’s regulatory policies and procedures are periodically reviewed to remain compliant with all applicable legislative and regulatory requirements. We also provide consolidated training programmes for all employees, alongside pre- and post-training quizzes, to familiarise them with the Group’s policies.

For transparency, we publicly disclose significant instances of non-compliance. An incident is considered significant if it involves a fine exceeding \$20,000 or results in the cessation of business operations.

In the reporting period, there were no incidents of significant non-compliance involving significant fines or non-monetary sanctions.

CODE OF CONDUCT

The Group’s Code of Conduct, commonly referred to as the “Code,” is readily available for review on our website at www.hyphensgroup.com. The Code sets the ethical standard for all employees, emphasising the necessity for personal and corporate integrity in all our interactions – be it with customers, suppliers, competitors, fellow employees, or the wider community. New employees undergo training as part of onboarding that covers the Group’s code of conduct, corporate values, ethical principles and policies.



OUR CODE OF CONDUCT COVERS THE FOLLOWING:

- Compliance with the law
- Conflict of interest
- Prohibition of bribery and corruption
- Gifts, favours and concessionary offers
- Workplace harassment
- Workplace health and safety
- Company property and assets
- Confidential information
- Proprietary information & intellectual property
- Insider trading
- Enforcement and reporting violations of the Code of Conduct

GOVERNANCE

WHISTLEBLOWING POLICY

In line with our commitment to transparency, accountability, and integrity, we have implemented a robust Whistleblowing Policy. This policy is a critical component of our governance framework, offering both employees and external parties a secure avenue to report concerns regarding financial reporting irregularities or malpractice. These whistleblowing channels are designed to protect the confidentiality of the whistleblower and guarantee that there will be no retaliation for raising concerns. Our Whistleblowing Policy is accessible through the BIPO mobile application, and the integrated human resource management system.

ANTI-CORRUPTION POLICY

OUR ANTI-CORRUPTION POLICY HAS BEEN COMMUNICATED TO

100%

OF ALL EMPLOYEES.



The Group adopts a strict zero-tolerance policy against corruption, bribery, fraud and money-laundering. These practices can undermine stakeholder trust, dent our reputation, and pose significant legal and financial risks. To safeguard stakeholders and ensure the smooth operation of our Group, we have implemented an anti-corruption policy. Our anti-corruption policy extends to all employees, directors, suppliers and business partners. Any unethical behavior or misconduct by employees may result in formal disciplinary action including dismissals. We periodically review our practices and performance to identify areas for continuous improvement.

The process for reporting, investigating, and recording incidents of bribery, fraud, or money laundering begins within the department of the employee under investigation. The inquiry is jointly managed by the line managers of both the subject and the complainant, with

department heads kept informed. HR remains involved throughout to ensure due process is followed and to maintain open, transparent channels of communication between all parties. If misconduct is confirmed, the case is escalated from the employee’s line manager to the department head and senior management, who work alongside HR to manage the situation while maintaining open communication with the employee. In cases of significant severity, the Board will also be updated. We periodically review our practices and performance to identify areas for continuous improvement.

Our anti-corruption policy has been communicated to 100% of all employees (474 in total) and 100% of the Board of Directors (six directors). All directors and senior management have also attended anti-corruption training.

There were no incidents of bribery, fraud and money-laundering in the reporting period.

MATERIAL TOPIC: ANTI-CORRUPTION	
Ongoing Target	Performance in 2024
To have no incidents of bribery, fraud and money-laundering.	No incidents.

ANTI-FRAUD POLICY

Hyphens is committed to maintaining integrity in its operations. We have established a Fraud Policy to deter fraudulent activities involving employees, shareholders, consultants, vendors, contractors, external agencies, and any entities in business with us. Suspected fraud must be reported to the Audit Committee Chairman immediately. The Committee can appoint Internal Auditors or independent investigators, such as forensic accountants, for probes. Employees involved in fraud will undergo disciplinary measures, with potential criminal and civil actions.

There were no confirmed incidents of fraud in the reporting period.



GOVERNANCE

ANTI-COMPETITION

Hyphens upholds fair competition and adheres strictly to all applicable anti-competition laws and regulations where we operate. We prohibit any form of collusion, price-fixing, market allocation, or any other activities that could restrict or distort competition.

There were no legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation.

DATA PROTECTION AND PRIVACY

Hyphens is committed to safeguarding personal data and privacy. Our Data Protection Policy, compliant with the Personal Data Protection Act 2012 (“**PDPA**”), governs the handling of personal information of employees, shareholders, partners, customers, and suppliers. It details the legitimate processing of personal data and is accessible at www.hyphensgroup.com. A designated Data Protection Officer (“**DPO**”) oversees the policy’s implementation.

Further details on our data protection efforts are in the Our Customers section of this report.

HUMAN RIGHTS POLICY

Hyphens upholds internationally recognised human rights principles as outlined by the United Nations’ Universal

Declaration of Human Rights and the International Labour Organization’s (ILO) core labour standards. Child labour, forced labour, and modern slavery have no place in our operations and supply chains. We are committed to workplaces built on fairness and respect, free from discrimination and harassment. We respect our employees’ rights to join unions and engage in collective bargaining in accordance with national laws. Currently, our employees are not covered by a collective bargaining agreement. However, we strive to pay competitive wages and benefits to our employees. Our HR policies ensure equal opportunities for all employees, irrespective of their race, gender, religion, ethnicity, nationality, cultural background, sexual orientation, or any other characteristic.

There were no incidents of discrimination in the reported period.

**THERE WERE
NO
INCIDENTS
OF DISCRIMINATION IN
THE REPORTING PERIOD.**



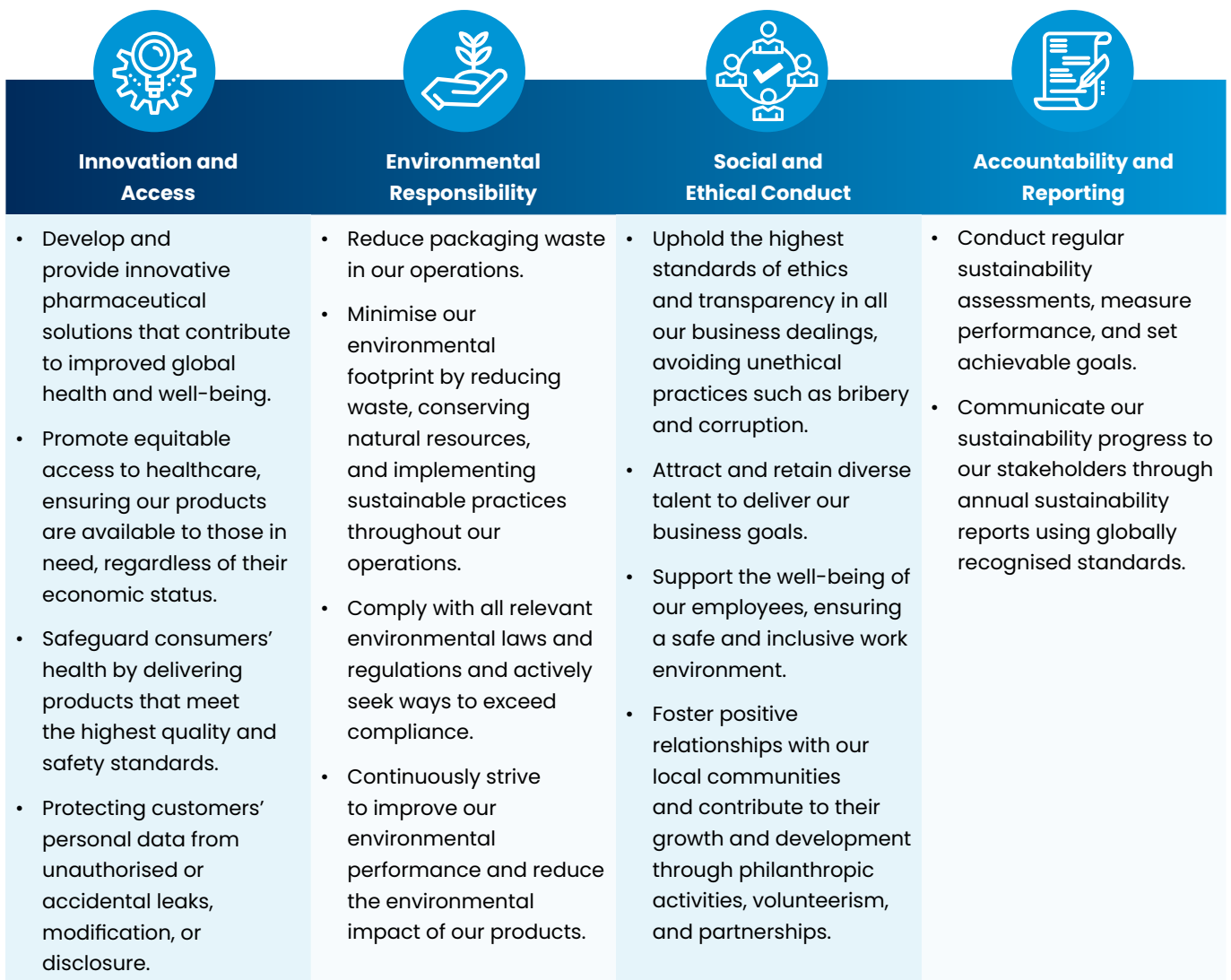
OUR SUSTAINABILITY STRATEGY

At Hyphens, we recognise the vital role we play in improving global health while minimising our environmental and social impact. As a responsible member of the pharmaceutical industry, we are committed to adopting sustainable practices in our operations.

Our sustainability strategy is built to drive long-term, sustainable business growth while creating value for both shareholders and stakeholders. We do this by effectively managing ESG impacts, risks, and opportunities across the short, medium, and long term.

Guided by a comprehensive materiality assessment, our strategic sustainability framework focuses on the most significant ESG priorities. The infographic below provides an overview of this framework.

SUSTAINABILITY FRAMEWORK



STAKEHOLDERS

Building trust and respect with our stakeholders is fundamental to what we do. We recognise our key stakeholders as those who hold an interest in our Group and can influence or be impacted by our business activities and operations. Our primary stakeholders encompass our customers, employees, suppliers, investors, regulators, and the broader community.

We are committed to regular, continuous, and constructive dialogue with our stakeholders. Our primary goal in stakeholder engagement is to understand and address their legitimate concerns and expectations. These insights are crucial for informing our materiality assessment and ensuring the relevance and justifiable prioritisation of sustainability topics in our reporting. Every three years, we conduct a comprehensive stakeholder engagement to consolidate perspectives on sustainability reporting topics. Last year, we engaged internal stakeholders through a

survey to gather their views on sustainability topics for reporting. Building on these findings, our SC convened this year to review the relevance and importance of the existing sustainability topics for reporting. Comprising senior management and executives, our SC team also incorporates feedback from external stakeholders as part of their ongoing, informal interactions throughout the year.

A summary of our stakeholder engagement is provided in the table below.

Stakeholders	Engagement Method	Stakeholder Concerns
Customers	<ul style="list-style-type: none"> Regular interactions Enquiry and feedback channels Customer surveys 	<ul style="list-style-type: none"> Cost-competitiveness Excellent customer service Digital adaptation and experience Product responsibility
Employees	<ul style="list-style-type: none"> Annual employee performance appraisal Regular team/town hall meetings Regular Staff communication sessions Employee feedback form on company portal 	<ul style="list-style-type: none"> Professional development Employee engagement Workplace health and safety Staff rights and welfare
Management Teams	<ul style="list-style-type: none"> Annual management meeting Regular team meeting and communication sessions Ad-hoc surveys 	<ul style="list-style-type: none"> Business continuity and strategy Data governance and risk and management Employee engagement and talent alignment
Investors/ Shareholders	<ul style="list-style-type: none"> Regular results briefings and participation in investment events Annual and interim reports Ad-hoc circulars to shareholders/group website 	<ul style="list-style-type: none"> Growth strategy and economic performance Business ethics and transparency Corporate governance and sustainability
Business Partners	<ul style="list-style-type: none"> Frequent discussions and meetings Regular corporate presentations 	<ul style="list-style-type: none"> Partnership for opportunities and growth
Suppliers	<ul style="list-style-type: none"> Periodic supplier evaluations Periodic on-site inspections Regular discussions and meetings 	<ul style="list-style-type: none"> Compliance with terms and conditions of purchasing policies and procedures Ethical standards as well as social and environmental responsibility
Government and Regulators	<ul style="list-style-type: none"> Periodic discussions with government agencies and departments 	<ul style="list-style-type: none"> Regulatory compliance Timely reporting and resolution of issues
Local Communities	<ul style="list-style-type: none"> CSR programmes 	<ul style="list-style-type: none"> Responsible corporate citizenship

MATERIALITY

At Hyphens, we understand that regular materiality assessment is crucial for identifying significant ESG impacts, risks and opportunities to ensure our business remains resilient, responsible and future-focused with a view towards long-term value creation. We review our material ESG topics annually and conduct a comprehensive materiality assessment every three years. Our approach aligns with GRI's four-step framework to identify, assess, prioritise and validate the topics that reflect both the positive and negative impacts of our operations.

In FY2023, we conducted our most recent comprehensive materiality assessment where we invited input from all internal stakeholders – including the Executive Team, Committee, and company employees – through an online survey to evaluate Hyphens' impact on the economy, the environment and society and rate the significance of our material topics for inclusion in our Sustainability Report 2023. In FY2024, our Committee reviewed the material topics identified in the FY2023 report and determined that they remain relevant and critical to our business growth and ESG impact for this reporting period.

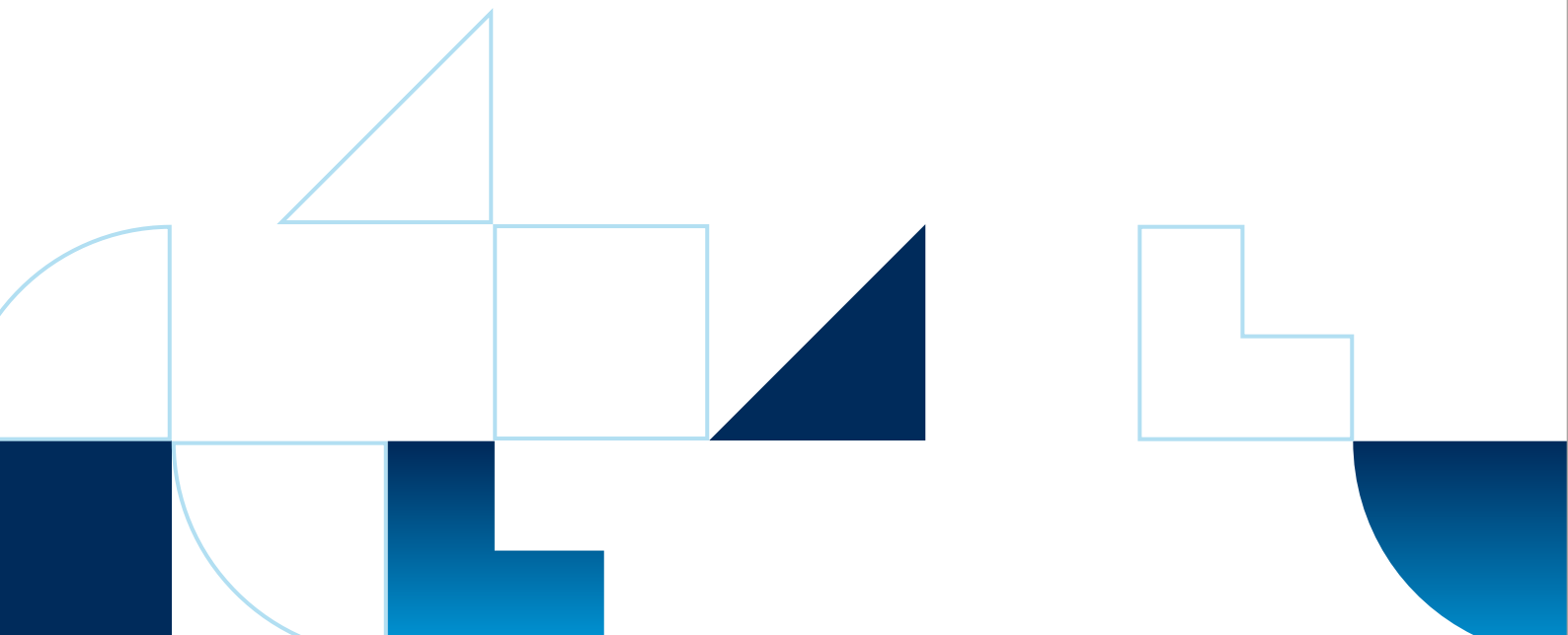
BOARD APPROVAL

Assisted by the management and Committee, the Board reviewed and approved the material ESG topics for FY2024.

ALIGNING WITH THE UN SUSTAINABLE DEVELOPMENT GOALS ("SDGS")

The SDGs are a universal call to action, comprising 17 interconnected Goals, aimed at ending poverty, protecting the planet, and ensuring prosperity and peace for all by 2030. By aligning with the SDGs, businesses can contribute to global efforts towards sustainability, while also enhancing their own resilience, innovation, and stakeholder trust, ultimately driving long-term growth and success.

At Hyphens, we are committed to supporting sustainable development by embedding sustainability into our business strategy and operations. We have aligned our material topics with the relevant SDGs where we have the opportunity to make a positive contribution.



MATERIALITY

MATERIAL TOPICS

Get an overview of our material topics and the related SDGs in the table below.

MATERIAL ESG TOPICS			
Material Topics	Materiality Description	Our Management Approach	Relevant SDGs
ENVIRONMENT			
Packaging Waste	We use various packaging materials in our pharmaceutical and consumer healthcare products.	We remain committed to reducing packaging waste and shifting towards more environmentally-friendly packaging.	
SOCIAL			
Talent Management	Attracting and retaining diverse talent is critical to delivering our business goals.	We continuously invest employee development to build a diverse, skilled and engaged team.	 
GOVERNANCE			
Anti-corruption	Strong governance and the management of corruption and fraud risks are key to protecting our reputation, operational and leadership strength.	We uphold the highest business ethics and standards of conduct to cultivate trust among our partners, customers and employees.	
Customer Health and Safety	Pharmaceutical and consumer healthcare products require compliance with health and safety regulations and standards.	We ensure our products meet the highest quality and safety standards to protect consumers' wellbeing.	 
Customer Privacy	Protecting personal data is critical for building stakeholder trust and safeguarding our reputation and reliability.	We remain committed to data security, protecting customers' personal data from unauthorised or accidental leaks, modification or disclosure.	

OUR PEOPLE

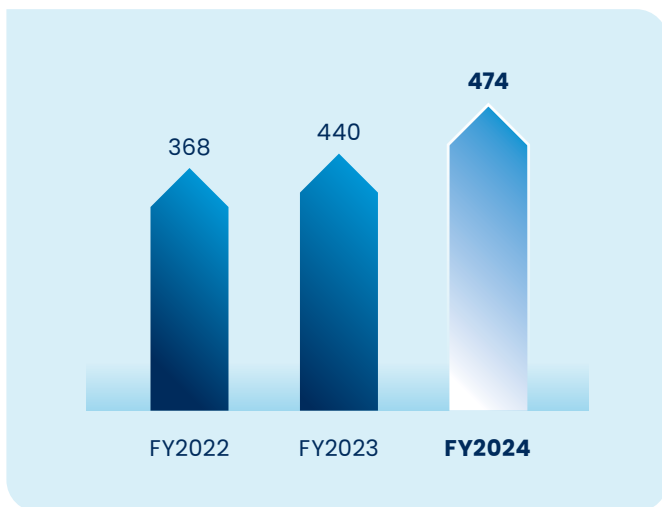
At Hyphens, we know that our success is built on the dedication and passion of our employees. We strive to create a workplace where they feel valued, supported, respected and empowered to grow.

OUR EMPLOYEES

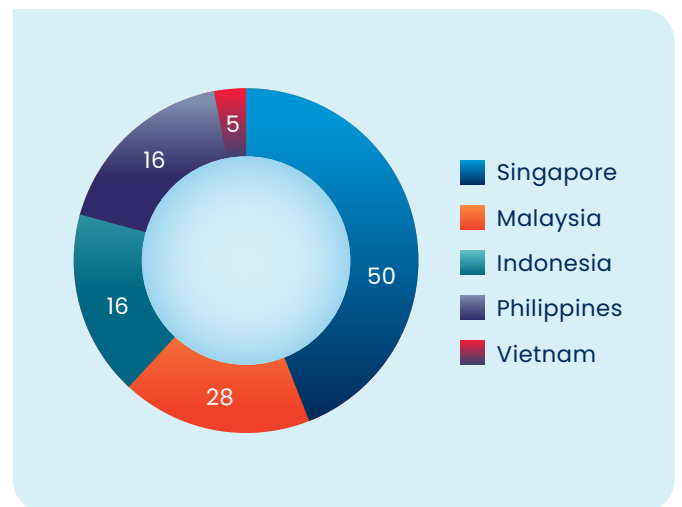
At the close of FY2024, Hyphens had 474 employees on its payroll. Full-time employees made up 96% of this total workforce. Among our staff, 92% were permanent employees. In addition, there were 20 temporary employees, 18 fixed-term contract employees, 3 freelance workers for roles such as sales promoters, merchandisers, delivery drivers, and office cleaners who were not within our employee headcount. Singapore accounted for 50% of our total number of employees.



Number of Employees



Number of New Employees by Country



OUR PEOPLE

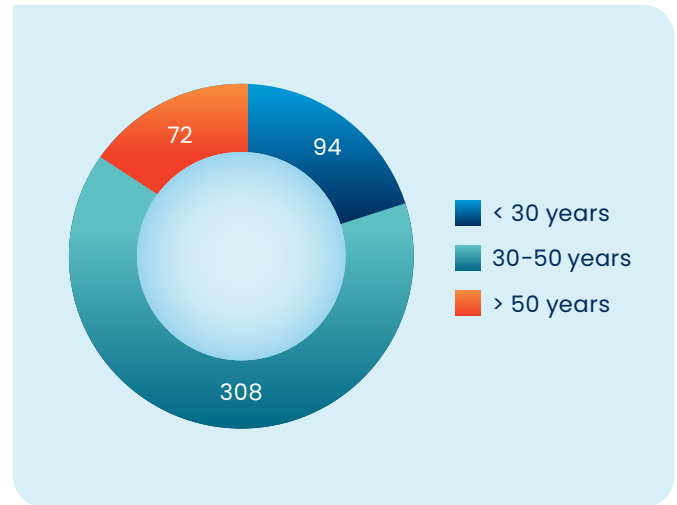
Diversity

At Hyphens, we are committed to building a diverse and inclusive environment where all employees, regardless of their race, gender, age, sexual orientation, disability, religion, or ethnic background, are respected, valued, and given equal opportunity to realise their full potential. We uphold and practise Singapore’s Tripartite Guidelines on Fair Employment Practices (TGFEF) at all stages of the hiring process, which mandates employers to recruit and select employees based on merit, regardless of age, race, gender, religion, marital status and family responsibilities or disability.

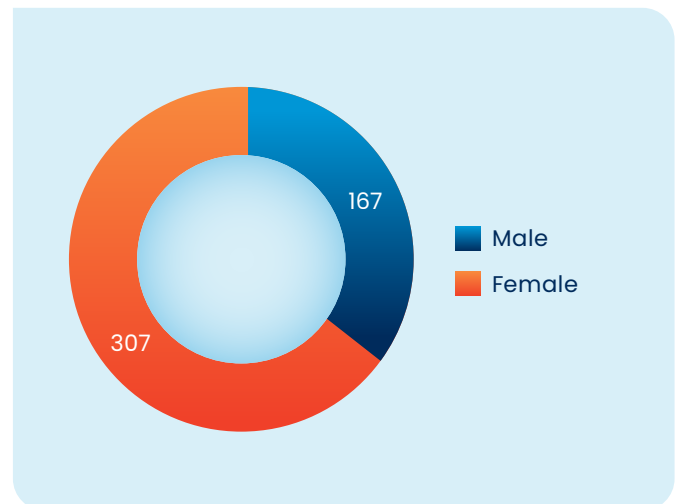
Our subsidiary, Pan-Malayan Pharmaceuticals, has been recognised by Singapore’s Tripartite Alliance for Fair and Progressive Employment Practices for adopting Age-Friendly Workplace Practices. To reflect our ongoing fair employment practices, we will release an Equal Employment Opportunity (EEO) Policy by first half of 2025.

In FY2024, 65% of our employees fall within the age range of 30-50 years, with 20% under 30 years of age and 15% aged over 50. Additionally, women constituted 65% of our workforce, held 66% of middle management and 57% of senior management positions. The number shows a slight growth from that of FY2023, aligned with the World Bank Gender Strategy of 2024-2030 to engage women as leaders.

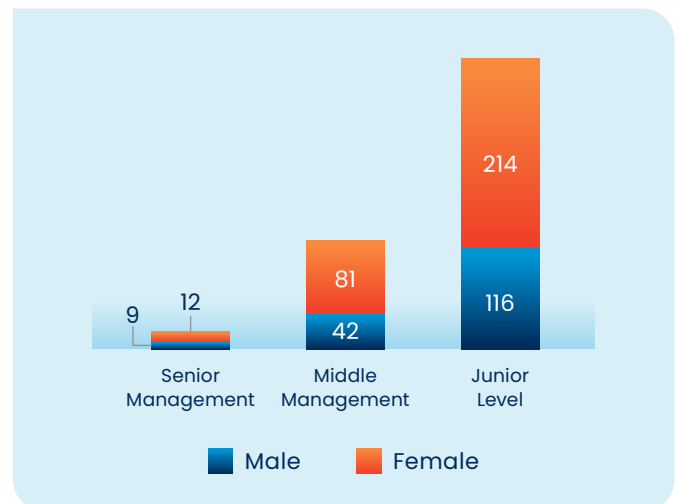
Number of Employees by Age Group



Number of Employees by Gender



Employment Category by Gender



OUR PEOPLE

PARENTAL LEAVE

We believe in promoting a supportive, family-friendly workplace culture. Offering parental leave to our employees is vital as it supports work-life balance and contributes to employees' overall well-being and job satisfaction.

While parental leave is a mandatory benefit, it plays a vital role in fostering a supportive workplace culture, reinforcing Hyphens as an employer of choice. By ensuring compliance with labor standards and promoting work-life balance, these policies align with our ESG commitment to employee well-being. Providing parental leave not only supports employees in managing their professional and family responsibilities but also strengthens our reputation as a responsible and competitive employer.

Parental Leave	FY2023			FY2024		
	Male	Female	Total	Male	Female	Total
Total no. of employees that were entitled to parental leave, by gender	17	49	66	19	66	85
Total no. of employees that took parental leave, by gender	17	49	66	19	66	85
Total no. of employees due to return to work after taking parental leave, by gender	17	49	66	19	66	85
Total no. of employees that did return to work after parental leave ended, by gender	17	49	66	19	66	85
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender	16	38	54	11	40	51
Return to work rate	100%	100%	100%	100%	100%	100%
Retention rate	100%	97%	98%	65%	82%	77%

EMPLOYEE BENEFITS

We are committed to ensuring the welfare of our employees. We offer full-time employees a range of benefits including disability and invalidity coverage, healthcare, retirement plans, and parental leave, all in compliance with local laws and statutory regulations.

EMPLOYEE DEVELOPMENT

We invest in developing our people by providing regular training opportunities, bridging skill gaps to enhance performance in their current roles or prepare them for career progression. In FY2024, we provided a total of 3,547 hours of training. Average hours of training per employee amounted to 7.5 hours. The average hours of training for male and female employees were 5 and 9.

PERFORMANCE MANAGEMENT

We have implemented performance management measures to support our employees' personal and professional development. We conduct annual performance appraisals for all employees to assess their performance in a fair and objective manner. In FY2024, 100% of all employees participated in the performance appraisal process.

Currently, we are working towards a more structured approach to talent management. In 2025, we plan to introduce a structured program for key talent as part of our succession planning efforts. Additionally, we are in the process of developing an e-Performance Management System to enhance performance and talent monitoring. This system will be rolled out in phases, with the first phase for senior management targeted for launch by end of 2025.

OUR PEOPLE

NEW HIRES

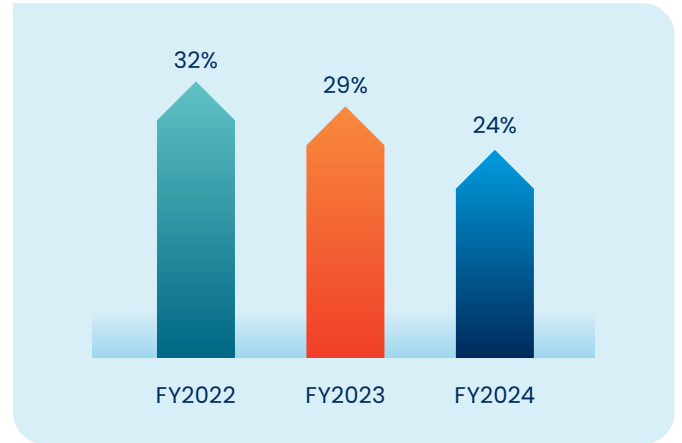
Our ongoing goal is to attract diverse talent to support business growth. In FY2024, we hired 115 new employees. The total hiring rate was 24%. Women accounted for 58% of the new hires. Percentage of new hires by age group was as follows: Under 30 years (37%), 30-50 years (51%) and Over 50 years (12%).

TURNOVER

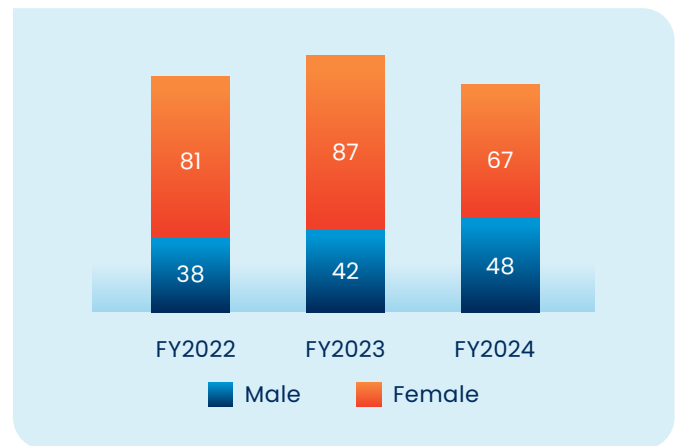
Our ongoing goal is to minimise employee turnover by implementing retention strategies, including competitive compensation, career development opportunities, positive workplace culture, and employee recognition programs. We track employee turnover to evaluate our performance.

In FY2024, the overall employee turnover rate was 25%. The turnover percentage by gender population in the Group was as follows: male (27%) and female (24%). By age group, the turnover for the same period was as follows: Under 30 years (34%), 30- 50 years (55%) and Over 50 years (11%). The total number of employees leaving the organisation in FY2024 was 118, comprising 45 male employees and 73 female employees. In FY2024, our Group’s attrition rate remained stable at 25%, consistent with the previous year. While this is higher than the Southeast Asia average of 17.4%, it aligns with our current phase of transformation as we position the Company for future growth. Recognising this, proactive measures were implemented to manage attrition and maintain stability at FY2023 levels, ensuring continuity while building a high-performing team for the future.

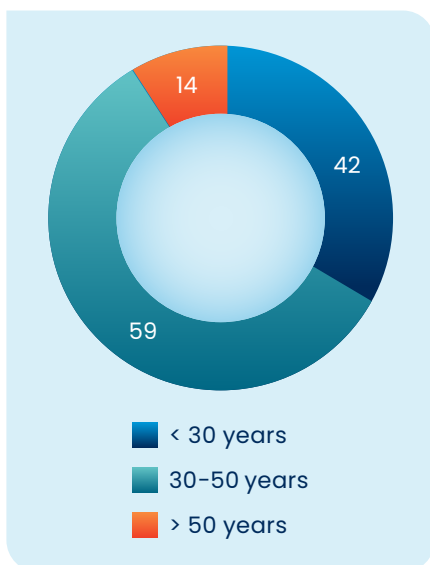
Hiring Rate



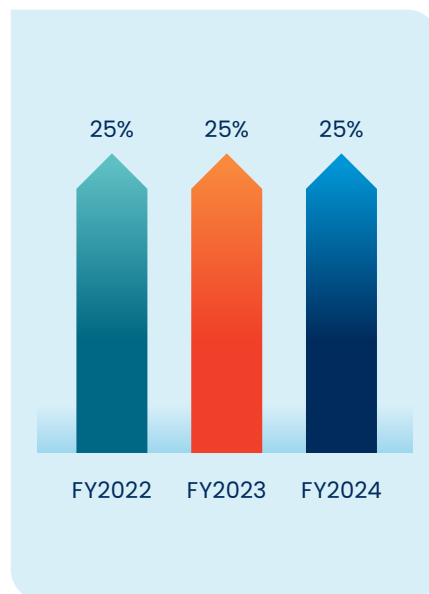
New Hires By Gender



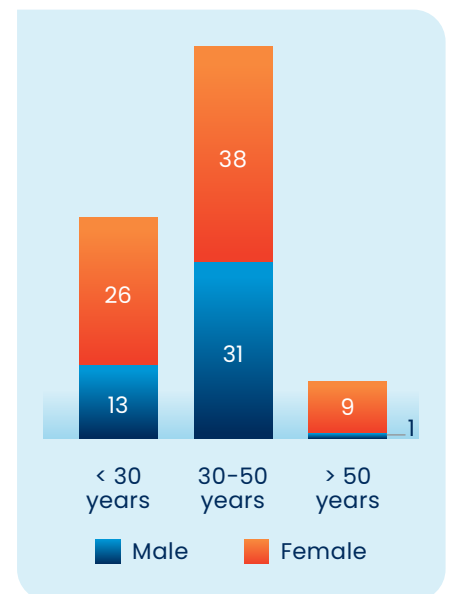
Number of New Hires by Age Group



Total Turnover Rate



Number of Turnover by Age Group



OUR PEOPLE

EMPLOYEE ENGAGEMENT

We engage our employees in a variety of ways throughout the year, some of which are described below.

Festive Celebrations and Team Bonding

To nurture a cohesive environment with healthy work-life balance across our regional offices, employee engagement at Hyphens comprises a diverse range of celebrations and team activities. From international and national cultural festivities like World Health Day, Independence Day, Christmas and Batik Day, to enriching programmes such as DIY plastic upcycling workshops, we also conduct recreational activities such as department get-togethers and overseas trips.



Hyphens Day

Our annual Hyphens Day is celebrated company-wide throughout our regional offices in October. This day marks the growth and unity of Hyphens Group and provides employees with an opportunity to connect through recreational activities tailored to their local offices. This year, we connected with nature through microgreen-planting, eco-enzyme making, urban farm tours, and engaging in mini games in the office.



OUR PEOPLE

Hyphens Song

As part of our employee engagement efforts, we use our company song to strengthen team spirit and foster a sense of inclusion and belonging. Played and sung at company events and celebrations, the song reinforces our shared identity through music, a medium that transcends language barriers. This year, we professionally revamped and reproduced the song to maintain its relevance to employees of all backgrounds and launched it during Hyphens Day across our regional offices.



Health and Wellbeing

At Hyphens, we prioritise the health and wellbeing of our employees. In July, Hyphens Vietnam arranged a complimentary in-office health screening for all employees stationed in both Ho Chi Minh and Hanoi offices. Similarly, Hyphens Singapore organised the same for all employees in October.



Our Commitment to Strong Corporate Governance

As we continue to strengthen our environmental and social pillars under our ESG framework, a solid governance foundation remains central to our efforts. We believe that good governance is critical for driving an effective ESG strategy and cultivating trust among our people – our stakeholders, customers and wider community.

This year, we were presented with the Gold Award for Best Managed Board at the Singapore Corporate Awards (“SCA”). Representing Singapore’s highest accolade in corporate governance, the SCA is jointly organised by the Institute of Singapore Chartered Accounts, the Singapore Institute of Directors and The Business Times, it is supported by the Accounting and Regulatory Authority and Singapore Exchange. It recognises companies which uphold the



highest standards in corporate governance and practice, focusing on criteria such as board composition, corporate transparency, risk management, interests, corporate social responsibility, sustainability, and more. We will continue to build on this foundation to ensure long-term effectiveness and trust in our governance practices.

OUR ENVIRONMENT

Hyphens is committed to caring for the environment. We know that sustainability isn't just vital to our business but is our shared responsibility to the communities we serve.

Our environmental policy focuses on reducing packaging waste through the use of eco-friendly materials and minimising packaging, conserving natural resources and implementing sustainable practices through our operations. We adhere to all relevant environmental laws and regulations.

Our ongoing goal is to continuously enhance our environmental performance, reduce the impact of our products and operations while maintaining transparency in our initiatives. We regularly review our practices and adapt to emerging environmental challenges, ensuring our operations contribute positively to environmental sustainability.

PACKAGING WASTE

In the pharmaceutical and consumer healthcare sectors, packaging is essential for protecting products from moisture, light, and temperature changes – key factors in maintaining their quality, safety, and efficacy. It also includes tamper-evident features to ensure product integrity and user safety. Beyond protection, packaging supports dosage control, patient compliance, and clear communication, providing vital details like usage instructions, ingredients, and expiration dates.

To maintain these standards, we use a range of materials, including glass, plastics (PET, PVC, polyethylene), aluminium, paper, and composites that are carefully chosen to meet safety, efficacy, and regulatory requirements.

MATERIAL TOPIC: PACKAGING WASTE			
Target (2024)	Performance in 2024	Target (2025)	Medium to Long Term Target
To achieve 5% increase in sales units of Ocean Health products in refill packs	We achieved our target increase in sales units of Ocean Health which has enabled us to disclose packaging waste data in this report.	To achieve 5% increase in sales units of Ocean Health products in refill packs	By 2030, to increase the number of units of refill packs by 1.5x the 2024 baseline.



OUR ENVIRONMENT

PLASTIC-LITE REFILL PACK

Over the years, we have made steady progress in adopting more sustainable packaging practices. This has included transitioning to recyclable product bottles, eliminating superfluous plastic wrapping from individual bottles, and introducing an environmentally conscious, ‘plastic-lite’ refill pack for our bestsellers, Ocean Health Omega-3 fish oil and Evening Primrose Oil. Our goal is to increase the number of refill packs by 1.5x the 2024 baseline by 2030, aligning with our commitment to environmental responsibility and sustainable development.

MANDATORY PACKAGING REPORTING

Singapore has initiated a Mandatory Packaging Reporting (“MPR”) scheme, under the Resource Sustainability Act, aimed at addressing packaging waste and promoting sustainable practices. Introduced by the National Environment Agency, the MPR scheme mandates that producers of packaged products, including brand owners, manufacturers, and importers, as well as retailers like supermarkets, submit detailed reports annually. These reports must include the amount of packaging introduced into the Singapore market and outline their plans to reduce, reuse, or recycle packaging materials.

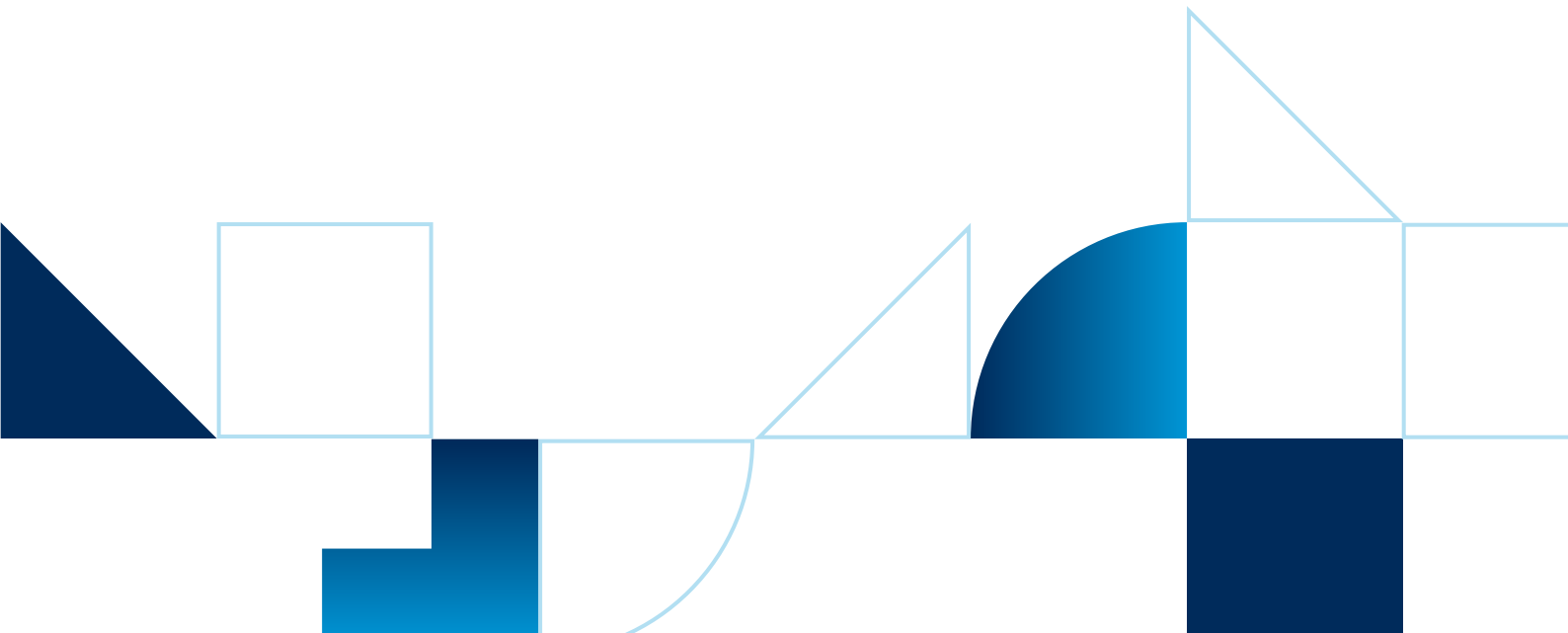
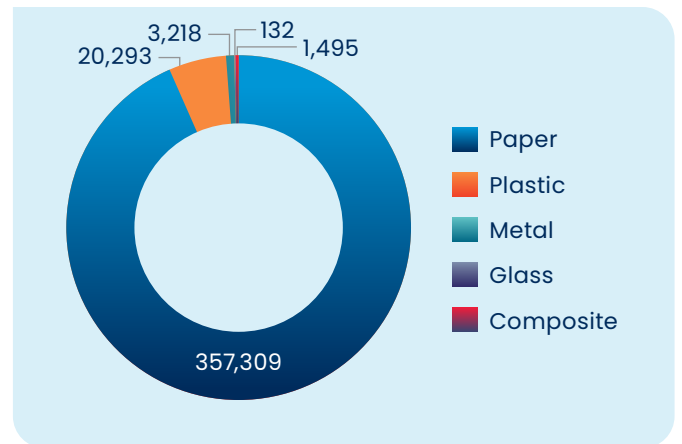
At Hyphens, we have implemented necessary measures to collect packaging data since FY2024. As part of our ongoing 3R plan focusing on reducing, reusing or recycling

packaging, we have collaborated with our manufacturing partners to successfully eliminate shrink wrap from 9.7% of our entire Ceradan® range.

This FY2024, we generated 382,447 kg of packaging waste. Paper constituted 93.4% of the total packaging waste followed by plastic (5.3%) and metal (0.8%).



Packaging Waste (kg)



OUR ENVIRONMENT

MANDATORY WASTE REPORTING

Singapore has also incorporated a Mandatory Waste Reporting scheme targeting waste production and improvement in waste management systems. In line with this initiative, we have implemented a recycling programme across our warehouse, production and office premises to ensure that waste generated from production, packaging, logistics and daily office operations is properly recycled.

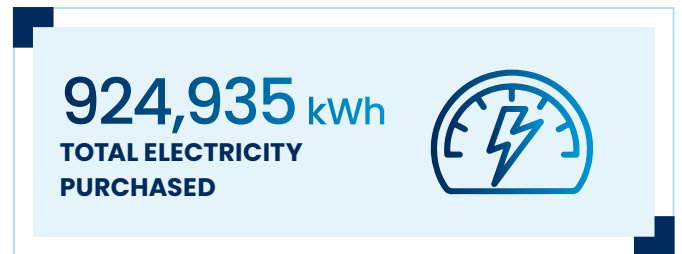
In FY2024, we successfully recycled 8,361 kg of waste. Paper constituted 94.4% of total recycled waste while plastic constituted the balance 5.6%.



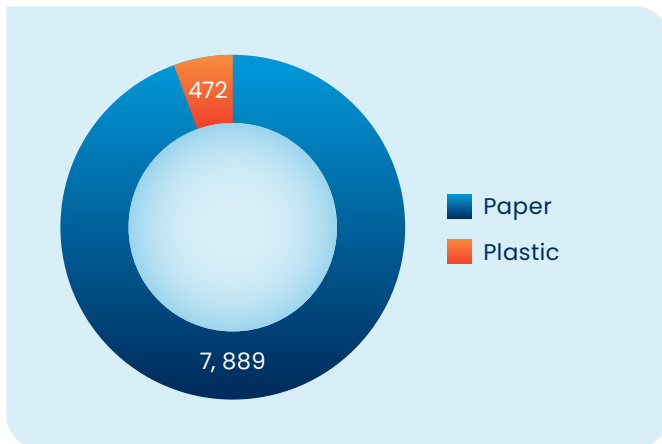
ENERGY

Our energy consumption remains comparatively low, primarily utilised for essential operations such as lighting, powering assembly line equipment, and transport for product distribution. Despite this relatively small footprint, we track and monitor our energy usage, consistently striving for greater energy efficiency in all aspects of our operations.

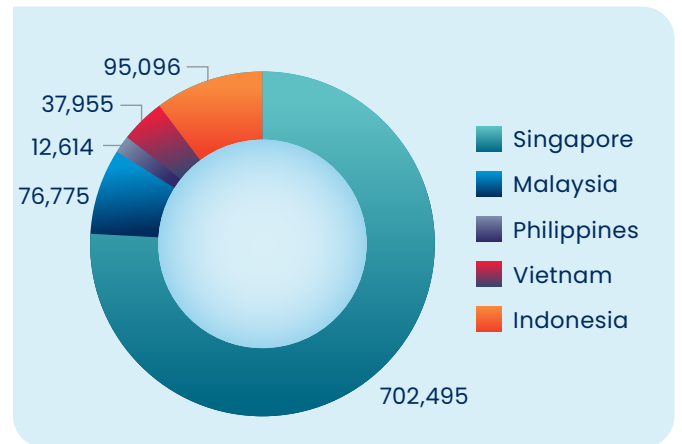
In FY2024, our total electricity purchase amounted to 924,935 kWh. Singapore operations accounted for 76% of the total electricity consumption. Energy consumption from electricity (Indirect Energy) amounted to 3,330 Gigajoules (GJ).



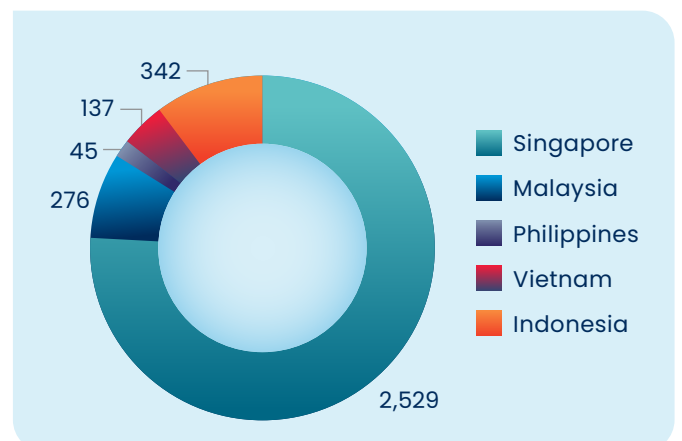
Waste recycled (kg)



Electricity Consumption by Country (kWh)



Indirect Energy Consumption (GJ)



TCFD REPORT

At Hyphens, we recognise our responsibility in mitigating climate change, even though our operational carbon footprint is relatively modest. As a Group focused on marketing, wholesale and distribution of specialty and proprietary pharmaceutical products, we are committed to reducing greenhouse gas emissions and adopting responsible packaging practices.

In alignment with our climate commitment, we are progressively implementing the Recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”) to assess, manage and report climate-related risks and opportunities. This report follows the TCFD’s four key pillars: governance, strategy, risk management, metrics and targets. The details of each category are elaborated in the following sections.

GOVERNANCE



At Hyphens, the Board oversees climate-related issues, while Management is responsible for implementing climate strategies and monitoring performance. The specific roles of the Board and Management are detailed below.

BOARD RESPONSIBILITY

The Board is ultimately responsible for ensuring the effective management of ESG risks, including climate-related risks and opportunities within the Group, as an integral part of its overall risk management strategy. The Board has established a sustainability governance structure for effective oversight and management of material ESG issues, impacts, risks and opportunities, also covering climate-related issues.

The Board is assisted by the Committee, which comprises senior management executives from major functions. The Committee assists the Board in identifying and prioritising material ESG factors and climate-related risks and opportunities, managing and monitoring the implementation of material ESG factors, setting and achieving ESG targets over the short, medium, and long term, and preparing the annual sustainability report. The Board receives periodic updates from the management on sustainability issues, and reviews and approves the Group’s TCFD Report.

The Board is also assisted by the Audit Committee in reviewing the efficacy of internal controls to ensure the reliability and accuracy of sustainability data and compliance with the reporting requirements issued by the SGX.

MANAGEMENT RESPONSIBILITY

The management team is charged with the implementation, management, and monitoring of the climate-related strategy, risk management, and the establishment of metrics and targets. The management is also responsible for the preparation of sustainability reports that include climate reporting based on the TCFD framework.

The Committee, chaired by the Group CEO, oversees and tracks the management of ESG impacts, including climate-related risks and opportunities. The Committee’s responsibilities include evaluating and managing climate-related physical risks and transition risks and their financial impact on business in the short, medium and long term. The SC reports to the Board and provides regular updates, at least once a year, about the sustainability performance.

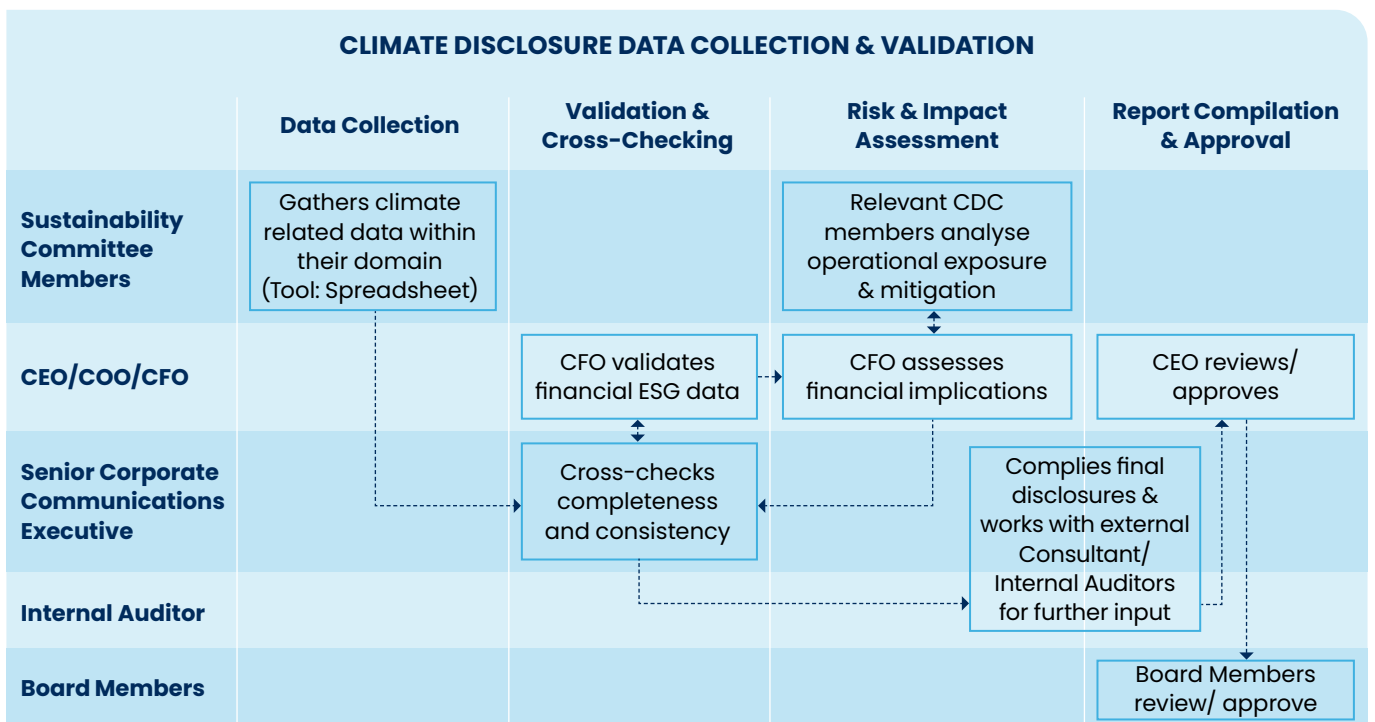
Committee members regularly engage with key departments such as Production, Marketing, and Supply Chain to stay updated on their processes and identify opportunities for climate-related improvements. Working closely with department leaders, the Committee develops solutions to address gaps or enhance operations in line with sustainability concerns. Depending on the scale and impact of these initiatives, proposals are first presented to senior management for approval before being escalated to the board for final endorsement and implementation.

To ensure that the Committee and senior management stays informed of evolving industry practices, the sustainability landscape and emerging risks, the Committee members provide regular updates to senior management referencing peer climate reports, media updates, and SGX updates on climate reporting regulations.

TCFD REPORT

The delegation of authority for factor reporting processes are illustrated in further detail below:

Committee Role	Climate Disclosure and Factor Reporting Responsibilities
Chief Executive Officer (CEO)	Provides strategic oversight, ensures alignment with business objectives, and communicates climate commitments to the Board and stakeholders.
Head of HR & Admin	Reports, oversees and sets targets on workforce sustainability, employee training on ESG, DEI efforts, and HR-related climate change policies and programmes. Supports the CEO in communicating climate commitments to the Board and stakeholders.
Chief Operating Officer (COO)	Tracks and oversees operational sustainability (energy use, emissions, waste), sets reduction targets, and integrates climate resilience into operations.
Chief Financial Officer (CFO)	Assesses financial risks and opportunities of climate change, integrates climate-related risks into financial reporting, and aligns with regulatory frameworks (e.g., GRI, TCFD).
Senior Supply Chain Manager	Manages supply chain sustainability and resilience, ensures responsible sourcing and compliance with regulations. Supports company’s broader sustainability goals by working with supply chain partners to reduce packaging waste and explore initiatives for material reuse.
Associate Director, Product Development	Ensures all products meet customer safety, industry and sustainability regulations, while addressing evolving customer and patient needs. Explores alternatives and product advancements to contribute to safer, more effective healthcare solutions for environment and community.
Marketing Director	Develops and implements climate-related and sustainability targets into innovative products, processes or packaging initiatives that reduce environmental impacts. Explores opportunities for sustainable product design and lifecycle management. Works with external partners to implement climate and sustainability-related branding and marketing initiatives.
Senior Corporate Communications Executive	Oversees overall report writing and data gathering, ensures clarity and consistency in disclosures, coordinates with internal stakeholders and external consultants for compliance and validation, and manages initiatives requiring employee and external vendor support.



TCFD REPORT

STRATEGY



Our greenhouse gas emissions arise mainly from electricity consumption in our offices, warehouses and assembly lines, and fuel used in our transport vehicles. Overall, our scope 1 and scope 2 emissions footprint remains relatively low and not considered a material ESG factor.

We aim to cut our carbon footprint by improving energy efficiency, using climate-friendly electricity where possible, and continuing to optimise logistics operations to reduce fuel use. In addition, we're committed to minimising the environmental impact of our product packaging. Our strategy prioritises immediate climate risks and opportunities, including regulatory compliance, packaging waste, and TCFD-aligned reporting, while staying prepared for medium and long term risks and opportunities.

For planning purposes, we consider 0-5 years to be short-term, 6-10 years as mid-term and more than 10 years to be a long-term horizon. Below, we have outlined our strategic approach to address climate-related risks and opportunities below over these time horizons.

SHORT TERM

We expect an increase in regulatory demands and a heightened expectation from stakeholders for comprehensive reporting of GHG emissions, as well as detailed disclosure regarding climate-related risks and opportunities and their potential financial impact on our business in the short, medium, and long term. Our short-term strategic plan involves measuring and reporting a

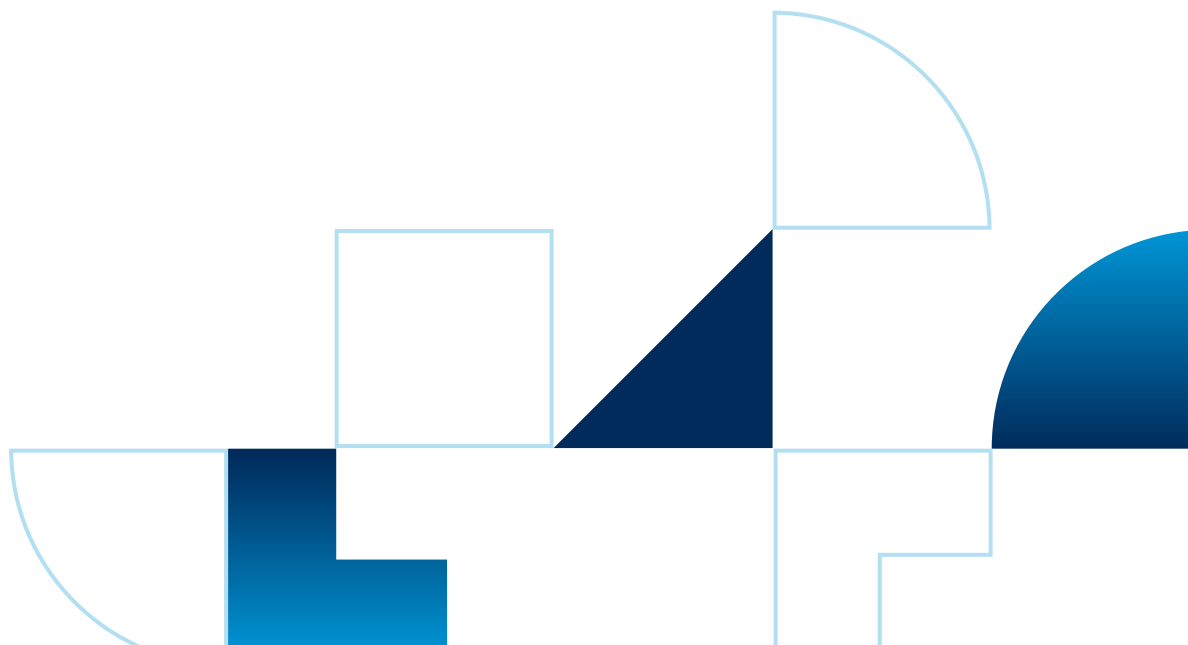
comprehensive inventory of our GHG emissions. We are in the process of implementing a plan to track, monitor and reduce the impact of packaging on the environment. This inventory will include scope 1, scope 2, and scope 3 emissions across all business segments, and will be aligned with the standards set by the Greenhouse Gas (GHG) Protocol. At present, our sustainability report already includes scope 1 and scope 2 emissions. In addition, we plan to establish emission reduction goals along with a defined timeline for achieving these reductions. The environmental section of this report also provides information about our progress toward reducing packaging waste.

MEDIUM TERM

We will explore potential pathways for to decarbonise our operations. Currently, Scope 2 emissions, arising from purchased electricity, account for about 94% of our combined scope 1 and scope 2 emissions. To reduce our Scope 2 emissions, we will evaluate more climate-friendly sources of energy, such as purchasing solar energy or renewable energy certificates. Scope 1 emissions, about 6% of total emissions, stem from the use of diesel in our service vehicles. We are assessing the feasibility of transitioning to electric or hybrid vehicles and optimising logistics processes further to minimise scope 1 emissions. Beyond reducing emissions, we will continue to enhance our understanding of climate-driven health challenges borne out of climate change to collaborate with our brand partners to ensure the availability of essential medications.

LONG TERM

Our long-term ambition would be to strive for net-zero emissions for our direct operations and establish Hyphens as a low-emissions, climate-resilient Group.



TCFD REPORT

CLIMATE CHANGE AND HEALTHCARE

At Hyphens, we remain attuned to climate change knowing the profound impact it can have on global health and wellbeing. We remain dedicated to aid in mitigating climate change, ensuring our business is sustainable and resilient while caring for the health of patients and communities who may be affected by climate change. Rising temperatures and extreme weather events are not just environmental concerns – they directly affect the spread of diseases, access to healthcare, and the overall well-being of communities.

As global temperatures climb, mosquito-borne diseases like dengue, malaria, chikungunya and Zika are expected to surge, requiring stronger vaccines and medicine distribution. Climate change also brings heavier storms, flooding and water contamination, increasing risks of food-borne and water-borne diseases. The Intergovernmental Panel on Climate Change (“**IPCC**”) reports in its Assessment Report 6 (“**AR6**”), that these cascading risks have been observed in every inhabited region and are projected to intensify without additional adaptation efforts.

Beyond physical health, we acknowledge the mental health toll of climate change – whether from displacement, migration, food insecurity, disruptions to health and social care systems, climate-related economic and social losses and the anxiety of an uncertain future. That’s why we’re committed to ensuring a resilient, scalable response by working closely with our partners to anticipate and meet evolving medical and market needs.

SAFEGUARDING SUPPLY CHAINS

Furthermore, we acknowledge the vulnerabilities within the pharmaceutical industry’s global supply chains due to climate change, from sourcing to product distribution.

Disruptions in production, transportation delays and cold chain downtimes can lead to stock shortages or unavailability, impacting patient care and revenue. To hedge against these risks, we have implemented measures to safeguard supply continuity and ensure our products remain accessible, further elaborated below.

SCENARIO ANALYSIS

Following TCFD’s recommendations, we have considered two key climate scenarios from the Shared Socioeconomic Pathways (“**SSP**”) used in the IPCC’s AR6. This analysis helps us assess how climate change may impact our business in the short, medium and long term.

- **SSP1-2.6 (Low Warming Scenario):** A stringent emissions reduction pathway requiring severe carbon dioxide (CO₂) emissions cuts to keep warming below 2°C compared with pre-industrial levels reaching net-zero in the second half of the century.
- **SSP3-7.0 (Medium to High Warming Scenario):** A scenario where emissions continue to rise, doubling CO₂ emissions and temperatures from the current level by 2100, average temperature rising by 3.6°C.

These SSPs provide insights into how shifts in factors such as population, economic growth, education, urbanisation, and technology may influence future greenhouse gas emissions, offering narratives of potential pathways to various levels of warming.

We have also considered the corresponding Representative Concentration Pathways (“**RCP**”) scenarios used in the IPCC’s fifth Assessment Report which focus solely on atmospheric greenhouse gas concentrations. Together, SSPs and RCPs offer a more comprehensive understanding of plausible futures.

SSP1-2.6 corresponds to RCP 2.6 while SSP3-7.0 corresponds to somewhere between RCP 6.0 and RCP 8.5. We find SSP1-2.6/RCP 2.6 useful for assessing climate-related transition risks and SSP3-7.0/RCP 6.0 more appropriate for assessing climate-related physical risks.

We remain committed to aiding in climate change mitigation, ensuring our business remains resilient and responsive while supporting patients and communities impacted by climate-related health challenges.



TCFD REPORT

SSP SCENARIO NARRATIVES: POSSIBLE OUTLOOKS

Each SSP scenario provides a different vision of how the world could reach certain levels of warming, and outline how economic, political and social could impact greenhouse gas emissions and influence global warming levels. The narratives for the two SSP scenarios we have examined for our analysis are summarised below.

SSP	SSP Narratives
SSP1-2.6	Sustainability-Focused: In this scenario global CO ₂ emissions are significantly reduced, though slower, achieving net-zero post-2050 by following socio-economic shifts towards sustainability, stabilising temperatures at about 1.8°C higher by century's end.
SSP3-7.0	Regional Rivalry: In this scenario, emissions and temperatures consistently rise, with CO ₂ emissions doubling by 2100. Nations focus more on competitiveness, emphasising national security and self-sufficiency in food. Average temperatures increase by 3.6°C by century's end.

The above mentioned SSP climate scenarios used in the IPCC AR6 lead to the following warming futures:

SSPs	SSP Description	Nearest RCPs	RCP Description	Best Estimate (°C)		
				Near Term (2021-2040)	Mid term (2041-2060)	Long Term (2081-2100)
SSP1-2.6	Sustainability	RCP 2.6	Global warming slowing down	1.5	1.7	1.8
SSP3-7.0	Regional rivalry	RCP 6.0	Global warming increasing	1.5	2.1	3.6

Source: IPCC AR6 (Climate Change 2021, The Physical Science Basis)

IMPACT OF CHANGING CLIMATE ON HUMAN HEALTH

Besides impacting the environment, climate change is a growing public health concern. At Hyphens, we acknowledge the necessity of decisive mitigation and adaptation measures, especially those enacted by policy makers, in reducing GHG emissions to minimise the adverse effects of climate change.

The IPCC's AR6 report provides useful insights into how a warming planet can potentially affect human health, with implications for the healthcare sector.

According to the IPCC AR6 report (Working Group II: Impacts, adaptation and vulnerability), rising global temperatures and more extreme weather events have played a role in the spread and emergence of new wildlife diseases in previously unaffected areas. Experimental studies suggest there is evidence that climate change has spurred the rise of infectious, vector-borne diseases in countries near the Arctic.

In Asia, climate change is heightening health risks in multiple ways – by increasing exposure and vulnerability to extreme weather events such as heatwaves and floods, air pollution, increasing vector and water-borne diseases, malnutrition, mental disorders and allergic diseases. Water-borne diseases, such as diarrhoea, leptospirosis and typhoid fever, tend to spike following heavy rainfall, tropical cyclones and floods.

One of the more immediate, obvious impacts of climate change on human health noted in the report is extreme heat – linked to severe dehydration, organ failure, cardiovascular disease and even death. However, the effects of heat stress are not uniformly distributed across the globe. In addition to physical symptoms, weather conditions have also been linked to incidences of mental health conditions. The report mentions that rising temperatures are linked to higher hospital admissions due to mood and behavioural disorders, such as “experiences of anxiety, depression, and acute stress” as well as higher suicide rates.

TCFD REPORT

Climate change is “increasingly hindering efforts” to meet global nutritional and caloric needs. In addition to the risk of reduced agricultural yields due to climate change, the report highlights that increased CO₂ levels have been found to diminish key nutrients such as protein, iron, and zinc in plants, with the extent of this reduction varying across different species. Continued increases in CO₂ levels are projected to cause reductions of 5-10% “in a wide range of minerals and nutrients”, depending on the crop. The report states that South and Southeast Asia are projected to be among the regions most at-risk for iron deficiencies among women of childbearing age and children under five years due to elevated CO₂ concentrations.

The report also highlights that climate change is a driving factor in the spread of a range of diseases. For instance, rising temperatures are increasing mosquito populations, expanding their habitat range and fuelling the spread of

mosquito-borne illnesses like dengue fever and malaria. The risk of dengue is projected to rise across all continents, while global warming and increased flooding are already linked to more cases of diarrheal diseases like cholera.

Read on to discover how Hyphens has sought to address these risks and challenges, while responding to transitional opportunities.

CLIMATE-RELATED RISKS AND OPPORTUNITIES

Our initial, qualitative scenario analysis is based on the above-mentioned SSP pathways. An overview of the analysis relevant to our business is presented below.

CLIMATE-RELATED RISKS			
Risk Type	Potential Financial Impacts	Financial Impact Category	Time Horizon
Physical Risk			
<p>Acute</p> <p><i>Increased severity of extreme weather events such as cyclones and floods</i></p>	<ul style="list-style-type: none"> The increasing risk of severe weather events, such as floods and cyclones, can significantly disrupt our supply chains, as well as those of our brand partners. This can lead to stock shortages, delivery delays, and ultimately, loss of revenue and customer dissatisfaction. Disruptions to our distribution logistics in Singapore caused by extreme weather events may hinder our ability to deliver products to customers on time. Extreme weather events, such as floods and cyclones, could impact our suppliers’ and brand partners’ manufacturing facilities, causing delays in the supply of products to us. 	Revenue	Long Term
<p>Chronic</p> <p><i>Rising sea levels, rising average temperatures</i></p>	<ul style="list-style-type: none"> Pharmaceuticals and medications often require strict temperature controls to preserve their quality. As heatwaves become more frequent, we must assess and mitigate risks to ensure the safe and efficient delivery of products while maintaining their integrity. Additionally, tighter temperature control measures could increase the costs associated with storing and transporting medications. Coastal areas prone to flooding may be impacted by a warming climate, affecting product deliveries from brand partners and suppliers in these regions. 	Revenue	Long Term

TCFD REPORT

CLIMATE-RELATED RISKS			
Risk Type	Potential Financial Impacts	Financial Impact Category	Time Horizon
Transition Risk			
Policy and Legal	<ul style="list-style-type: none"> The introduction of mandatory climate reporting, higher energy efficiency standards, and carbon taxes could raise operational costs. Stricter regulations on packaging waste may increase compliance requirements, leading to higher legal and compliance costs. Regulatory non-compliance may further increase operational costs. 	Expenditure	Short to Medium Term
Market	<ul style="list-style-type: none"> Consumers are increasingly seeking eco-friendly packaging in the products they buy. Failing to meet these expectations could damage our reputation and brand equity. 	Assets: Intangibles	Long Term
Reputation	<ul style="list-style-type: none"> As investors and stakeholders place greater emphasis on climate-related disclosures, inadequate disclosure about our climate risks and strategy and lower ESG ratings, could harm our reputation. 	Assets: Intangibles	Short to Medium Term
CLIMATE-RELATED OPPORTUNITIES			
Resource Efficiency	<ul style="list-style-type: none"> Improving energy efficiency in our operations may lead to substantial cost savings, particularly in an environment of high energy prices. 	Expenditure	Short to Medium Term
Energy Sources	<ul style="list-style-type: none"> Adopting renewable energy, such as solar power, could improve our energy resilience, lower energy costs, and reduce our carbon footprint. 	Expenditure	Short to Medium Term
Products and Services	<ul style="list-style-type: none"> The growing incidence of diseases linked to warming temperatures and extreme weather events, such as heat stress, mosquito-borne diseases, and water-borne illnesses, could drive up demand for related healthcare products. 	Revenue	Medium to Long Term

**energy sources – not just renewable energy, but more climate-friendly alternative energy sources.*

RISK MANAGEMENT

At Hyphens, the Board is responsible for managing risks, including ESG and climate-related risks. The Board is assisted by the Audit Committee, which helps oversee the Group's risk management framework and policies. The Board acknowledges the critical need for a robust system of risk management and internal controls, essential for protecting the interests of shareholders and the Group's assets.

The Group has established an enterprise risk management ("ERM") framework, guided by the Principles and Guidelines of ISO 31000:2009 and the COSO ERM Integrated Framework. This has involved the creation of a Risk Management Policy and a risk organisation structure with clearly defined roles and responsibilities. Additionally, a Risk Management Process has been implemented to enable the Group to

continuously assess, manage, report, and monitor risks. An annual review of the ERM framework is conducted by an external risk advisory firm.

Looking ahead, our aim is to enhance the ERM by incorporating and addressing ESG and climate-related risks, thereby strengthening our overall risk management approach.

Identifying and Managing ESG Risks

At Hyphens, we conduct materiality assessments with the assistance of external consultants to identify, evaluate, and prioritise our ESG impacts and risks. Guided by TCFD recommendations, we have initiated a progressive climate scenario analysis to better understand climate-related risks and their potential financial impact across our operations, including those of our brand partners and suppliers.

TCFD REPORT

Addressing Climate Risks

Climate risks may affect various aspects of our business – from revenue, operations, supply chains, stakeholder relations, and investor communication. Beyond physical risks, we anticipate challenges such as stricter emissions reporting, mandatory climate risk reporting, and increased energy costs stemming from carbon taxes.

We have started addressing several of these challenges:



STRENGTHENING OUR SUPPLY CHAIN

To ensure a stable supply of medicines and healthcare products, we have maintained and continue to strengthen our network of suppliers and logistics partners. This includes securing alternative sources for raw materials and products while maintaining a database of logistics providers on standby to mitigate disruptions. Our distribution network is designed to factor for delays and disruptions, ensuring that our products remain available to customers and patients, even in times of supply chain stress.



TRANSITION TO MORE SUSTAINABLE PACKAGING

To mitigate market transition risks, we have considered rising stakeholders' and consumers' expectations for more eco-friendly packaging by expanding the use of sustainable packaging in our proprietary products in ways that remain feasible and cost-effective. This includes using recyclable bottles for our supplements, plastic-lite refill packs and significantly reducing plastic shrink wrap. Looking ahead, we aim to continue exploring ways to make our packaging more sustainable.



ENHANCING RESOURCE AND OPERATIONAL EFFICIENCY

Our headquarters is maintained at premises which have been awarded Singapore's Green Mark Gold certification. This rating indicates that the premises fulfil the five sustainability criteria across energy, water efficiency, environmental protection comprising building materials and resources, indoor environmental quality, and other green features such as building system and operational technologies. Within our office, we have also implemented energy-efficient lighting and water systems to reduce utilities consumption and operational footprint.



FOSTERING A CULTURE OF SUSTAINABILITY

To tackle reputational risk at its core, and more importantly, to contribute as a member of the global community, we embed sustainability into our company culture through regular engaging, hands-on employee activities. For example, our FY2024 Hyphens Day—our annual company gathering—was centred around the concept of sustainability and urban greening. Employees learnt about urban farming and composting, tried their hand at planting microgreens, among other green activities. Leading up to the event, we organised a plastic bottle collection drive, which were then used during the event to create multipurpose cleaning enzyme solutions from food waste. Beyond company events, we encourage daily sustainable habits among our employees such as responsible water usage in the pantry, switching off lights and devices when not in use, and using reusable bags and food containers.

TCFD REPORT

MAINTAINING PRODUCT INTEGRITY AND AVAILABILITY



Climate change brings increased temperature fluctuations, which can affect the storage and stability of pharmaceutical products. To address this, we have installed temperature sensors and backup cooling systems in our warehouses and storage facilities. These systems are programmed to automatically activate in the event of power disruptions or rising storage temperatures, ensuring that our products remain safe and effective.

DEVELOPING PRODUCTS FOR EVOLVING HEALTHCARE NEEDS



As global temperatures rise, so does the demand for healthcare solutions addressing heat-related conditions, such as heat stress and mosquito-borne diseases. In response, we've expanded our proprietary Ceradan® range to include Ceramoz® Mosquito-Repellent and Ceradan® Advanced Hand Balm—both designed with sensitive and eczema-prone skin in mind. Given that heat and humidity are common eczema triggers, the Ceradan® Advanced Hand Balm is specially formulated to provide targeted relief, helping users protect and strengthen their skin barrier in challenging climates.

As we continue to grow, reducing our carbon footprint, handling climate-related challenges and embracing opportunities in a low-carbon economy remains a focal point of our medium and long term strategy.

Read more about our Risk Management in the Corporate Governance section on page 72.

Metrics and Targets

In line with the GHG Protocol methodology, we currently report the scope 1 and scope 2 GHG emissions associated with our operations. Our Scope 1 emissions result from diesel consumption in our vehicles. Scope 2 emissions refer to purchased electricity. Measuring and reporting our Scope 3 emissions remains under consideration for future reports.

In 2024, our total emissions from Scope 1 and Scope 2 amounted to 470.2 tonnes of CO₂e. Of this, Scope 1 emissions were 26.2 tonnes from diesel consumption in our vehicles. Our Scope 2 emissions, stemming from purchased grid electricity, totalled 444 tCO₂e, accounting for 94% of the total.

Our GHG Emissions

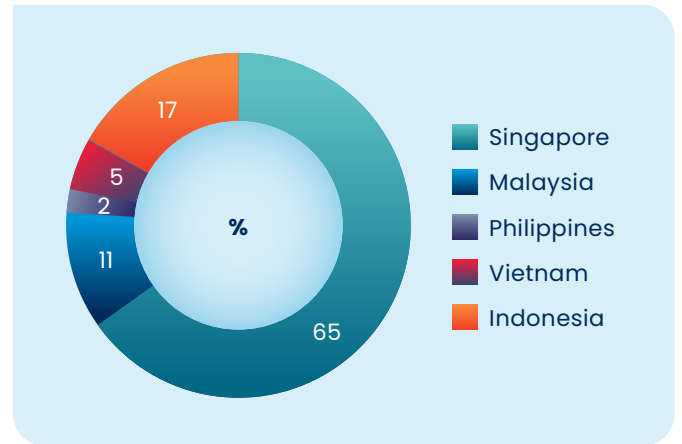
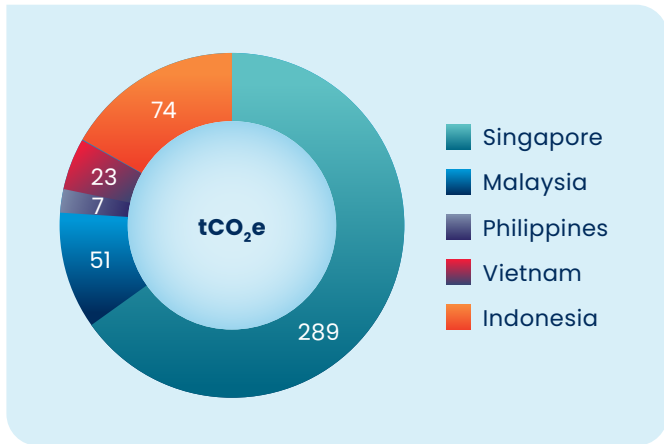
Type of Emissions	FY2023	FY2024
Scope 1 Emissions (tCO ₂ e)		
• Mobile combustion	10.7	26.2
Scope 2 Emissions (tCO ₂ e)	398	444
Total GHG Emissions (tCO₂e)	408.7	470.2
GHG Emissions Intensity (tCO ₂ e/\$ million revenue)	2.4	2.4

Note: After further investigation and review of recently available data, Hyphens Pharma International confirms that there has been no leakage or replenishment of refrigerant gases. We report no fugitive emissions under Scope 1 for FY2023 and FY2024.

Our GHG Emissions Intensity held steady from 2023 to 2024, with an increase in both Scope 1 and Scope 2 emissions counterbalanced by corresponding revenue growth. The rise in Scope 1 emissions was primarily driven by approximately 1.5x increase in fuel consumption from FY2023 to FY2024, attributable to improvements in data collection processes. Scope 2 emissions also saw an increase, attributed to higher electricity consumption across our Singapore headquarters and regional offices in Malaysia, Indonesia, and the Philippines. This was influenced by factors such as higher headcount, increased production and sales activities, office relocations, expansions and renovations. Additionally, the inclusion of more established Group entities in our reporting further contributed to the rise. The exception was our Vietnam office, which saw a slight decline in electricity consumption due to intensified energy-saving efforts.

TCFD REPORT

SCOPE 2 EMISSIONS BY COUNTRY



Next Steps

We are committed to strengthening our understanding of climate-related risks and opportunities, including their potential financial impacts on our business. To further this, we plan to conduct additional scenario analyses to assess both physical and transition risks, as well as identify opportunities for growth and resilience.

Recognising the importance of climate literacy to our organisation, we conducted a sustainability and climate-related ESG workshop for our Board and management in July this year. Additionally, our key employees have undergone corporate sustainability training to equip them with the necessary skills to navigate the evolving sustainability landscape and meet its growing demands.

To further guide our efforts in mitigating climate impact, we are currently working on setting GHG and climate-related targets, taking into account the evolving sustainability landscape, industry best practices, business and operational considerations. This review ensures that our targets are impactful and achievable, aligning with regulatory expectations and stakeholder interests while reflecting our operational realities. Stay tuned for progress updates in future disclosures.

We integrate climate literacy training at all levels, ensuring our Board, management and employees are equipped to navigate the sustainability landscape.

OUR CUSTOMERS

We believe that delivering quality health products and services is about earning and keeping the trust of the people who rely on us. Our customers' wellbeing is at the heart of everything we do, and we remain committed to ensuring their safety and satisfaction.

CUSTOMER HEALTH AND SAFETY

To ensure the quality and safety of our products and services, we strictly adhere to all relevant laws and regulations in the markets we operate in, including the Health Sciences Authority's ("HSA") standards for Good Manufacturing Practice ("GMP") and Good Distribution Practice ("GDP"). We hold licenses for the handling and manufacture of health products, including wholesale, distribution, and both primary and secondary assembly.

As quality control extends beyond our own facilities, we place strong emphasis on proper handling, storage, and distribution within our internal operations and throughout our supply chain. A dedicated Quality Control Inspector oversees the quality of incoming bulk materials, packaging, and printed materials, segregating any non-conforming items. All materials are rigorously tested against specific product specifications before approval for use.

VENDOR QUALIFICATION PROGRAM

Our vendor qualification program assesses potential vendors for compliance with international standards, including GDP, GMP, and other good practices ("GXP") relevant to the pharmaceutical industry. In our warehouse and production areas, we utilise an enterprise resource system ("ERP") for real-time inventory management, enabling efficient and precise handling of health products.

To uphold the highest standards of safety and quality, we engage independent, accredited third-party labs for rigorous product testing. Regular audits by both internal teams and health authorities, such as HSA, further helps us maintain our commitment to safety and quality standards.

EMPLOYEE PHARMACOVIGILANCE TRAINING

We believe that safeguarding customer health and safety begins with every employee. Every new hire undergoes pharmacovigilance training to equip them with the skills to identify, report and respond to customer safety concerns, with annual refresher courses for key teams in Human Resources, Admin, Sales, Marketing, and Export to stay up-to-date with the latest information and safety protocols.

Our training sessions cover core topics such as Adverse Event and Product Complaint (AE/PC) reporting, severity assessment, response protocols, in addition to making sure every individual understands their roles and responsibilities within the reporting and response protocol. Employees are required to complete a quiz and case study with a minimum passing score of 70%, ensuring they are well-prepared to handle real-world situations.

CUSTOMER FEEDBACK AND CORRECTIVE & PREVENTIVE ACTIONS ("CAPA")

Product feedback and quality complaints are typically received through our frontline teams, including Customer Service, HR, Admin, Sales, Marketing, and Export, as well as our medical representatives.

Every reported case is accompanied by a CAPA plan—a systematic approach in the pharmaceutical industry used to identify, investigate, and resolve quality issues while implementing measures to prevent recurrence.

All customer feedback is to be channelled to the respective brand or product Marketing Head (or backup contact) promptly, then forwarded to the General Manager/Manager-in-Charge and the Regulatory Affairs Team. Depending on the nature of the issue, an investigation is carried out internally and, where necessary, with our manufacturing partners. Each case is handled with thorough attention to detail, ensuring that current and potential concerns are addressed, and continuous improvement strategies are put in place. Throughout this process, frontline staff are updated on the investigation's progress so they can provide timely responses to customers or complainants.

RESPONSIVE PRODUCT DEVELOPMENT

Our Product Development Team actively integrates customer insights, patient needs, and frontline feedback into our product enhancement strategies. By maintaining close interactions with medical and healthcare professionals, we ensure that our products continue to meet evolving healthcare demands.

OUR CUSTOMERS

QUALITY ASSURANCE AND CONTINUOUS IMPROVEMENT

Our Quality Assurance (“QA”) Team tracks and records product-related incidents to guide internal CAPA efforts and communicates necessary corrective actions to our pharmaceutical and manufacturing partners when required. Throughout this process, the QA team continuously reviews the product’s integrity to uphold quality standards.

To reinforce best practices, we conduct in-house GMP refresher training annually for our QA and Production Teams. These sessions cover essential aspects such as product handling, sanitation, and cleanliness procedures.

Our goal continues to be zero incidents of non-compliance with regulations and industry-wide voluntary codes. To sustain this standard, we will continue:

- Annual refresher training for key employees
- Annual management reviews to assess audit findings, integrate customer feedback, refine standard operating procedures and regroup on evolving regulatory requirements
- Exploring new initiatives, such as the possibility of developing an Internal Auditors’ Handbook and appointing regional QA personnel to oversee internal audits across subsidiaries.

In FY2024, we report zero audit findings related to product quality and safety, and no incidents of non-compliance concerning the health and safety impacts of products and services.

MATERIAL TOPIC: CUSTOMER HEALTH AND SAFETY	
Ongoing Target	Performance in 2024
To have no incidents of non-compliance concerning health and safety impacts of our products and services.	No incidents of non-compliance.

CUSTOMER PRIVACY

At Hyphens, we are committed to protecting the privacy of our customers and employees. We have implemented policies and measures to ensure we manage personal data responsibly and securely, in line with Singapore’s PDPA.

Our Data Protection Committee (“DPC”), supported by the DPO, oversees our data protection policies and is responsible for dealing with any issues of non-compliance or data breaches. The DPC members receive annual

training to ensure they are equipped with the latest skills and knowledge to perform their duties effectively.

Our Data Protection Handbook, designed to guide employees in properly handling personal data, is periodically reviewed to ensure that the information within remains relevant. Staff who work with customer data receive regular training and reminders about our data protection policies.

On the digital front, our Digital Transformation & IT (IT Operations) team continuously strengthens security measures to protect our servers and IT systems. They manage the personal data collection on our websites, making sure that only designated Website Owners and their representatives can access this data.

We report zero substantiated complaints of customer privacy breaches in FY2024. Our ongoing target is to maintain this standard.

MATERIAL TOPIC: CUSTOMER PRIVACY	
Ongoing Target	Performance in 2024
To have no incidents of non-compliance with PDPA.	No incidents.

RESPONSIBLE MARKETING COMMUNICATIONS

At Hyphens, we are committed to responsible marketing abiding by international standards within the pharmaceutical and consumer healthcare industry. We ensure all information in our marketing communications is clear, truthful, and backed by scientific evidence. We strictly adhere to local and international advertising regulations, upholding the highest ethical standards in our interactions with healthcare professionals and patients. We ensure that our product labels comply with the applicable labelling regulations.

There were no incidents of non-compliance concerning marketing communications identified in the reporting period.

MATERIAL TOPIC: MARKETING & LABELLING	
Ongoing Target	Performance in 2024
To have no incidents of non-compliance concerning marketing communications.	No incidents.

OUR SUPPLY CHAIN

We continue to work towards embedding sustainability into our supply chain by engaging our partners in socially and environmentally responsible business practices.

When exploring new business relationships, we share Hyphens' goals and values upfront, ensuring our partners align with our principles of integrity, ethics and environmental awareness. Collaborative efforts with our partners focus on identifying and implementing improvements throughout our supply chain.

SUSTAINABLE SOURCING

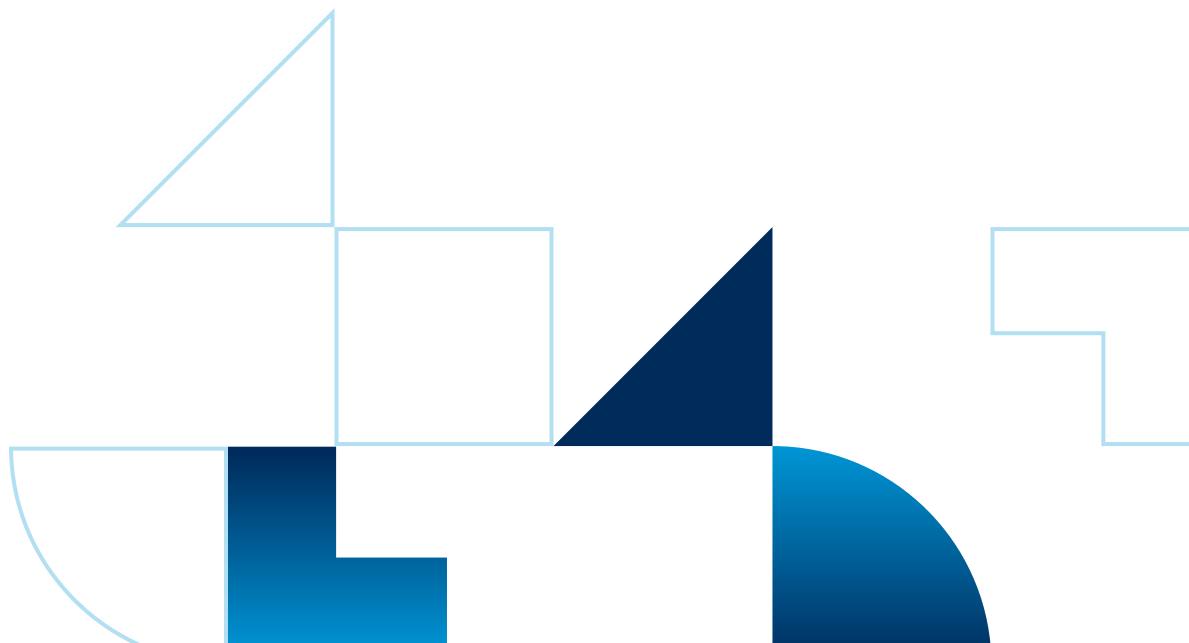
We remain committed to embedding social and environmental principles in our sourcing decisions. We adhere to procurement practices that minimise the environmental impact of our products and services. We expect our suppliers to uphold the same ethical standards as we do. Our rigorous vendor selection process involves verifying each supplier's accreditations, regulatory compliance, service quality, and reputation. We conduct regular due diligence checks on suppliers to ensure they meet industry standards, including GMP, required ISO standards, and Hazard Analysis and Critical Control Points certifications. We periodically evaluate approved vendors to ensure they meet our criteria for cost-effectiveness and operational efficiency.

DISTRIBUTION AND FLEET MANAGEMENT OPTIMISATION

We recognise the importance of reducing the social and environmental impact of our distribution activities. This includes improving operational efficiency and reducing carbon emissions while managing fuel and energy consumption effectively. With the integration of an AI-powered fleet management system into our transport operations, our delivery routes and processes are continuously optimised for energy efficiency, automatically re-routing delivery drivers to the most resource-efficient routes. Concurrently, we have made progress in digitalisation by increasing the use of e-invoices in place of hardcopy invoices, lowering our environmental impact.

RESPONSIBLE SUPPLY CHAIN MANAGEMENT

Our supply chain is built on strong, long-term partnerships with contract manufacturers and pharmaceutical principals, primarily from Europe and the United States. We oversee the sourcing of raw materials for our proprietary products while maintaining high standards in quality and efficiency of finished goods from our pharmaceutical principals. The majority of our cost structures are reflected under cost of goods sold in our Profit and Loss statements.



OUR COMMUNITIES

We believe that sustainability is built on a strong foundation of corporate governance. By contributing our time, resources and expertise, we aim to meaningfully impact the communities we operate in.

Since April 2022, our subsidiary, DocMed Technology, has partnered with SATA CommHealth to help improve healthcare access for migrant workers in Singapore. This partnership aligns with the Ministry of Manpower’s Primary Care Plan, where SATA CommHealth plays a crucial role. Through WellAway, we’ve delivered e-pharmacy services

to over 24,000 migrant workers post-teleconsultation. To cater to the patients’ diverse linguistic backgrounds, we’ve incorporated multilingual pictograms alongside medication labels to make prescriptions clearer for both patients and their employers.

OUR COMMUNITY ENGAGEMENT

Hyphens Singapore

April

Hyphens Singapore collaborated with the ARC Children’s Centre to bring joy to young patients through distribution of gifts and essentials, while engaging them in meaningful activities.



August, December

Later in the year, Hyphens Singapore supported the Wellness on Wheels initiative, partnering with non-profit organisation, 好人好事 Hao Ren Hao Shi (Good People, Good Deeds), providing healthcare supplies to underprivileged families.



OUR COMMUNITIES

Hyphens Malaysia

January – Present

Since 2018, Hyphens Malaysia’s long-standing recycling program has encouraged colleagues to contribute recyclables such as paper, cardboard and plastics for recycling. In FY2024, we collected a total of 53kg of cardboard and cartons, 150kg of paper and 6kg of metal recyclables.

Smart workspace usage and hotdesking have also helped reduce electrical consumption, and colleagues have also started planting greens to enhance the workplace environment.



DocMed

April 2022 – Present

Our subsidiary DocMed continues its partnership with SATA CommHealth, ensuring migrant workers have access to primary healthcare. To date, over 24,000 migrant workers have benefitted from WellAway’s post-teleconsultation medication delivery service.

Hyphens Philippines

March 2023 – Present

Since March 2023, our team in the Philippines has been organising plastic-free office lunches every Wednesday. Colleagues bring homecooked meals in eco-friendly or reusable containers and use reusable cutlery and dishes.



OUR COMMUNITIES

Hyphens Vietnam

August, October

Hyphens Vietnam organised two medical missions this year, supported by colleagues from Hyphens Singapore. In August, we partnered with the Youth Union of Ninh Thuân General Hospital in August, followed by a collaboration with Thanh Hoa Dermatology Hospital in October.



At Ninh Thuân, we provided free health checkups and medication, and distributed essentials and school supplies to the children and youth. We reached 415 adults and seniors, along with 200 youth and children.

At Thanh Hoa Dermatology Hospital, we brought free health checkups and medications to over 150 adults and 30 leprosy patients and their families, alongside school supplies to the local students.

Hyphens Indonesia

December

Hyphens Indonesia conducted an Ear, Nose and Throat (ENT) Convention at Taranita 1 Elementary School Jakarta in collaboration with a local ENT specialist, providing free ENT checkups and education on ENT health.



Ocean Health

September, November

Ocean Health supported 2 seabed cleanup dives by Our Singapore Reefs, retrieving a total of 696 pieces of marine debris from the seabed off Singapore's Southern Islands, totalling approximately 49 kg. View Ocean Health's Sustainability Commitment at <https://oceanhealth.com/blog/our-sustainability-commitment.html>



GRI CONTENT INDEX

Statement of Use	Hyphens Pharma International Limited has reported with reference to the GRI Standards for the period 1 January 2024 to 31 December 2024.
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable as a GRI sector standard is not available for our industry

GRI Standard	Disclosure	Location
GRI 2: General Disclosures 2021		
Organizational Details and Reporting Practices		
GRI 2-1	Organizational details	Cover page, 1, 20, 21, 24
GRI 2-2	Entities included in the organization's sustainability reporting	20, 24
GRI 2-3	Reporting period, frequency and contact point	24, annual reporting
GRI 2-4	Restatements of information	24
GRI 2-5	External assurance	24
Activities and Workers		
GRI 2-6	Activities, value chain and other business relationships	4-6, 55
GRI 2-7	Employees	34
GRI 2-8	Workers who are not employees	34
Governance		
GRI 2-9	Governance structure and composition	25, 26, 44, 63-76
GRI 2-10	Nomination and selection of the highest governance body	66, 67
GRI 2-11	Chair of the highest governance body	66
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	25, 26, 44
GRI 2-13	Delegation of responsibility for managing impacts	25, 26, 44
GRI 2-14	Role of the highest governance body in sustainability reporting	25, 26, 44
GRI 2-15	Conflicts of interest	27, 63
GRI 2-16	Communication of critical concerns	28, 31
GRI 2-17	Collective knowledge of the highest governance body	16, 17, 26
GRI 2-18	Evaluation of the performance of the highest governance body	68, 69
GRI 2-19	Remuneration policies	69-72
GRI 2-20	Process to determine remuneration	69-72
GRI 2-21	Annual total compensation ratio	We do not disclose this due to confidentiality constraints relating to compensation.

GRI CONTENT INDEX

GRI Standard	Disclosure	Location
GRI 2: General Disclosures 2021		
Strategies, Policies and Practices		
GRI 2-22	Statement on sustainable development strategy	30
GRI 2-23	Policy commitments	27-29
GRI 2-24	Embedding policy commitments	27-29
GRI 2-25	Processes to remediate negative impacts	28, 30-32
GRI 2-26	Mechanisms for seeking advice and raising concerns	28, 30, 31
GRI 2-27	Compliance with laws and regulations	27
GRI 2-28	Membership associations	NIL
Stakeholder Engagement		
GRI 2-29	Approach to stakeholder engagement	31, 75, 76
GRI 2-30	Collective bargaining agreements	NIL
Material Topics		
GRI 3-1	Process to determine material topics	32
GRI 3-2	List of material topics	33
ENVIRONMENT		
Strategies, Policies and Practices		
GRI 3: Material Topics 2021	3-3 Management of material topics	33, 40, 41
Reducing packaging impact	Initiatives to reduce environmental impact of packaging	33, 40, 41
SOCIAL		
Employment		
GRI 3: Material Topics 2021	3-3 Management of material topics	33, 34-39
	401-1 New Employee hires and employee turnover	37
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	36
	401-3 Parental leave	36
Training and Education		
GRI 3: Material Topics 2021	3-3 Management of material topics	33, 36
GRI 404: Training and Education 2016	404-3 Percentage of employees receiving regular performance and career development reviews	36

GRI CONTENT INDEX

GRI Standard	Disclosure	Location
SOCIAL		
Diversity		
GRI 3: Material Topics 2021	3-3 Management of material topics	33, 35
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	27, 35, 65
Customer Health and Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	33, 54, 55
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	54, 55
GOVERNANCE		
Anti-corruption		
GRI 3: Material Topics 2021	3-3 Management of material topics	28, 33, 64
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	28
Marketing and Labelling		
GRI 3: Material Topics 2021	3-3 Management of material topics	33, 54
GRI 417: Marketing and Labelling	417-2 Incidents of non-compliance concerning product and service information and labelling	54
Customer Privacy		
GRI 3: Material Topics 2021	3-3 Management of material topics	33, 54
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	54
OTHER NON-GRI MATERIAL TOPICS		
Regulatory Compliance		
GRI 3: Material Topics 2021	3-3 Management of material topics	27, 33
Incidents of non-compliance	Incidents of significant non-compliance with applicable regulations	27

TCFD CONTENT INDEX

TCFD DISCLOSURES

This report is aligned with the TCFD recommendations. The following table indicates the location of our TCFD disclosures.

Number	Disclosures	Page No.
GOVERNANCE		
TCFD 1(a)	Describe the board's oversight of climate-related risks and opportunities.	43, 44
TCFD 1(b)	Describe management's role in assessing and managing climate-related risks and opportunities.	43, 44
STRATEGY		
TCFD 2(a)	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	45-49
TCFD 2(b)	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	45-49
TCFD 2(c)	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	45-49
RISK MANAGEMENT		
TCFD 3(a)	Describe the organisation's processes for identifying and assessing climate-related risks.	49-52
TCFD 3(b)	Describe the organisation's processes for managing climate-related risks.	49-52
TCFD 3(c)	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	49-52
METRICS AND TARGETS		
TCFD 4(a)	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	48-52
TCFD 4(b)	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	51, 52
TCFD 4(c)	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	52

CORPORATE GOVERNANCE REPORT

Hyphens Pharma International Limited (the “**Company**” or “**Hyphens**”) and its subsidiaries (the “**Group**”) are committed to maintaining a high standard of corporate governance within the Group. The Company believes that good corporate governance is essential for preserving the interests of all stakeholders and strengthening investors’ confidence in the Group thereby enhancing long-term shareholders’ value.

This report outlines the Company’s corporate governance practices that were in place for the financial year ended 31 December 2024 (“**FY2024**”) with specific reference made to the principles and provisions of the Code of Corporate Governance 2018 (the “**Code**”), which forms part of the continuing obligations of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) (“**Catalist Rules**”). Pursuant to Rule 710 of the Catalist Rules, the Board confirms that the Company has complied with the principles as set out in the Code for FY2024. In respect of any deviation from provisions of the Code, appropriate disclosures and explanations are provided in this report in accordance to the requirements of the Catalist Rules.

BOARD MATTERS

Principle 1: The Board’s Conduct of its Affairs

The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

The business and affairs of the Group are managed under the direction of the Board which works with Management to achieve long-term sustainable and successful performance. Directors are obliged to objectively discharge their duties and responsibilities at all times in the best interest of the Company. The Board sets the tone-from-the-top and has put in place a Code of Conduct and Ethics to guide all employees in carrying out their duties and responsibilities to the highest standards of personal and corporate integrity. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.

Apart from its statutory duties and responsibilities, the key functions of the Board are as follows:

- To provide entrepreneurial leadership, set strategic objectives, and ensure that the necessary financial and human resources are in place for the Group to meet its objectives;
- To review management performance;
- To establish a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding shareholders’ interests and the Group’s assets;
- To set the Group’s values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met; and
- To consider sustainability issues, e.g. environmental and social factors, as part of its strategic formulation.

Matters requiring the Board’s decision and approval include:

- The Group’s strategic plans;
- Material investments, acquisitions and divestments of the Group;
- Major banking facilities and funding proposals;
- Annual budgets and financial plans of the Group, including capital expenditure;
- Annual and half-yearly financial reports;
- Share issuance and recommendation of payment of dividends;
- Risk management strategies and execution;
- Interested party transactions;
- Appointment of directors and executive officers, including review of their performance and remuneration packages;
- Appointment and removal of the company secretary; and
- Any other matters required to be considered or approved by the Board as required by legislation or regulations.

CORPORATE GOVERNANCE REPORT

To assist the Board in executing its responsibilities, the Board is supported by the Audit Committee (“**AC**”), Nominating Committee (“**NC**”) and Remuneration Committee (“**RC**”). These Committees function within clear written terms of reference, which are reviewed on a regular basis, to ensure effectiveness of each Committee. Any changes to the terms of reference for any Board Committee require the approval of the Board.

The Executive Directors are appointed by way of service agreements while the non-executive directors are appointed by way of letters of appointment. The duties and responsibilities of directors are clearly set out in these service agreements and letters of appointments, respectively. The Company arranges orientation program as well as meetings with senior management to familiarise new directors with the Group’s business activities and strategic priorities of the Group as well as roles and responsibilities of board members and governance matters. This ensures that directors understand well the Company’s business and their directorship duties. For newly-appointed directors who do not have prior experience as a director of a public listed company in Singapore, they will attend mandatory training courses organised by the Singapore Institute of Directors (“**SID**”) or other training institutes within one year from their appointment dates pursuant to Rule 406(3)(a) of the Catalist Rules. As and where appropriate, the Company will also fund trainings for directors to develop and maintain their skills and knowledge. Relevant courses include seminars conducted by the SID or other training institutes. The Company will also work closely with its professional advisors to provide its directors with updates on changes to relevant laws, regulations and accounting standards.

In FY2024, the directors have taken the following training: (i) RSM ESG Workshop: SSB/IFRS S1&2/GHG Accounting/Target setting and case studies; and (ii) Hyphens Group Code of Conduct: Anti-Corruption e-training.

Directors attend and actively participate in Board and Board Committee meetings. Formal Board meetings are held at least once every quarter and ad-hoc meetings are convened when required. The Company’s Constitution allows a Board meeting to be conducted through electronic means such as telephone and video conferences. All Board and Board Committees’ meetings for FY2024 have been scheduled well in advance in consultation with the directors to ensure maximum attendance. Ad-hoc meetings will be convened where circumstances require as such.

The number of meetings held by the Board and Board Committees and attendance thereat in FY2024 is disclosed below:

Name of Directors	Board Meetings		Audit Committee Meetings		Nominating Committee Meetings		Remuneration Committee Meetings	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Mr Lim See Wah	4	4	5 ^(a)	4 ^(a)	2 ^(a)	2 ^(a)	1 ^(a)	1 ^(a)
Dr Tan Kia King	4	4	5 ^(a)	5 ^(a)	2	2	NA	NA
Mr Heng Wee Koon	4	4	5	5	2	2	1	1
Mr Ng Eng Leng	4	4	5	5	NA	NA	1	1
Mrs Audrey Liow	4	4	5	5	2	2	NA	NA
Mr Chan Kiat	4	4	5	5	NA	NA	1	1

Notes:

^(a) By invitation

Management provides directors with complete, adequate and timely information of all material events and transactions as and when they occur or prior to meetings to enable them to make informed decisions and discharge their duties and responsibilities. Requests for information from the Board are dealt with promptly by the Management.

Directors have separate and independent access to Management, the company secretary, and external advisers (where necessary) at the Company’s expense.

CORPORATE GOVERNANCE REPORT

Principle 2: Board Composition and Guidance

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

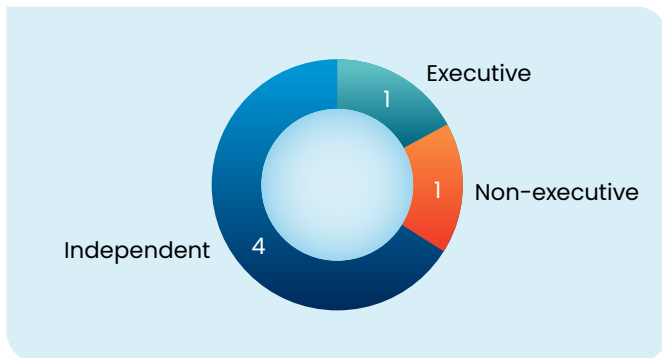
The Board currently comprises six directors and the majority of whom are independent and non-executive directors.

The criteria for independence are defined in the Code and the independence of each of the directors is reviewed by the NC. In accordance with the Code, the Board considers an “independent” director as one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director’s independent business judgement in the best interests of the company. The independence of each director is reviewed annually and as and when circumstances require by the NC based on the guidelines set forth in the Code and the Catalist Rules.

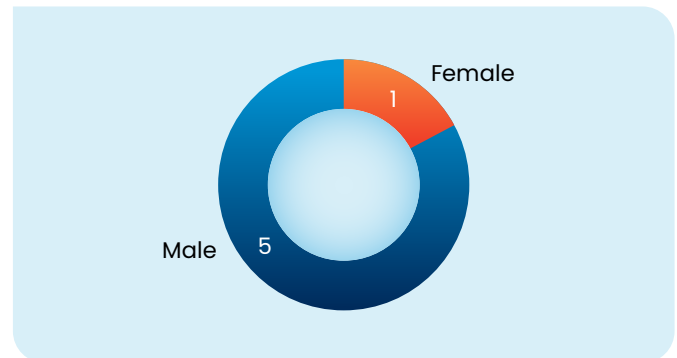
The Board has examined its size to determine the impact of the number upon effectiveness, and is of the view that the current Board size of six directors is appropriate and facilitates effective decision-making, after taking into account the scope and nature of the operations of the Group.

In addition, the NC reviews the Board composition annually to ensure that the Board comprises directors who as a group provide an appropriate balance and mix of skills, knowledge and experience and gender diversity so as to avoid groupthink and foster constructive debate so that the Group can benefit from their collective expertise. The details of Board Diversity Policy are available in the Group’s Sustainability Report. A snapshot of the Board’s competency and diversity is as follows:

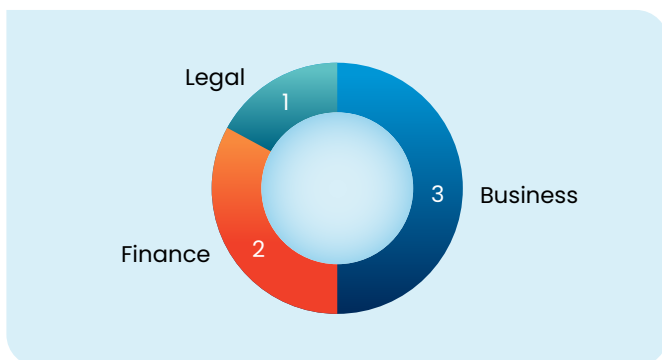
Board’s Independence



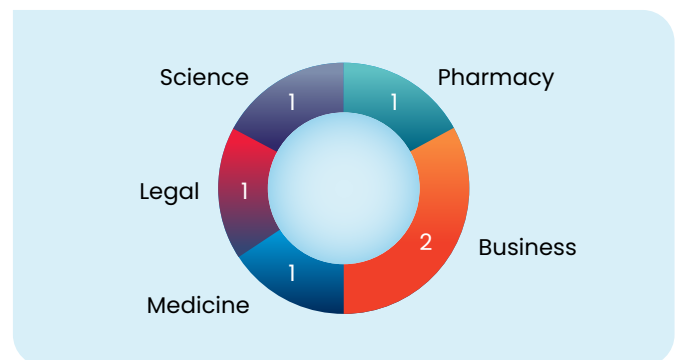
Board’s Gender Diversity



Directors’ Area of Expertise



Directors’ Educational Background



Independent directors, led by the Lead Independent Director, meet regularly without the presence of Management. The Lead Independent Director serves as chairman of such meetings and provides feedback to the Chairman accordingly.

CORPORATE GOVERNANCE REPORT

Principle 3: Chairman and Chief Executive Officer

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Mr Lim See Wah is both the Executive Chairman and Chief Executive Officer (“**CEO**”) of the Company. The Board believes that there is no need for the role of Chairman and the CEO to be separated as there is a good balance of power with majority of the Board comprising independent directors and all Board Committees are chaired by independent directors.

As Chairman of the Board, Mr Lim See Wah’s duties and responsibilities include:

- overseeing the smooth functioning of the Board and ensuring that directors receive complete, adequate and timely information;
- setting the agenda and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues;
- promoting a culture of openness and debate at the Board;
- ensuring effective communication by the Board and the Management with shareholders;
- encouraging constructive relations within the Board and between the Board and Management;
- facilitating the effective contribution of non-executive directors, in particular; and
- promoting high standards of corporate governance.

In addition, as CEO of the Group, he assumes responsibility for running the day-to-day business of the Group; ensures implementation of policies and strategy across the Group as set by the Board; manages the Management team; and leads the development of the Group’s strategic direction including identifying and assessing risks and opportunities for the growth of its business and reviewing the performance of its existing businesses.

In accordance with the Code, the Company has appointed a Lead Independent Director, Mr Heng Wee Koon, who would be available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.

Principle 4: Board Membership

The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

The Board has established a Nominating Committee to make recommendations to the Board on all Board appointments. The NC comprises three Directors, the majority of whom, including the NC Chairman, are independent Directors. The Lead Independent Director is also a member of the NC.

The NC comprises:

- Mrs Audrey Liow (Chairperson);
- Mr Heng Wee Koon; and
- Dr Tan Kia King.

CORPORATE GOVERNANCE REPORT

The duties and responsibilities of the NC, under its terms of reference, are as follows:

- (a) recommending to the Board on the appointment of new directors and executive officers, including re-nominations of existing directors for re-election in accordance with the constitution of the Company, taking into account the director's contribution and performance;
- (b) reviewing and approving any new employment of persons related to the directors and substantial shareholders and proposed terms of their employment;
- (c) determining on an annual basis whether or not a director is independent with reference to the Code and Rules of Catalist;
- (d) reviewing and deciding whether or not a director is able to and has been adequately carrying out his/her duties as director, having regard to the competing time commitments that are faced by the director when serving on multiple boards and discharging his/her duties towards other principal commitments;
- (e) reviewing the training and professional development programs of the Board, its Board Committees and Directors;
- (f) reviewing succession plans for directors and Key Management Personnel;
- (g) reviewing the structure, size and composition (including skills, qualification, experience, core competencies and diversity) and knowledge of the Group that the Board requires to function competently and efficiently;
- (h) reviewing the directors' mix of skills, experience, core competencies and knowledge of the Group that the Board requires to function competently and efficiently;
- (i) determining and recommending to the Board the maximum number of listed company board representations which any director may hold and disclosing this in the Company's annual report; and
- (j) developing a process for evaluation of the performance of the Board as a whole and its Committees, and assessing the contribution of each director to the effectiveness of the Board.

The NC has in place a formal process for the selection, appointment and re-appointment of directors to the Board. In sourcing for new directors, the NC will tap on recommendations of the Company's sponsor and the directors' personal contacts for potential candidates, postings via Singapore Institute of Directors and engagement of executive recruitment consultants. In the selection process, the NC considers attributes such as balance and diversity of skills vis-à-vis existing Board members, industry knowledge, requirements of the Group and time commitment ability, etc. Background checks are also carried out on the shortlisted candidates. The NC meets with the shortlisted Board candidates to assess their suitability and availability before making recommendations to the Board for its consideration and approval. The NC ensures that new directors are aware of their duties and obligations.

The NC determines annually, and as and when circumstances require, if a director is independent in accordance with the guidelines stipulated in the Code and the Catalist Rules. The NC also decides whether directors, who have multiple board representations, have sufficient time and attention given to the affairs of the Company. Key information regarding directors, including their directorships in listed companies and principal commitments, is set out in the Annual Report under "Board of Directors".

According to the Company's Constitution, every director shall retire from office at least once every three years and for this purpose, at each Annual General Meeting ("**AGM**"), one-third of the directors shall retire from office by rotation. The retiring directors are eligible to offer themselves for re-election. The Company's Constitution further states that new directors appointed by the Board shall hold office until the next AGM and shall then be eligible for re-election.

Each member of the NC shall abstain from voting on any resolutions in respect of his/her re-nomination as a director.

CORPORATE GOVERNANCE REPORT

The NC, having considered the attendance and participation of the following directors at Board and Board Committees meetings, in particular, their contributions to the business and operations of the Company as well as Board processes, had recommended to the Board the re-election of the Director, Mr Lim See Wah and Mrs Audrey Liow, who will be retiring pursuant to Regulation 97 of the Constitution of the Company at the forthcoming AGM.

If re-elected as a director of the Company:

- (a) Mr Lim See Wah will remain as Executive Chairman and Chief Executive Officer; and
- (b) Mrs Audrey Liow will remain as an Independent Director, Chairman of NC and member of AC.

Mrs Audrey Liow will be considered independent for the purposes of Rule 704(7) of the Catalist Rules.

The maximum number of listed company board representations that any director may hold is not more than five directorships. Currently, none of the Directors holds more than the stipulated maximum number of directorships in listed companies.

Principle 5: Board Performance

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

A formal assessment process is in place to assess the effectiveness of the Board as a whole and its Board Committees and for assessing the contribution by the Chairman and each individual director to the effectiveness of the Board.

The NC has adopted the performance evaluation forms recommended by the Singapore Institute of Directors. The evaluations are conducted annually. As part of the process, the directors completed the evaluation forms which were collated by the Company Secretary, who then summarised the results of the evaluation and presented it to the NC. Recommendations for improvement were then submitted to the Board for discussion and for implementation in areas where the performance and effectiveness could be enhanced.

Board Performance Criteria

The Board is evaluated based on the following four categories:

- Structure – Board's size, composition, independence and diversity;
- Strategy and performance – engaging and providing insightful inputs to the Company's long-term strategy;
- Governance and organisation – reviewing the risk management and internal controls of the Group; and
- Board function and team dynamics – timely availability of information, board members' interaction as a group and accountability of management.

Board Committee Performance Criteria

Each Board Committee is evaluated based on the following:

- Structure;
- Level of commitment (including frequency of meetings, attendance and preparation for meetings);
- Training and resources available to assist the Committee in discharging its duties;
- Ability to fulfil its roles and responsibilities as set out in the Committee's terms of reference; and
- Relationship with the Board and communication with shareholders.

CORPORATE GOVERNANCE REPORT

Director Performance Criteria

Performance evaluation of individual directors is conducted annually through peer appraisal, together with the Board's evaluation. The performance criteria for assessing individual directors is based on the following:

- Board contribution – understanding and contributing to the Company's corporate objectives, strategic plans, key issues and mandates;
- Leadership – contributes to corporate leadership with professional character and integrity.
- Strategy and risk management – upholding effective governance of the Company;
- Communication skills – ability to communicate concerns and ideas clearly and provide balanced arguments;
- Director's duties – attendance, preparation for meetings and keeping abreast with corporate and other regulatory developments;
- Knowledge – up-to-date knowledge and experience to discharge his/her role and responsibility; and
- Interpersonal relationships – effective interactions with other directors, senior management and professional advisers.

The evaluation of the Board is to be performed annually by having all members complete Board and individual directors' evaluation questionnaires individually based on the above assessment parameters.

REMUNERATION MATTERS

Principle 6: Procedures for Developing Remuneration Policies

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

The Remuneration Committee is established to review and recommend to the Board a general framework of remuneration for the Board and key management personnel. The RC also reviews and recommends to the Board the specific remuneration packages for each director as well as for the key management personnel. The RC covers all aspects of remuneration, including but not limited to director's fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits in kind. No director is involved in deciding his/her own remuneration.

The RC comprises three independent directors, namely:

- Mr Ng Eng Leng (Chairman);
- Mr Heng Wee Koon; and
- Mr Chan Kiat.

The duties and responsibilities of the RC, under its terms of reference, are as follows:

- (a) review and approve the Company's policy for determining executive remuneration including the remuneration of the chief executive officer, executive directors, and key management executives (the "**Senior Management Executives**");
- (b) review the on-going appropriateness and relevance of the executive remuneration policy and other benefit programmes;
- (c) consider, review and approve and/or vary (if necessary) the entire specific remuneration package and service contract terms for each Senior Management Executive and any employee related to the directors, chief executive officer or substantial shareholders, if any (including salaries, allowances, bonuses, payments, options, benefits in kind, retirement rights, severance packages and service contracts);

CORPORATE GOVERNANCE REPORT

- (d) consider and approve termination payments, retirement payments, gratuities, ex-gratia payments, severance payments and other similar payments to Senior Management Executives and employees related to the directors, chief executive officer or substantial shareholders, if any;
- (e) obtain reliable, up-to-date information on the remuneration practices of other companies and the relevant market benchmarks through the appointment of external consultants. Such information can also be obtained by commissioning or purchasing any appropriate reports, surveys or information. These will be at the expense of the Company, subject to the budgetary constraints imposed by the Board;
- (f) review and approve the design of all option plans, stock plans and/or other equity based plans;
- (g) for each equity-based plan, determine whether awards will be made under that plan;
- (h) review and approve each award as well as the total proposed awards under each plan in accordance to the rules governing each plan, including awards to directors and Senior Management Executives;
- (i) review, approve and keep under review performance hurdles and/or fulfillment of performance hurdles for each equity-based plan; and
- (j) approve the remuneration framework (including directors' fees) for non-executive directors of the Company.

The RC can seek expert advice, where necessary, inside and/or outside the Company on remuneration of all directors, at the Company's expense. No remuneration consultants were engaged by the Company for FY2024.

The RC considers all aspects of remuneration, including termination terms, to ensure they are fair.

Principle 7: Level and Mix of Remuneration

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

The remuneration policy of the Group is designed to attract, retain and motivate executive directors to provide good stewardship of the Company and key management personnel to successfully manage the Company for long-term growth. A significant and appropriate proportion of executive directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance so as to align with the interests of shareholders and promote the long-term success of the Group.

The Company has entered into a service agreement (the "**Service Agreement**") dated 8 May 2018 with Mr Lim See Wah, Executive Chairman and Chief Executive Officer, taking effect from the date of admission of the Company to the Catalist Board of the SGX-ST on 18 May 2018. The parties may terminate the Service Agreement by giving the other party not less than six months' notice in writing and does not contain onerous termination clauses.

There are no existing or proposed service agreements entered into or to be entered into by the directors with the Company or any of its subsidiaries which provide for benefits upon termination of employment.

Non-executive directors receive directors' fees, in accordance with their level of contribution, taking into account factors such as effort, time spent, and responsibilities of the directors. They are not overly remunerated to the extent that their independence may be compromised. Executive directors do not receive directors' fees. Directors' fees are recommended by the Board for approval by shareholders at the AGM.

The RC also oversees the administration of the Hyphens Share Plan and Hyphens Employee Share Option Scheme (as well as other similar share plans as may be implemented by the Company from time to time) upon the terms of reference as set out in the Company's Offer Document dated 11 May 2018.

CORPORATE GOVERNANCE REPORT

Principle 8: Disclosure on Remuneration

The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The remuneration of the directors of the Company for FY2024 are as follows:

Name of Directors	Total Remuneration Amount	Fixed Salary (%)	Variable Bonus (%)	Director's Fees (%)	Total (%)
Mr Lim See Wah	709,618	76%	24%	-	100%
Dr Tan Kia King	43,000	-	-	100%	100%
Mr Heng Wee Koon	66,000	-	-	100%	100%
Mr Ng Eng Leng	50,000	-	-	100%	100%
Mrs Audrey Liow	50,000	-	-	100%	100%
Mr Chan Kiat	48,000	-	-	100%	100%

The framework for non-executive directors' fees for FY2024 and is structured as follows:

Annual Fees	Board	Audit Committee	Nominating Committee	Remuneration Committee
Chairman	-	S\$10,000	S\$5,000	S\$5,000
Member	S\$40,000	S\$5,000	S\$3,000	S\$3,000

The Lead Independent Director is entitled to additional fee of S\$10,000 per annum.

The Company only has four key management personnel in FY2024 and their remuneration bands are as follows:

Name of key management personnel	Fixed Salary (%)	Variable Bonus (%)	BIK (%)	Total (%)
S\$200,000 – S\$450,000				
Mr David Lim ^(a)	92%	8%	0%	100%
Mr Jason Yeo	79%	21%	0%	100%
Ms Zhang Yufan (Flora)	78%	22%	0%	100%
S\$450,001 – S\$700,000				
Mr Yann Alain Marche	69%	29%	2%	100%

Notes:

^(a) Mr David Lim had stepped down from his position as General Manager of Pan-Malayan Pharmaceuticals Pte Ltd on 31 December 2024.

The total remuneration paid to the above key management personnel (who are not directors or the CEO) for FY2024 was S\$1,543,216.

CORPORATE GOVERNANCE REPORT

Total remuneration package of executive directors and key management personnel comprises fixed cash component of salary and allowances, variable performance incentives and contributions to the Central Provident Fund. Variable performance incentives are tied to the performance of the Group or business unit and the individual's performance.

The Company also has in place long-term incentive schemes such as Hyphens Share Plan and Hyphens Employee Share Option Scheme as set out in the Company's Offer Document dated 11 May 2018. Both schemes are administered by the Administration Committee, which is also the RC. According to the incentive schemes, total options and share awards shall not exceed 15% of the total number of issued shares (excluding treasure shares and subsidiary holdings) on the date preceding the granting of the share awards or share options.

No share options have been granted since the commencement of the Hyphens Employee Share Option Scheme.

In view of the foregoing, the RC confirms that the level and structure of remuneration are aligned with the long-term interest and risk management policies of the Group.

Save for Mr Lim See Wah, no employee of the Group is a substantial shareholder of the Company or is an immediate family member of a director, the CEO or a substantial shareholder of the Company and whose remuneration exceeds S\$100,000 during this financial year.

ACCOUNTABILITY AND AUDIT

Principle 9: Risk Management and Internal Controls

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

The Board currently does not have a separate Board Risk Committee. The Board is assisted by the AC to oversee the Group's risk management framework and policies. The Board recognises the importance of maintaining a good system of risk management and internal controls to safeguard shareholders' interests and the Group's assets. However, the Board is also mindful that internal controls can only provide reasonable and not absolute assurance to guard against human errors, poor judgement or fraud in a cost-effective manner.

The Group has developed an enterprise risk management ("**ERM**") framework based on Principles and Guidelines of ISO: 31000:2009 and COSO ERM Integrated Framework. This included the development of a Risk Management Policy, risk organization structure including clear roles and responsibilities, and a Risk Management Process to facilitate the Group to continuously assess, manage, report and monitor risks. The Group has appointed CLA Global TS Risk Advisory Pte Ltd ("**CLA Global**") to conduct annual review on the ERM framework.

For FY2024, the Group has appointed CLA Global as internal auditors to evaluate and test the effectiveness of internal controls in selected areas that are in place in major operating companies of the Group and conduct the internal review of the Group's sustainability reporting processes. The internal audit review was conducted with a view to identify control gaps in the current business processes, ensure that operations were conducted within the policies and procedures laid down and identify areas for improvements, where controls can be strengthened. The internal auditors perform the internal audit functions in accordance with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.

In addition, the external auditors, RSM SG Assurance LLP, will also highlight internal control weaknesses which have come to their attention in the course of their statutory audit. All external and internal audit findings and recommendations were reported to the AC. There were no high risk weaknesses identified. Management will implement the recommendations from the auditors to further strengthen the Group's internal controls system.

CORPORATE GOVERNANCE REPORT

The Board has received assurance from the CEO and the CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances. The CEO and key management personnel have also provided assurance that the Group's risk management and internal control systems are adequate and effective.

Based on the foregoing, the Board, with the concurrence of the AC, is of the opinion that the internal controls, including financial, operational, compliance and information technology controls, and risk management systems of the Group were adequate and effective for FY2024.

Principle 10: Audit Committee

The Board has an Audit Committee which discharges its duties objectively.

The AC comprises four independent directors, namely:

- Mr Heng Wee Koon (Chairman);
- Mr Ng Eng Leng;
- Mrs Audrey Liow; and
- Mr Chan Kiat.

The duties and responsibilities of the AC, under its terms of reference, are as follows:

- (a) assist the Board in the discharge of its responsibilities on financial and reporting matters;
- (b) review, with the Company's internal and external auditors, the audit plans, scope of work, their evaluation of the system of internal accounting controls, their management letter and the management's response, and results of the audits compiled by the internal and external auditors, and review at regular intervals with the management on the implementation by the Group of the internal control recommendations made by the internal and external auditors;
- (c) review the periodic financial statements and results announcements before submission to the Board for approval, focusing in particular, on changes in policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with financial reporting standards as well as compliance with the Catalist Rules and any other statutory/regulatory requirements, concerns and issues arising from their audits, including any matters which the auditors may wish to discuss in the absence of the management, where necessary, before submission to the Board for approval;
- (d) review the assurance provided by the CEO and CFO that the financial records have been properly maintained and that the financial statements give a true and fair view of the Company's operation and finances;
- (e) review and report to the Board, at least annually, the effectiveness and adequacy of the Company's risk management and internal controls addressing financial, operational, information technology and compliance risks and discuss issues and concerns, if any, arising from the internal audits;
- (f) review the adequacy, effectiveness, independence, scope and results of the Company's internal and external functions as well as consider the appointment or re-appointment of internal and external auditors, including approving the remuneration and terms of engagement of the internal and external auditors;
- (g) review and establish procedures for receipt, retention and treatment of complaints received by the Group, involving amongst others, criminal offences involving the Group or its employees, questionable accounting, auditing, business, safety or other matters that impact negatively on the Group and ensure that there are arrangements in place for independent investigation and follow-up action(s);
- (h) ensure the company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns; and
- (i) generally undertake such other functions and duties as may be required by statute or the Catalist Rules, and by such amendments made thereto from time to time.

CORPORATE GOVERNANCE REPORT

The AC has the authority to investigate any matters within its terms of reference, full access to and co-operation by management and full discretion to invite any director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly. The AC can seek professional advice, where necessary, at the Company's expense.

Two of the AC members, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience. Mr Heng Wee Koon, Chairman of the AC, is a CFA holder and used to be a partner and executive director of KPMG. Mr Chan Kiat is Managing Director / Partner of Archipelago Capital Partners Pte. Ltd., a private equity investment firm. None of the AC members is a former partner or director of the Company's existing auditing firm.

The Company outsources the internal audit function to an external professional firm to perform the review and test of controls of the Group's processes. The Company has appointed CLA Global as the internal auditors to review the internal control processes of the Group and conduct the internal review of the Group's sustainability reporting processes. CLA Global possesses vast experience in providing internal audits, risk management services and advisory services in the region. The current engagement team is led by Ms Pamela Chen who has more than 17 years of experience in performing audits for listed companies. The internal auditors report primarily to the AC, which also decides on its appointment, termination and remuneration. The internal auditors have unfettered access to all the Company's documents, records, properties and personnel, including the AC. The AC is satisfied that the internal audit function is independent, effective and adequately resourced.

The AC has met the external auditors without the presence of the management in February 2024 and met the internal auditors without the presence of the management in August 2024.

The Group has a whistleblowing policy that allows for anonymous reporting. The identity of the whistle-blower will be kept confidential unless the whistle-blower agrees otherwise and he/she will be protected from reprisals. There is independent oversight of the whistleblowing policy and reporting is made directly to the AC Chairman. Full details of the policy are published on the Company's corporate website at <https://www.hyphensgroup.com/about-us/group-policies/whistle-blowing-policy>.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle II: Shareholder Rights and Conduct of General Meetings

The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Shareholders are encouraged to actively participate and vote at the Company's general meetings and the Company informs shareholders of the rules governing general meetings of shareholders. Notices of meetings are given to all shareholders together with explanatory notes or a circular on items of special business, at least fourteen clear days (for ordinary resolutions) or at least twenty-one clear days (for special resolutions) before the meeting. Reports or circulars of the general meetings are despatched or disseminated to all shareholders. If any shareholder is unable to attend, the Company's Constitution allows for absentia voting and the shareholder can appoint up to two proxies to attend, speak and vote on his/her behalf at the general meeting. The Company's Constitution allows corporations which are considered "relevant intermediary(ies)" to appoint more than two proxies to attend, speak and vote at the general meeting.

The Company ensures that there are separate resolutions at general meetings on each substantially separate issue. For greater transparency, the Company puts all resolutions to vote by poll and detailed results of the number of votes cast for and against each resolution and the respective percentages are presented and announced on the same day. Independent scrutineers are appointed to conduct the voting process and verify votes after each resolution.

CORPORATE GOVERNANCE REPORT

Directors, external auditors and senior management are present and available to address shareholders' queries at general meetings. All directors attended the last AGM held on 25 April 2024. Minutes of meetings for the forthcoming AGM will be published on www.hyphensgroup.com and the SGXNET within one month from the date of the AGM. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management.

The Company's dividend policy aims to pay a sustainable and growing dividend of at least 30% of the Group's net profits attributable to shareholders, in line with its long-term growth prospect. In determining the form, frequency and amount of dividends to recommend or declare in each particular year or period, the Board will take into account various factors, including but not limited to, earnings, cash flow requirements, plans for expansion, availability of distributable reserves. As such, the Board has recommended a final one-tier tax-exempt dividend of 1.50 Singapore cents per share, which represents a dividend payout ratio of 45.4% of the Group's FY2024 net profits attributable to shareholders for shareholders' approval at the forthcoming AGM.

Principle 12: Engagement with Shareholders

The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

The Board is accountable to the shareholders and is mindful of its obligation to provide timely and fair disclosure of material information to shareholders, investors and the public. The Board treats all shareholders fairly and equitably and seeks to protect and facilitate exercise of shareholder's rights.

The Company announces its Annual Report, half-yearly financial results, major developments and other price and/or trade sensitive information on SGXNET in a timely manner to ensure investors are kept abreast of the Group's developments. These documents are also made available on the Company's corporate website at www.hyphensgroup.com.

The Company has in place an investor relations policy and a corporate website which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders. Shareholders may contact the Company with questions on Hyphens corporate website and the Company's investor relations team will address them accordingly.

Hyphens is proactive in engaging the investment community through participation in various investor relations activities, such as presentations to institutional investors, retail investors and trading representatives of brokerage firms as well as one-on-one or small group meetings. Presentation decks are posted on SGXNET and the Company's corporate website to ensure fair and open communications with all the Company's stakeholders. For more details on the Company's investor relations activities, please refer to "Investor Relations" section of this Annual Report.

MANAGING STAKEHOLDERS RELATIONSHIPS

Principle 13: Engagement with Stakeholders

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Company has identified stakeholders as those who have an interest in the Group and can either affect or be affected by the Group's business and operations. These stakeholders include employees, customers, suppliers, investors, government and regulators as well as the community.

The Company engages its stakeholders through various communication channels. The Group holds regular townhall meetings and events to engage with its employees in each country; the Group's sales and marketing teams interact frequently with its customers and suppliers to better align mutual business interests; investor relations activities to engage investors have been discussed above; we strive to be a good corporate citizen with regular consultations with various government agencies; and we participate in several social and community events to connect with the general public.

CORPORATE GOVERNANCE REPORT

Stakeholders can learn more about the Group from the websites of the Company and its subsidiaries.

OTHER CORPORATE GOVERNANCE MATTERS

Dealings in the Company's Securities

In compliance with Rule 1204(19) of the Catalist Rules, the Company has adopted an internal code of best practices on securities transactions by the Company and its officers. All directors and officers of the Group are prohibited from dealing in the Company's securities during the period commencing one month before the announcement of the Group's half year or full-year results. Officers should also not deal in the Company's securities on short term considerations and the law of insider trading has to be observed and complied with at all times when officers are in possession of unpublished price and/or trade sensitive information. Directors and CEO of the Company are required to notify the Company of their dealings in the Company's securities within two business days. Reminders are sent via email to all directors and key employees.

Interested Person Transactions

There was no interested person transaction ("IPT") which was more than S\$100,000 entered into during FY2024.

The AC reviews all IPT transactions, if any, at its quarterly meetings to ensure that all transactions are carried out on arm's length basis and on normal commercial terms that will not be prejudicial to the interests of the Company or to its minority shareholders.

The Group does not have a general mandate for recurrent IPT.

Material Contracts

Save for the Service Agreements between the Company and the executive director, there were no material contracts of the Company or its subsidiaries involving the interest of the CEO, any director or controlling shareholder either still subsisting at the end of FY2024 or if not then subsisting, entered into since the end of the previous financial year.

Non-Sponsor Fees

With reference to Rule 1204(21) of the Catalist Rules, the non-sponsor fee incurred in FY2024 paid/payable to the Company's sponsor, SAC Capital Private Limited, was S\$12,000 as fees for equity research.

Auditors and Fees Paid to Auditors

The aggregate amount of fees paid to the Company's external auditors, RSM SG Assurance LLP and member firms of RSM SG Assurance LLP in FY2024, were S\$257,410 and S\$41,050 respectively, comprising audit fees of S\$235,400 and non-audit fees of S\$63,060 for tax and secretarial services. The AC, having reviewed such non-audit services, is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors.

The AC considered and is satisfied with the adequacy of their resources, training and quality control, experience of the engagement team and the firm as a whole and quality of work carried out by the external auditor. The Group confirms that it has complied with Rule 712 and Rule 715 of the Catalist Rules in relation to its appointment of the audit firm for the Group.

Having been satisfied as to the foregoing, the AC has recommended the re-appointment of RSM SG Assurance LLP as external auditors at the forthcoming AGM.



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STATEMENT BY DIRECTORS

The directors of the Company are pleased to present the accompanying financial statements of the Company and of the Group for the reporting year ended 31 December 2024.

1. Opinion of the directors

In the opinion of the directors,

- (a) the accompanying financial statements and the consolidated financial statements are drawn up so as to give a true and fair view of the financial position and performance of the Company and, of the financial position and performance of the Group for the reporting year covered by the financial statements or consolidated financial statements; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The board of directors approved and authorised these financial statements for issue.

2. Directors

The directors of the Company in office at the date of this statement are:

Lim See Wah
 Tan Kia King
 Heng Wee Koon
 Ng Eng Leng
 Tan Seok Hoong @ Mrs Audrey Liow
 Chan Kiat

3. Directors' interests in shares and debentures

The directors of the Company holding office at the end of the reporting year had no interests in shares in or debentures of the Company or other related body corporate as recorded in the register of directors' interests in shares in or debentures kept by the Company under section 164 of the Companies Act 1967 (the "Act") except as follows:

Name of directors and companies in which interests are held	Direct interest		Deemed interest	
	At beginning of the reporting year	At end of the reporting year	At beginning of the reporting year	At end of the reporting year
Number of shares of no par value				
<u>The Company</u>				
Lim See Wah	–	–	147,656,441	147,656,441
Tan Kia King	58,003,759	58,003,759	28,600,000	28,632,000
Chan Kiat	–	–	–	120,000

By virtue of section 7 of the Act, Mr Lim See Wah is deemed to have an interest in the Company and in all the related body corporates of the Company and Mr Tan Kia King is deemed to have an interest in all the related body corporates of the Company.

STATEMENT BY DIRECTORS

3. Directors' interests in shares and debentures (cont'd)

The directors' interests as at 21 January 2025 were the same as those at the end of the reporting year.

4. Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures

Neither at the end of the reporting year nor at any time during the reporting year did there subsist arrangements to which the Company is a party, being arrangements whose objects are, or one of whose objects is, to enable directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate except for the options rights and other rights mentioned below.

5. Share-based incentive plans

Hyphens Performance Share Plan and Hyphens Share Option Scheme

At a shareholder meeting held on 20 April 2018, the shareholders of the Company approved the "Hyphens Performance Share Plan" and the "Hyphens Share Option Scheme" (collectively the "Share-based Incentive Plans").

The Share-based Incentive Plans provide eligible participants with an opportunity to participate in the equity of the Company thereby inculcating a stronger sense of identification with long-term prosperity and promoting organisational commitment, dedication and loyalty of participants towards the Group, as well as motivating participants to strive towards performance excellence and to maintain a high level of contribution to the Group. The Share-based Incentive Plans also afford the Group greater flexibility in structuring compensation packages so that it is able to make employee remuneration sufficiently competitive to recruit new participants and/or to retain existing participants whose contributions are important to the long-term growth and profitability of the Group.

Under the Hyphens Performance Share Plan ("HSP"), a participant may be granted awards of shares. The eligibility of the participants, the number of shares which are the subject of each award to be granted to a participant and the vesting period shall be determined at the absolute discretion of the Administration Committee, taking into account factors including the Group's financial performance and a participant's rank, job performance, potential for future development and contribution to the success and development of the Group.

Under the Hyphens Share Option Scheme, a participant may be granted options. Each option represents a right of the participant to receive fully-paid shares upon payment of the option exercise price within the option exercise period. The option exercise price and option exercise period shall be determined by the Administration Committee in its absolute discretion. Participants will only be rewarded in the event that the market value of a share is greater than the option exercise price, thereby motivating participants toward improving the market value of the shares.

Executive and non-executive directors (including independent directors) and full-time employees of the Group are eligible to participate in the Hyphens Share Option Scheme. In cases whereby eligible participants who are also controlling shareholders or associates of the controlling shareholders, the participation of and the terms of each grant and the actual number of options granted under the Hyphens Share Option Scheme shall be approved by independent shareholders in a separate resolution for each such person, with such separate resolution including approval for the actual number and terms of options to be granted to that person.

STATEMENT BY DIRECTORS

5. Share-based incentive plans (cont'd)

Hyphens Performance Share Plan and Hyphens Share Option Scheme (cont'd)

The total number of shares which may be issued and/or transferred pursuant to the Share-based Incentive Plans shall not exceed 15% of the issued share capital of the Company (excluding treasury shares) on the day preceding the date of the relevant grant.

The Share-based Incentive Plans shall be administered by the Administration Committee in its absolute discretion with such powers and duties as are conferred on it by the board of directors, provided that no member of the Administration Committee shall participate in any deliberation or decision in respect of shares/options to be granted to him/her or held by him/her. The Administration Committee consists of members of the Remuneration Committee of the Company, or such other committee comprising directors appointed by board of directors to administer the Share-based Incentive Plans.

On 8 December 2023, the Company granted share awards to eligible employees of the Group pursuant to the HSP. The actual number of fully paid ordinary shares to be awarded is subject to achievements against targets over a three-year performance period (up to the reporting year ending 31 December 2025) and may range from 0% to 120% of 5,854,418 ordinary shares. Up to 2,137,118 shares will be awarded to one of the directors of the Company, subject to meeting certain performance targets and other terms and conditions. The market price was at \$0.28 per share at the grant date. The new shares to be awarded shall have a sale restriction moratorium period of one year from the date of issue.

During the reporting year, no option to take up unissued shares of the Company or other body corporate in the Group was granted, except for those as disclosed above.

During the reporting year, there were no shares issued by virtue of the exercise of an option to take up unissued shares, except for those disclosed above.

At the end of the reporting year, there were no unissued shares under option, except for those disclosed above.

6. Independent auditor

RSM SG Assurance LLP has expressed willingness to accept re-appointment.

7. Report of audit committee

The members of the Audit Committee ("AC") at the date of this report are as follows:

Heng Wee Koon (Chairman)
Ng Eng Leng
Tan Seok Hoong @ Mrs Audrey Liow
Chan Kiat

All members of the AC are independent directors.

STATEMENT BY DIRECTORS

7. Report of audit committee (cont'd)

The AC performed the functions specified by section 201B (5) of the Act. Among other functions, it reviewed the following, where relevant, with management, the external auditors and the internal auditors:

- The audit plan of the independent external auditor.
- The independent external auditor's evaluation of the Company's internal accounting controls relevant to the statutory audit, the audit report on the financial statements and the assistance given by management to the auditor.
- The scope and results of the internal audit procedures (including those relating to financial, operational and compliance controls and risk management) and the assistance given by the management to the internal auditor.
- The financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption.
- The interested person transactions (as defined in Chapter 9 of the Catalist Rules).

Other functions performed by the AC are described in the report on corporate governance included in the annual report of the Company. It also includes an explanation of how independent auditor objectivity and independence is safeguarded where the independent auditor provides non-audit services.

The AC has recommended to the board of directors that the independent auditor, RSM SG Assurance LLP, be nominated for re-appointment as the independent auditor at the next annual general meeting of the Company.

8. Directors' opinion on the adequacy of internal controls

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by management, other committees of the board and the board, with the concurrence of the AC, is of the opinion that the Group's internal controls (including financial, operational, compliance and information technology controls), and risk management systems were adequate and effective as at 31 December 2024 to address the risks that the Group considers relevant and material to its operations.

9. Subsequent developments to reporting date

There are no significant developments subsequent to the release of the Group's and the Company's preliminary financial statements, as announced on 25 February 2025, which would materially affect the Group's and the Company's operating and financial performance as of the date of this report.

On behalf of the directors

Lim See Wah
Director

Tan Kia King
Director

1 April 2025

INDEPENDENT AUDITOR'S REPORT

to the Members of HYPHENS PHARMA INTERNATIONAL LIMITED

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Hyphens Pharma International Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group, and statement of changes in equity of the Company for the reporting year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS (I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the reporting year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current reporting year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

to the Members of HYPHENS PHARMA INTERNATIONAL LIMITED

Key audit matters (cont'd)

(a) Expected credit loss allowance on trade receivables

Please refer to Note 2A "Financial instruments", Note 2B "Assessing expected credit loss allowance on trade receivables" for the relevant accounting policies and discussion of significant accounting estimates respectively and Notes 18 and 25D for the breakdown of trade receivables and credit risk of the Group respectively.

Key audit matter

The carrying amount of net trade receivables amounted to \$43,155,000 which accounted for approximately 32% of the Group's total assets as at the reporting year end.

The estimate of impairment allowance is based on the historical trend of these receivables, which includes analysis of the age of these receivables, credit worthiness of the profile of the customers and consideration of any forward-looking information specific to the debtors such as future collectability and overall economic environment. Besides that, management used available financial information and market or press information to assess the credit risk of the major customers.

How we addressed the matter in our audit

We evaluated management's judgement on the recoverability of these amounts by reviewing the customers' credit worthiness, payment history and management's assessment of expected credit losses. We also reviewed management's process over the recoverability of outstanding trade receivables, which included the review of payments made by the customers subsequent to the reporting year end.

We reviewed management's assessment of the historical observed default rate of the last 36 months and there was no significant default on payment obligations by the customers.

We have also assessed the adequacy of the disclosures made in the financial statements.

(b) Allowance on inventories

Please refer to Note 2A "Inventories" and Note 2B "Assessing loss allowance on inventories" for the relevant accounting policies and discussion of significant accounting estimates respectively and Note 17 for the breakdown of inventories of the Group.

Key audit matter

The carrying value of inventories amounted to \$34,445,000, which accounted for approximately 25% of the Group's total assets as at the reporting year end. Impairment allowance on inventories as at the end of the year was \$1,089,000.

Management applied judgement in determining the appropriate allowance for inventories by taking into consideration various factors, including prevailing market conditions, ageing analysis, future demand and anticipated selling prices.

INDEPENDENT AUDITOR'S REPORT

to the Members of HYPHENS PHARMA INTERNATIONAL LIMITED

Key audit matters (cont'd)

(b) Allowance on inventories (cont'd)

How we addressed the matter in our audit

We considered the appropriateness of management's judgements applied in determining the inventory impairment allowance, taking into consideration historical information and prevailing market conditions. We verified the mechanical accuracy of the allowance by reviewing the calculation criteria and recalculating them to verify that they are in line with the Group policy. We also reviewed the Group's inventory ageing and compared the carrying value of selected inventory items to recent sales transactions.

We also assessed the adequacy of the disclosures made in the financial statements.

(c) Assessment of impairment of goodwill

Please refer to Note 2A "Goodwill", "Carrying amounts of non-financial assets" and Note 2B "Assessing the impairment of goodwill" for the relevant accounting policies and discussion of significant accounting estimates respectively and Note 15A "Goodwill" for the key assumptions used in the impairment testing of goodwill.

Key audit matter

The carrying value of goodwill amounted to \$15,396,000. These goodwill arose from the acquisition of subsidiaries. The amounts are allocated to certain cash generating units ("CGUs") as at 31 December 2024. These CGUs are assessed for impairment annually. Management applies the value in use method to determine the recoverable amount of the specific CGU. The value in use calculation requires the Group to estimate the future cash flows arising from the CGUs and a suitable discount rate in order to calculate the present value of the recoverable amount of each CGU. Any shortfall of the recoverable amounts against the carrying amounts would be recognised as impairment losses.

Management determined the recoverable amounts based on forecasted revenue, growth rates, profit margins, tax rates and discount rates using presently available information. These estimates require judgement and the determination of recoverable amounts is a key focus area for our audit.

How we addressed the matter in our audit

We discussed with management the process over the determination of the forecasted revenue, growth rates, profit margins, tax rates and discount rates. As the assessment process is judgemental and is based on assumptions that are affected by expected future market or economic conditions, our audit procedures included, among others, using our in-house valuation specialists to assist us in evaluating the assumptions and methodologies used by management.

We assessed management's estimates applied in the value-in-use models based on our knowledge of the CGUs' operations, and compared them against historical forecasts and performance and industry benchmarks. Our in-house valuation specialists also performed a review of the management's methodology, expectations and the discount rates used in the impairment assessment and tested the accuracy of the computations.

INDEPENDENT AUDITOR'S REPORT

to the Members of HYPHENS PHARMA INTERNATIONAL LIMITED

Key audit matters (cont'd)

(c) Assessment of impairment of goodwill (cont'd)

How we addressed the matter in our audit (cont'd)

We also assessed the adequacy of the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive, that is, those that have the most significant effect on the determination of the recoverable amount of goodwill.

(d) Revenue recognition and consignment arrangements

Please refer to Note 2A "Revenue and income recognition", Note 2B "Revenue recognition" for the relevant accounting policies and discussion of significant accounting estimates respectively and Note 5 "Revenue" for the breakdown of revenue of the Group.

Key audit matter

The Group has distribution agreements with various distributors. Management has reviewed the Group's distribution agreements and arrangements with these distributors and concluded that revenue should be recognised upon delivery unless specified under consignment arrangements. Revenue is recognised at the point in time when control has been passed to the distributors. The distributors are considered as a principal and not an agent because the distributors are independent operating parties that bear both the credit risk of their customers and inventory risk of the purchased goods.

How we addressed the matter in our audit

We reviewed management's assessment on the five-step approach to revenue recognition and factors that management considered in determining that control has passed to the distributors and accordingly, the point at which revenue should be recognised.

We also obtained confirmations from the relevant distributors confirming the outstanding trade receivables balances and/or the list and quantity of the consigned inventories as at the reporting year end.

Other information

Management is responsible for the other information. The other information comprises the information included in the statement by directors and the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

to the Members of HYPHENS PHARMA INTERNATIONAL LIMITED

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and the financial reporting standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT

to the Members of HYPHENS PHARMA INTERNATIONAL LIMITED

Auditor's responsibilities for the audit of the financial statements (cont'd)

- (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Lee Mong Sheong.

RSM SG Assurance LLP
Public Accountants and
Chartered Accountants
Singapore

1 April 2025

Engagement partner – effective from the year ended 31 December 2020.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME YEAR ENDED 31 DECEMBER 2024

		Group	
	Notes	2024 \$'000	2023 \$'000
Revenue	5	195,420	170,595
Cost of sales		(125,913)	(108,694)
Gross profit		69,507	61,901
Other income and gains	6	693	735
Distribution costs	7	(39,739)	(35,891)
Administrative expenses	9	(15,232)	(14,125)
Finance costs	10	(565)	(278)
Other losses	6	(1,705)	(2,322)
Share of profit from an equity-accounted associate		–	545
Profit before tax		12,959	10,565
Income tax expense	11	(2,104)	(1,985)
Profit for the year		10,855	8,580
Other comprehensive income (loss):			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations, net of tax		625	(189)
Other comprehensive income (loss) for the year, net of tax		625	(189)
Total comprehensive income for the year		11,480	8,391
Profit attributable to:			
Equity holders of the Company		10,194	8,568
Non-controlling interests		661	12
Profit net of tax		10,855	8,580
Total comprehensive income attributable to:			
Equity holders of the Company		10,760	8,383
Non-controlling interests		720	8
Total comprehensive income for the year		11,480	8,391
Earnings per share			
Earnings per share currency unit		Cents	Cents
Basic	12	3.30	2.77
Diluted	12	3.24	2.77

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	Notes	Group		Company	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
ASSETS					
Non-current assets					
Plant and equipment	14	4,898	4,864	8	9
Intangible assets	15	24,530	23,575	–	–
Investments in subsidiaries	16	–	–	19,986	19,886
Deferred tax assets	11	234	172	–	–
Total non-current assets		29,662	28,611	19,994	19,895
Current assets					
Inventories	17	34,445	25,529	–	–
Trade and other receivables	18	45,423	41,110	20,600	18,841
Prepayments		2,530	2,056	119	77
Other financial assets	23	270	90	–	–
Cash and cash equivalents	19	23,420	23,369	106	356
Total current assets		106,088	92,154	20,825	19,274
Total assets		135,750	120,765	40,819	39,169
EQUITY AND LIABILITIES					
Equity					
Share capital	20	35,216	35,216	35,216	35,216
Treasury shares	20	(85)	–	(85)	–
Retained earnings		45,231	37,765	4,654	2,837
Other reserves	21	(9,464)	(9,995)	–	35
Equity attributable to equity holders of the Company		70,898	62,986	39,785	38,088
Non-controlling interests		3,568	2,876	–	–
Total equity		74,466	65,862	39,785	38,088
Non-current liabilities					
Deferred tax liabilities	11	1,024	1,253	–	–
Other financial liabilities, non-current	23	2,573	4,406	–	–
Total non-current liabilities		3,597	5,659	–	–
Current liabilities					
Income tax payable		2,576	2,535	–	–
Other financial liabilities, current	23	11,541	2,416	–	–
Trade and other payables	24	43,570	44,293	1,034	1,081
Total current liabilities		57,687	49,244	1,034	1,081
Total liabilities		61,284	54,903	1,034	1,081
Total equity and liabilities		135,750	120,765	40,819	39,169

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2024

	Share capital \$'000	Treasury shares \$'000	Retained earnings \$'000	Other reserves \$'000	Attributable to equity holders of the Company Sub-total \$'000	Non-controlling interests \$'000	Total equity \$'000
Group							
Current year:							
Opening balance at 1 January 2024	35,216	–	37,765	(9,995)	62,986	2,876	65,862
Changes in equity:							
Total comprehensive income for the year	–	–	10,194	566	10,760	720	11,480
Dividends paid (Note 13)	–	–	(2,656)	–	(2,656)	–	(2,656)
Share-based payment under HSP (Note 22)	–	–	–	(35)	(35)	–	(35)
Purchase of treasury shares (Note 20)	–	(85)	–	–	(85)	–	(85)
Acquisition of non-controlling interests without a change in control (Note 16)	–	–	(72)	–	(72)	(28)	(100)
Closing balance at 31 December 2024	35,216	(85)	45,231	(9,464)	70,898	3,568	74,466

Group							
Previous year:							
Opening balance at 1 January 2023	35,083	–	43,760	(9,816)	69,027	1,245	70,272
Changes in equity:							
Total comprehensive income (loss) for the year	–	–	8,568	(185)	8,383	8	8,391
Dividends paid (Note 13)	–	–	(14,563)	–	(14,563)	–	(14,563)
Issue of share capital pursuant to share awards under HSP (Note 22)	133	–	–	–	133	–	133
Share-based payment under HSP (Note 22)	–	–	–	35	35	–	35
Issue of share capital to non-controlling interests in subsidiaries	–	–	–	(29)	(29)	319	290
Arising from acquisition of a subsidiary (Note 27)	–	–	–	–	–	1,304	1,304
Closing balance at 31 December 2023	35,216	–	37,765	(9,995)	62,986	2,876	65,862

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2024

	Share capital \$'000	Treasury shares \$'000	Retained earnings \$'000	Other reserves \$'000	Total equity \$'000
Company					
Current year:					
Opening balance at 1 January 2024	35,216	–	2,837	35	38,088
Changes in equity:					
Total comprehensive income for the year	–	–	4,473	–	4,473
Dividends paid (Note 13)	–	–	(2,656)	–	(2,656)
Purchase of treasury shares (Note 20)	–	(85)	–	–	(85)
Share-based payment under HSP (Note 22)	–	–	–	(35)	(35)
Closing balance at 31 December 2024	35,216	(85)	4,654	–	39,785
Previous year:					
Opening balance at 1 January 2023	35,083	–	8,714	–	43,797
Changes in equity:					
Total comprehensive income for the year	–	–	8,686	–	8,686
Dividends paid (Note 13)	–	–	(14,563)	–	(14,563)
Issue of share capital pursuant to share awards under HSP (Note 22)	133	–	–	–	133
Share-based payment under HSP (Note 22)	–	–	–	35	35
Closing balance at 31 December 2023	35,216	–	2,837	35	38,088

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2024

	\$'000	\$'000
<u>Cash flows from operating activities</u>		
Profit before tax	12,959	10,565
Adjustments for:		
Amortisation of intangible assets	1,043	702
Depreciation of plant and equipment	2,012	2,096
Interest income	(150)	(341)
Interest expense	565	278
Gain on disposal of plant and equipment	(5)	(5)
Fair value gain on derivative instruments at fair value through profit or loss	(180)	-
Fair value gain arising from remeasurement of interest in associate as a result of business combination	-	(165)
Expenses in connection with acquisition of a subsidiary	-	65
Share of profit from an equity-accounted associate	-	(545)
Net effect of exchange rate changes in consolidating foreign operations	657	(166)
Operating cash flows before changes in working capital	16,901	12,484
Trade and other receivables	(4,182)	(9,239)
Prepayments	(474)	(1,130)
Inventories	(8,916)	(3,524)
Trade and other payables	(915)	9,653
Net cash flows from operations	2,414	8,244
Income taxes paid	(2,354)	(2,599)
Net cash provided by operating activities	60	5,645
<u>Cash flows from investing activities</u>		
Acquisition of subsidiary, net of cash acquired (Note 27)	-	(751)
Dividend received from an associate	-	123
Purchase of plant and equipment (Notes 14 and 19A)	(1,183)	(304)
Purchase of intangible assets	(1,998)	(896)
Proceeds from disposal of plant and equipment	10	7
Interest received	150	341
Net cash used in investing activities	(3,021)	(1,480)
<u>Cash flows from financing activities</u>		
Dividends paid to equity owners	(2,656)	(14,563)
Payment of lease liabilities	(1,568)	(1,251)
Increase in new loans and borrowings	9,009	-
Loans and borrowings paid	(1,250)	(1,250)
Acquisition of non-controlling interests (Note 16)	(100)	-
Purchase of treasury shares (Note 20)	(85)	-
Interest paid	(338)	(212)
Net cash provided by (used in) financing activities	3,012	(17,276)
Net increase (decrease) in cash and cash equivalents	51	(13,111)
Cash and cash equivalents, beginning balance	23,369	36,480
Cash and cash equivalents, ending balance (Note 19)	23,420	23,369

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

1. General information

Hyphens Pharma International Limited (the "Company") is a public limited company incorporated and domiciled in Singapore. The Company is listed on the Catalist Board (the "Catalist") of Singapore Exchange Securities Trading Limited.

The financial statements are presented in Singapore dollars and they cover the Company (referred to as "parent") and the subsidiaries. All financial information have been rounded to the nearest thousand ("000"), except when otherwise stated.

The board of directors approved and authorised these financial statements for issue on the date of the statement by directors. The directors have the power to amend and reissue the financial statements.

The Company's principal activities are those of an investment holding company and provision of management services.

The principal activities of the subsidiaries are described in Note 16.

The registered office is: 16 Tai Seng Street, #04-01, Singapore 534138. The Company is situated in Singapore.

Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS (I)s") and the related Interpretations to SFRS (I) ("SFRS (I) INT") as issued by the Accounting Standards Committee under ACRA ("ASC"). They comply with the provisions of the Companies Act 1967 and with the IFRS Accounting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB").

Basis of preparation of the financial statements

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

Basis of presentation and principles of consolidation

The consolidated financial statements of the Group include the financial statements made up to the end of the reporting year of the company and all of its subsidiaries, presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions are eliminated on consolidation. Subsidiaries are consolidated from the date the reporting entity obtains control of the investee. They are de-consolidated from the date that control ceases.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

1. General information (cont'd)

Basis of presentation and principles of consolidation (cont'd)

Changes in the Group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the Group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the Group loses control of a subsidiary, it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at fair value at the date when control is lost and is subsequently accounted as equity investments financial assets in accordance with the financial reporting standard on financial instruments.

The Company's separate financial statements have been prepared on the same basis, and as permitted by the Companies Act 1967, the Company's separate statement of profit or loss and other comprehensive income is not presented.

2. Material accounting policy information and other explanatory information

2A. Material accounting policy information

Foreign currency transactions

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. The presentation is in the functional currency.

Translation of financial statements of other entities

Each component in the Group determines the appropriate functional currency as it reflects the primary economic environment in which the relevant reporting entity operates. In translating the financial statements of such an entity for incorporation in the consolidated financial statements in the presentation currency, the assets and liabilities denominated in other currencies are translated at end of the reporting year rates of exchange and the income and expense items for each statement presenting profit or loss and other comprehensive income are translated at average rates of exchange for the reporting year. The resulting translation adjustments (if any) are recognised in other comprehensive income and accumulated in a separate component of equity until the disposal of that relevant reporting entity.

Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (eg by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

2. Material accounting policy information and other explanatory information (cont'd)

2A. Material accounting policy information (cont'd)

Fair value measurement (cont'd)

Inputs used are consistent with the characteristics of the asset or liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are material differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements. The recurring measurements are made at each reporting year end date.

Revenue and income recognition

Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, and modifications), net of any related taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient, the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

Sale of goods – Revenue is recognised at a point in time when the performance obligation is satisfied by transferring a promised good to the customer. Control of the goods is transferred to the customer, generally on delivery of the goods (in this respect, incoterms are considered).

Services – Revenue from service orders is recognised when the entity satisfies the performance obligation at a point in time generally when the significant acts have been completed and when transfer of control occurs. For services that are not material transactions, revenue is recognised as the services are provided.

Distinct goods or services in a series – For distinct goods or services in a series such as routine or recurring service contracts where the promise under the contract is for a specified quantity of goods or services that meets the over time criteria or is a stand-ready or single continuous service and if the nature of each good or service is distinct, substantially the same and has the same pattern of transfer or each time increment is distinct, then revenue is recognised at the amount that the entity has the right to bill a fixed amount for each unit of goods or service provided.

Interest income is recognised using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

2. Material accounting policy information and other explanatory information (cont'd)

2A. Material accounting policy information (cont'd)

Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it is obligated to contribute for the Singapore employees to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). Certain subsidiaries overseas have defined contribution retirement benefit plans in which employees are entitled to join upon fulfilling certain conditions. The assets of the fund may or may not be held separately from those of the reporting entity in an independently administered fund. The entity contributes a fixed percentage of the salary of each participating employee. For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Share-based compensation

Benefits to employees are provided in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions"). The fair value of the employee services rendered is measured by reference to the fair value of the shares awarded or rights granted, excluding the impact of any non-market vesting conditions. These are fair valued based on the market price of the entity's shares (or an estimated market price, if the entity's shares are not publicly traded). This fair value amount is charged to profit or loss over the vesting period of the share-based payment scheme, with the corresponding increase in equity. The value of the charge is adjusted in profit or loss over the remainder of the vesting period to reflect expected and actual quantities vesting, with the corresponding adjustment made in equity. Cancellations of grants of equity instruments during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied) are accounted for as an acceleration of vesting, therefore any amount unrecognised that would otherwise have been charged is recognised immediately in profit or loss.

Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowings. Interest expense is calculated using the effective interest rate method. Borrowing costs are recognised as an expense in the period in which they are incurred.

Income tax

Tax expense (tax benefit) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current income tax is the expected tax payable on the taxable income for the reporting year; calculated using rates enacted or substantively enacted at the statement of financial position date; and inclusive of any adjustment to income tax payable or recoverable in respect of previous reporting years.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

2. Material accounting policy information and other explanatory information (cont'd)

2A. Material accounting policy information (cont'd)

Income tax (cont'd)

Deferred tax is recognised using the liability method; based on temporary differences between the carrying amounts of assets and liabilities in the financial statements and their respective income tax bases; and determined using tax rates that have been enacted or substantively enacted by the reporting year end date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax liability or asset is recognised for all taxable temporary differences associated with investments in subsidiaries except where the reporting entity is able to control the timing of the reversal of the taxable temporary difference and it is probable that the taxable temporary difference will not reverse in the foreseeable future or for deductible temporary differences, they will not reverse in the foreseeable future and they cannot be utilised against taxable profits.

Plant and equipment

Plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line method to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets (or, for certain leased assets, the shorter lease term). An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle.

Right-of-use assets

The right-of-use assets are accounted and presented as if they were owned such as plant and equipment.

Leases of lessee

A lease conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. Where a lease arrangement is identified, a liability to the lessor is recognised as a lease obligation calculated at the present value of minimum unavoidable lease payments. A corresponding right-of-use asset is recorded. Lease payments are apportioned between finance costs and reduction of the lease liability so as to reflect the interest on the remaining balance of the liability. Finance charges are recorded as a finance cost. Leases with a term of 12 months or less and leases for low value are not recorded as a liability and lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the reporting entity and the reporting entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the reporting entity has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the reporting entity controls another entity. In the reporting entity's separate financial statements, an investment in a subsidiary is accounted for at cost less any allowance for impairment in value.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

2. Material accounting policy information and other explanatory information (cont'd)

2A. Material accounting policy information (cont'd)

Subsidiaries (cont'd)

Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

Non-controlling interests

The non-controlling interest is equity in a subsidiary not attributable, directly or indirectly, to the reporting entity as the parent. The non-controlling interest is presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent. For each business combination, any non-controlling interest in the acquiree (subsidiary) is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Goodwill

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised. Goodwill is recognised as of the acquisition date measured as the excess of (a) over (b); (a) being the aggregate of: (i) the consideration transferred which generally requires acquisition-date fair value; (ii) the amount of any non-controlling interest in the acquiree measured in accordance with the financial reporting standard on business combinations (measured either at fair value or as the non-controlling interest's proportionate share of the acquiree's net identifiable assets); and (iii) in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree; and (b) being the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed measured in accordance with the financial reporting standard on business combinations. Irrespective of whether there is any indication of impairment, an annual impairment test is performed at about the same time every year on goodwill. An impairment loss recognised for goodwill is not reversed in a subsequent period.

For the purpose of impairment testing and since the acquisition date of the business combination, goodwill is allocated to each cash-generating unit, or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree were assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes and is not larger than a segment.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

2. Material accounting policy information and other explanatory information (cont'd)

2A. Material accounting policy information (cont'd)

Intangible assets other than goodwill

An acquired or internally generated identifiable non-monetary asset without physical substance is recognised as an intangible asset if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. Development costs incurred relating to the design and testing of new or improved products are recognised as intangible assets when it is probable that the project will be viable considering its commercial and technical feasibility and its costs can be measured reliably and there are sufficient resources to complete development. After initial recognition, an intangible asset with finite useful life is carried at cost less accumulated amortisation and any accumulated impairment losses. The amortisable amount of an intangible asset with finite useful life is allocated on a systematic basis over the best estimate of its useful life from the point at which the asset is ready for use. Research expenditure is expensed when incurred. Where no internally generated intangible asset can be recognised, development cost is expensed when incurred.

Development costs are typically internally generated intangible assets. Costs incurred in relation to individual projects are capitalised only when the future economic benefit of the project is probable and the following main conditions are met: (i) the development costs can be measured reliably, (ii) the technical feasibility of the product has been ascertained and (iii) therefore it is the intention of management to complete the intangible asset and use or sell it.

An intangible asset is regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the reporting entity. After initial recognition, an intangible asset with indefinite useful life is carried at cost less any accumulated impairment losses. Irrespective of whether there is any indication of impairment, an annual impairment test is performed at about the same time every year on an intangible with an indefinite useful life and an intangible asset not yet available for use.

Identifiable intangible assets acquired as part of a business combination are initially recognised separately from goodwill if the asset's fair value can be measured reliably, irrespective of whether the asset had been recognised by the acquiree before the business combination. An intangible asset is considered identifiable only if it is separable or if it arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

Carrying amounts of non-financial assets

The amounts of the non-current non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised in the statement of profit or loss whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Irrespective of whether there is any indication of impairment, an annual impairment test is performed at about the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

2. Material accounting policy information and other explanatory information (cont'd)

2A. Material accounting policy information (cont'd)

Inventories

Inventories are stated at the lower of cost and selling price less costs to complete and sell. Cost is calculated using the weighted average method. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Financial instruments

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires. At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Classification of financial assets and financial liabilities and subsequent measurement:

The financial reporting standard on financial instruments requires the certain classification of financial assets and financial liabilities. At the end of the reporting year, the reporting entity had the following classes:

- Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss ("FVTPL"), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are in this class.
- Financial asset classified as measured at FVTPL: All other financial assets are classified as measured at FVTPL. In addition, on initial recognition, management may irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.
- Financial liabilities are classified as at FVTPL in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

2. Material accounting policy information and other explanatory information (cont'd)

2A. Material accounting policy information (cont'd)

Derivative financial instruments

A derivative financial instrument is a financial instrument with all three of the following characteristics (a) its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices, credit ratings or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract; (b) it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and (c) it is settled at a future date. The derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently classified as measured at FVTPL.

Cash and cash equivalents

For the consolidated statement of cash flows, cash and cash equivalents includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management. Cash equivalents are short-term (three months or less), highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash flows are reported using the indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, and items of income or expense associated with investing or financing cash flows.

Other specific material accounting policy information and other explanatory information

These are included in the relevant notes to the financial statements.

2B. Judgements and sources of estimation uncertainties

Disclosures on significant judgements made in the process of applying the accounting policies and on material information about the assumptions management made about the future, and other major sources of estimation uncertainty at the end of the reporting year, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next reporting year are discussed below or in the corresponding notes to these financial statements. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Assessing expected credit loss allowance on trade receivables:

The assessment of the expected credit losses ("ECL") requires a degree of estimation and judgement. In measuring the expected credit losses, management considers all reasonable and supportable information such as the reporting entity's past experience at collecting receipts, any increase in the number of delayed receipts in the portfolio past the average credit period, and forward-looking information such as forecasts of future economic conditions. The carrying amounts might change materially within the next reporting year but these changes may not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year. The carrying amount is disclosed in the note on trade and other receivables.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

2. Material accounting policy information and other explanatory information (cont'd)

2B. Judgements and sources of estimation uncertainties (cont'd)

Assessing loss allowance on inventories:

The assessment of the allowance for impairment loss on inventories requires a degree of estimation and judgement. The level of the loss allowance is assessed by taking into account the recent sales experience, the ageing of inventories, other factors that affect inventory obsolescence and subsequent events. Possible changes in these estimates could result in revisions to the stated value of the inventories. The carrying amounts of inventories at the end of the reporting year is disclosed in the note on inventories.

Assessing the impairment of goodwill:

The amount of goodwill is tested annually for impairment. This annual impairment test is material and the process is complex and highly judgmental and is based on assumptions that are affected by expected future market or economic conditions. As a result, judgement is required in evaluating the assumptions and methodologies used by management, in particular those relating to the forecasted revenue growth and profit margins. The disclosures about goodwill are included in Note 15A. Small changes in the key assumptions used could give rise to an impairment of the goodwill balance in the future. Actual outcomes could vary from these estimates.

Revenue recognition:

Judgement is required in determining when the control of the inventories has passed to the distributors. Management has reviewed the Group's distribution agreements and arrangements with the distributors and concluded that the control of the inventories is passed to the distributors upon delivery unless for those inventories specified under consignment arrangements. The distributors are considered as a principal and not an agent because the distributors are independent operating parties that bear both the credit risk of their customers and inventory risk of the purchased goods. Accordingly, revenue is recognised based on point in time when delivery of goods has been made.

Determination of functional currency:

Judgement is required to determine the functional currency of the reporting entity. Management considers economic environment in which the reporting entity operates and factors such as the currency that mainly influences the prices for its revenue items; the currency of the country whose competitive forces and regulations mainly determine the prices for its revenue items; and the currency that mainly influences labour, material and other costs of providing goods or services. It also considers other relevant factors that may also provide evidence of an entity's functional currency.

Measuring the fair value of financial derivatives:

If a financial asset is not traded in an active market or if the quoted price is not readily and regularly available, the fair value is established by using valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. This measurement requires significant judgement. The fair value measurement requires the selection among a range of different valuation methodologies, making estimates about expected future cash flows and discount rates. Please see Note 23D.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

3. Related party relationships and transactions

The financial reporting standard on related party disclosures requires the reporting entity to disclose: (a) related party relationships, transactions and outstanding balances, including commitments, including (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

3A. Related party transactions and balances

There are transactions and arrangements between the reporting entity and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances and transfer of resources, services or obligations if any are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances below.

3B. Key management compensation

	Group	
	2024	2023
	\$'000	\$'000
Salaries and other short-term employee benefits	2,547	2,399

The above amounts are included under employee benefits expense. Key management personnel include the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

Included in the above amounts are the following items:

	Group	
	2024	2023
	\$'000	\$'000
Remuneration of directors of the Company	746	813
Fees to directors of the Company	257	257

Further information about the remuneration of individual directors is provided in the report on corporate governance.

3C. Other receivables from and other payables to related parties

The trade transactions and the related receivables and payables balances arising from sales and purchases of goods and services are disclosed elsewhere in the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

3. Related party relationships and transactions (cont'd)

3C. Other receivables from and other payables to related parties (cont'd)

The movements in other receivables from and other payables to related parties are as follows:

	Subsidiaries	
	2024 \$'000	2023 \$'000
Company		
<u>Other receivables (other payables)</u>		
At beginning of the year	18,394	19,947
Amounts received and settlement of liabilities on behalf of the company	–	(6,061)
Amounts paid out and settlement of liabilities on behalf of the subsidiaries	5,967	–
Repayment of loan	–	(492)
Dividend income receivable	4,700	9,000
Dividend income received	(9,000)	(4,000)
At end of the year	20,061	18,394
Presented in the statement of financial position as follows:		
Other receivables (Note 18)	20,130	18,488
Other payables (Note 24)	(69)	(94)
At end of the year	20,061	18,394

4. Financial information by operating segments

The Group discloses financial and descriptive information about its consolidated reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components about which separate financial information is available that is evaluated regularly by the chief operating decision maker to allocate resources and in assessing performance. Generally, financial information on segments is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments. Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by the financial reporting standard on operating segments. This disclosure standard has no impact on the reported financial performance or financial position of the reporting entity.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

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

4A. Information about reportable segment profit or loss, assets and liabilities

For management purposes the reporting entity is organised into the following major strategic operating segments that offer different products and services:

- (1) Specialty pharma principals segment (“Specialty pharma principals”) which is in the business of marketing and selling a range of specialty pharmaceutical products with exclusivity in the relevant ASEAN countries.
- (2) Proprietary brands segment (“Proprietary brands”) which is in the business of developing, marketing and selling its own proprietary range of dermatological products and health supplement products.
- (3) Medical hypermart and digital segment (“Medical hypermart and digital”) which is in the business of wholesale selling of pharmaceuticals and medical supplies in Singapore. The Group positions itself as a medical hypermart for healthcare professionals, healthcare institutions and retail pharmacies.

Such a structural organisation is determined by the nature of risks and returns associated with each business segment and it defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information that is available and that is evaluated regularly by the board of directors (who are identified as the chief operating decision makers) in deciding how to allocate resources and in assessing the performance. They are managed separately because each business requires different strategies.

Inter-segment sales are measured on the basis that the entity actually used to price the transfers. Internal transfer pricing policies of the reporting entity are as far as practicable based on market prices. The accounting policies of the operating segments are the same as those used by the reporting entity.

The management reporting system evaluates performances based on a number of factors. However, the primary financial performance measurement to evaluate segment’s operating results is earnings from operations before depreciation and amortisation, interest and income taxes (called “EBITDA”).

The following tables illustrate the information about the reportable segment profit or loss, assets and liabilities. Certain information on revenue is also given in Note 5.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

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		Unallocated		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'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	-	-	195,420	170,595
Total revenue	124,245	102,195	27,546	25,651	43,629	42,749	-	-	195,420	170,595
EBITDA										
Finance costs	14,808	9,511	3,826	3,839	(1,365)	243	(690)	48	16,579	13,641
Depreciation and amortisation	-	-	-	-	-	-	(565)	(278)	(565)	(278)
	(623)	(288)	(419)	(414)	-	-	(2,013)	(2,096)	(3,055)	(2,798)
Profit (loss) before tax	14,185	9,223	3,407	3,425	(1,365)	243	(3,268)	(2,326)	12,959	10,565
Income tax expense									(2,104)	(1,985)
Profit net of tax									10,855	8,580

The unallocated expenses mainly included the Group's corporate expenses such as transaction costs of acquiring Ardence Pharma Sdn Bhd ("Ardence Pharma") (Note 27) in the previous reporting year.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2024

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

4C. Assets and reconciliations

	Specialty pharma principals		Proprietary brands		Medical hypermart and digital		Unallocated		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total assets for reportable segments	60,715	53,087	30,801	22,715	10,848	13,108	-	-	102,364	88,910
Unallocated:										
Plant and equipment	-	-	-	-	-	-	4,898	4,864	4,898	4,864
Prepayments	-	-	-	-	-	-	2,530	2,056	2,530	2,056
Other receivables	-	-	-	-	-	-	2,268	1,476	2,268	1,476
Other financial assets	-	-	-	-	-	-	270	90	270	90
Cash and cash equivalents	-	-	-	-	-	-	23,420	23,369	23,420	23,369
Total Group assets	60,715	53,087	30,801	22,715	10,848	13,108	33,386	31,855	135,750	120,765

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2024

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

4D. Liabilities and reconciliations

	Specialty pharma principals		Proprietary brands		Medical hypermart and digital		Unallocated		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total liabilities for reportable segments	26,785	26,226	2,568	3,039	9,202	10,607	-	-	38,555	39,872
Unallocated:										
Deferred and current tax liabilities	-	-	-	-	-	-	3,600	3,788	3,600	3,788
Financial liabilities	-	-	-	-	-	-	14,114	6,822	14,114	6,822
Trade and other payables	-	-	-	-	-	-	5,015	4,421	5,015	4,421
Total Group liabilities	26,785	26,226	2,568	3,039	9,202	10,607	22,729	15,031	61,284	54,903

4E. Other material items and reconciliations

	Specialty pharma principals		Proprietary brands		Medical hypermart and digital		Unallocated		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Allowance for impairment on trade receivables and inventories loss	320	219	650	467	388	208	-	-	1,358	894
Expenditures for non-current assets	168	212	1,831	74	-	-	2,056	6,286	4,055	6,572

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

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

4F. Geographical information

	Revenue		Non-current assets	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Group				
Singapore	90,894	84,996	23,682	23,255
Vietnam	57,110	49,012	73	35
Malaysia	25,784	17,225	5,454	4,959
Others	21,632	19,362	219	190
Total	195,420	170,595	29,428	28,439

Revenues are attributed to countries on the basis of the customer's location, irrespective of the origin of the goods and services. The non-current assets are analysed by the geographical area in which the assets are located. The non-current assets exclude deferred tax assets.

4G. Information about major customers measured by revenue transactions

	Group	
	2024	2023
	\$'000	\$'000
Top 1 customer in specialty and proprietary segments	32,498	20,192
Top 2 customers in specialty and proprietary segments	56,460	38,909
Top 3 customers in specialty and proprietary segments	75,385	55,510

5. Revenue

	Group	
	2024	2023
	\$'000	\$'000
Sale of goods	194,456	169,697
Commission income	409	386
Marketing services fees and advertisement	532	497
Other revenue	23	15
Total revenue	195,420	170,595

The marketing and advertisement income is recognised over time and revenue from sale of goods and rendering of services is recognised based on point in time and all the contracts with customers are less than 12 months. Main customers are retailers and distributors.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

6. Other income and gains and (other losses)

	Group	
	2024 \$'000	2023 \$'000
Bad debts written off for trade receivables	(19)	(38)
Estimated credit losses allowance on trade receivables – (loss) reversal	(76)	15
Fair value gain on derivative instruments at FVTPL	180	–
Fair value gain arising from remeasurement of interest in associate as a result of business combination (Note 27)	–	165
Foreign exchange translation losses	(347)	(1,413)
Government grant income	358	209
Gain on disposal of plant and equipment	5	5
Inventories written down	(489)	(291)
Inventories written off	(774)	(580)
Interest income	150	341
Net	<u>(1,012)</u>	<u>(1,587)</u>
Presented in profit or loss as:		
Other income and gains	693	735
Other losses	(1,705)	(2,322)
Net	<u>(1,012)</u>	<u>(1,587)</u>

7. Distribution costs

The material components and other selected components include the following:

	Group	
	2024 \$'000	2023 \$'000
Employee benefits expense (Note 8)	21,411	18,416
Advertising and promotional expenses	9,262	8,867

8. Employee benefits expense

	Group	
	2024 \$'000	2023 \$'000
Short term employee benefits expense	26,322	22,581
Contributions to defined contribution plans	2,667	2,297
Share-based payments (reversal) expense (Note 22)	(325)	218
Other benefits	399	251
Total employee benefits expense	<u>29,063</u>	<u>25,347</u>
Employee benefits expense is charged to profit or loss and included in:		
– Cost of sales	504	475
– Distribution costs (Note 7)	21,411	18,416
– Administrative expenses (Note 9)	7,148	6,456
Total employee benefits expense	<u>29,063</u>	<u>25,347</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

9. Administrative expenses

The material components and other selected components include the following:

	Group	
	2024	2023
	\$'000	\$'000
Amortisation of intangible assets	1,043	702
Depreciation of plant and equipment	2,012	2,096
Employee benefits expense (Note 8)	7,148	6,456
Rental expense (Note 23C)	285	427
Research and development expense	402	439

10. Finance costs

	Group	
	2024	2023
	\$'000	\$'000
Interest expense	338	212
Interest on lease liabilities	227	66
Total finance costs	565	278

11. Income tax

11A. Components of tax expense (benefit) recognised in profit or loss

	Group	
	2024	2023
	\$'000	\$'000
<u>Current tax expense (benefit)</u>		
Current tax expense	2,965	2,525
Over adjustment in respect of prior periods	(570)	(268)
Subtotal	2,395	2,257
<u>Deferred tax expense (benefit)</u>		
Deferred tax benefit	(291)	(272)
Subtotal	(291)	(272)
Total income tax expense	2,104	1,985

The reconciliation of income taxes below is determined by applying the Singapore corporate tax rate where the parent is situated. The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17.0% (2023: 17.0%) to profit before income tax as a result of the following differences:

	Group	
	2024	2023
	\$'000	\$'000
Profit before tax	12,959	10,565
Share of profit from an equity-accounted associate	-	(545)
	12,959	10,020

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

11. Income tax (cont'd)

11A. Components of tax expense (benefit) recognised in profit or loss (cont'd)

	Group	
	2024 \$'000	2023 \$'000
Income tax expense at the above rate	2,203	1,703
Expenses not deductible for tax purposes	784	729
Income not subject to tax	–	(47)
Stepped income exemption	(677)	(213)
Over adjustment to tax in respect of prior periods	(570)	(268)
Effect of different tax rates in different countries	415	115
Other minor items less than 3% each	(51)	(34)
Total income tax expense	2,104	1,985

There are no income tax consequences of dividends to owners of the Company.

11B. Deferred tax benefit recognised in profit or loss

	Group	
	2024 \$'000	2023 \$'000
Arising from amortisation of acquired intangible assets from acquisition of subsidiaries	(233)	(160)
Excess of book value of plant and equipment over tax values	(58)	(112)
Total deferred tax benefit	(291)	(272)

11C. Deferred tax balance in the statements of financial position

	Group	
	2024 \$'000	2023 \$'000
<u>From deferred tax assets (liabilities) recognised in profit or loss:</u>		
Fair value of intangible assets ^(a)	(954)	(1,187)
Excess of book value of plant and equipment over tax values	164	106
Net balance	(790)	(1,081)
Presented in the statements of financial position as follows:		
Deferred tax assets	234	172
Deferred tax liabilities	(1,024)	(1,253)
Net balance	(790)	(1,081)

(a) The balance arose from acquisition of subsidiaries.

It is impracticable to estimate the amount expected to be settled or used within one year.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

12. Earnings per share

The following table illustrates the numerators and denominators used to calculate basic and diluted earnings per share of no par value:

	Group	
	2024 \$'000	2023 \$'000
<u>Numerators: profit attributable to equity</u>		
Continuing operations: attributable to equity holders	10,194	8,568
	2024 '000	2023 '000
<u>Denominators: weighted average number of equity shares</u>		
Basic	308,958	309,063
Dilutive share awards effect	5,854	369
Diluted	314,812	309,432
<u>Earnings per share for continuing operations</u>		
	Cents	Cents
Basic	3.30	2.77
Diluted	3.24	2.77

The weighted average number of ordinary shares refers to shares in issue outstanding during the reporting year.

The basic amount per share ratio is based on the weighted average number of ordinary shares outstanding during each reporting year. It is after the neutralisation by the treasury shares.

The dilutive effect derives from share awards granted under Hyphens Performance Share Plan (Note 22).

13. Dividends on equity shares

	Group and Company	
	2024 \$'000	2023 \$'000
<u>Dividends declared and paid during the reporting year</u>		
Final exempt (1-tier) dividends paid of 0.86 cents (2023: 1.11 cents) per share	2,656	3,432
Interim exempt (1-tier) dividends paid of Nil cent (2023: 3.60 cents) per share	–	11,131
Total dividends paid	2,656	14,563
<u>Proposed dividends on ordinary shares</u>		
Final exempt (1-tier) dividends proposed of 1.50 cents (2023: 0.86 cents) per share	4,633	2,659

Proposed dividends on ordinary shares are subject to approval by shareholders at the next annual general meeting and have not been included as a liability in these financial statements. The proposed dividend is payable in respect of all ordinary shares in issue at the end of the reporting year and including any new qualifying shares issued up to the date the dividend becomes payable. There are no income tax consequences on the reporting entity.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

14. Plant and equipment

Group	Plant and equipment \$'000	Hardware and software \$'000	Fixtures and equipment \$'000	Motor vehicles \$'000	Total \$'000
Cost					
At 1 January 2023	5,120	1,811	3,562	314	10,807
Arising from acquisition of a subsidiary (Note 27)	–	–	21	33	54
Additions	3,591	78	138	88	3,895
Disposals	(3,889)	(134)	(8)	(66)	(4,097)
Foreign exchange adjustments	(10)	(4)	(8)	(2)	(24)
At 31 December 2023	4,812	1,751	3,705	367	10,635
Additions	874	819	319	45	2,057
Disposals	(425)	(115)	(135)	(46)	(721)
Foreign exchange adjustments	7	3	5	–	15
At 31 December 2024	5,268	2,458	3,894	366	11,986
Accumulated depreciation					
At 1 January 2023	3,839	1,016	2,784	151	7,790
Depreciation for the year	1,226	188	631	51	2,096
Disposals	(3,889)	(133)	(7)	(66)	(4,095)
Foreign exchange adjustments	(9)	(3)	(6)	(2)	(20)
At 31 December 2023	1,167	1,068	3,402	134	5,771
Depreciation for the year	1,544	234	164	70	2,012
Disposals	(425)	(115)	(130)	(46)	(716)
Foreign exchange adjustments	12	2	7	–	21
At 31 December 2024	2,298	1,189	3,443	158	7,088
Carrying value					
At 1 January 2023	1,281	795	778	163	3,017
At 31 December 2023	3,645	683	303	233	4,864
At 31 December 2024	2,970	1,269	451	208	4,898

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

14. Plant and equipment (cont'd)

Company	Hardware and software \$'000	Fixtures and equipment \$'000	Total \$'000
Cost			
At 1 January 2023	7	221	228
Additions	8	–	8
At 31 December 2023	15	221	236
Additions	4	–	4
At 31 December 2024	19	221	240
Accumulated depreciation			
At 1 January 2023	4	187	191
Depreciation for the year	2	34	36
At 31 December 2023	6	221	227
Depreciation for the year	5	–	5
At 31 December 2024	11	221	232
Carrying value			
At 1 January 2023	3	34	37
At 31 December 2023	9	–	9
At 31 December 2024	8	–	8

The annual rates of depreciation are as follows:

Plant and equipment	–	20% to 33.3%
Hardware and software	–	20% to 33.3%
Fixtures and equipment	–	10% to 20%
Motor vehicles	–	20%

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

The depreciation expense for the Group and Company is charged to profit or loss under administrative expenses.

The right-of-use assets have been included in plant and equipment. The details are as follows:

Group	Plant and equipment \$'000
Cost	
At 1 January 2023	4,697
Additions	3,591
Disposals	(3,889)
Foreign exchange adjustments	(10)
At 31 December 2023	4,389
Additions	874
Disposals	(425)
Foreign exchange adjustments	7
At 31 December 2024	4,845

NOTES TO THE FINANCIAL STATEMENTS

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14. Plant and equipment (cont'd)

	Plant and equipment \$'000
Accumulated depreciation	
At 1 January 2023	3,622
Depreciation for the year	1,183
Disposals	(3,889)
Foreign exchange adjustments	(9)
At 31 December 2023	907
Depreciation for the year	1,511
Disposals	(425)
Foreign exchange adjustments	12
At 31 December 2024	2,005
Carrying value	
At 1 January 2023	1,075
At 31 December 2023	3,482
At 31 December 2024	2,840

The right-of-use assets are under lease liability agreements (see Note 23C).

15. Intangible assets

	Group	
	2024	2023
	\$'000	\$'000
Goodwill (Note 15A)	15,396	15,396
Other intangible assets (Note 15B)	9,134	8,179
Total	24,530	23,575

15A. Goodwill

	Group	
	2024	2023
	\$'000	\$'000
Cost		
Balance at beginning of the year	16,389	13,807
Arising from acquisition of subsidiary (Note 27)	–	2,582
Balance at end of the year	16,389	16,389
Accumulated impairment		
Balance at beginning and end of the year	993	993
Carrying value at beginning of the year	15,396	12,814
Carrying value at end of the year	15,396	15,396

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YEAR ENDED 31 DECEMBER 2024

15. Intangible assets (cont'd)

15A. Goodwill (cont'd)

Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of those cash-generating units represents the Group's investment in each subsidiary as follows:

	Group	
	2024	2023
	\$'000	\$'000
Name of subsidiaries		
Pan-Malayan Pharmaceuticals Pte Ltd ^(a)	80	80
Ocean Health Pte. Ltd. ^(b)	4,771	4,771
Novem ^(c)	7,963	7,963
Ardence Pharma Sdn. Bhd. ^(d)	2,582	2,582
Carrying value at end of the year	15,396	15,396

- (a) The goodwill relates to the purchase of the pharmaceuticals business of Pan-Malayan Pharmaceuticals Pte Ltd ("Pan-Malayan") in 1998. The amount of \$80,000 is not considered material and no impairment test is considered necessary by management as the annual results of Pan-Malayan has consistently exceeded the carrying value of goodwill.
- (b) The goodwill arose from acquisition of the following subsidiaries, Ocean Health Pte. Ltd. ("Ocean Health Singapore") and DAC Pharmalab Pte Ltd ("DAC Pharmalab"). Ocean Health Singapore is primarily engaged in distributing healthcare supplements under its registered trademark, "Ocean Health". Ocean Health Singapore also distributes various series of skin care products mainly under a non-registered brand, "Therapeutic Dermatologic Formula", and a registered trademark "TDF". DAC Pharmalab's core business is provision of bottling and labelling services to Ocean Health Singapore. Following the transfer of its core business to Pan-Malayan in March 2019, Pan-Malayan charged Ocean Health Singapore a fee for this service, and DAC Pharmalab was struck off then. The CGU for goodwill impairment testing was performed on Ocean Health Singapore.
- (c) The goodwill relates to the acquisition of the following subsidiaries, Novem Healthcare Pte Ltd, Novem Pharma Private Limited and Ardence Aesthetics Pte. Ltd. (collectively "Novem") in 2021. 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 CGU for goodwill impairment testing was performed on Novem.
- (d) The goodwill relates to the acquisition of Ardence Pharma Sdn Bhd ("Ardence Pharma") in 2023. Ardence Pharma is a boutique pharmaceutical company specializing in aesthetic medicine. The CGU for goodwill impairment testing was performed on Ardence Pharma.

The goodwill is tested annually for impairment. An impairment loss is the amount by which the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. The recoverable amount of a cash-generating unit ("CGU") are measured based on the fair value less costs of disposal method or the value in use method (whichever is higher) as appropriate for the separate CGUs.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

15. Intangible assets (cont'd)

15A. Goodwill (cont'd)

The value in use was measured by management. The key assumptions for the value in use calculations are as disclosed below. The value in use is a recurring fair value measurement (Level 3). The quantitative information about the value in use measurement using significant unobservable inputs for the CGU are consistent with those used for the measurement last performed and is analysed as follows:

CGU – Ocean Health (Proprietary)

Valuation technique and unobservable inputs:

Discounted cash flow method	2024	2023
Estimated discount rates using post-tax rates that reflect current market assessments at the risks specific to the CGU	11.7%	11.7%
Revenue growth rates	3%	3%
Cash flow forecasts derived from the most recent financial budgets and plans approved by management	5 years	5 years
Terminal growth rate	2%	2%

CGU – Novem (Specialty Pharma)

Valuation technique and unobservable inputs:

Discounted cash flow method	2024	2023
Estimated discount rates using post-tax rates that reflect current market assessments at the risks specific to the CGU	11.7%	11.7%
Revenue growth rates	3%	3%
Cash flow forecasts derived from the most recent financial budgets and plans approved by management	5 years	5 years
Terminal growth rate	2%	2%

CGU – Ardence Pharma (Specialty Pharma)

Valuation technique and unobservable inputs:

Discounted cash flow method	2024	2023
Estimated discount rates using post-tax rates that reflect current market assessments at the risks specific to the CGU	11%	13%
Revenue growth rates	32%	5%
Cash flow forecasts derived from the most recent financial budgets and plans approved by management	5 years	5 years
Terminal growth rate	2%	2%

Actual outcomes could vary from these estimates.

The impairment test was carried out using a discounted cash flow model covering a 5-year period. Cash flows projections are based on the next five year budgets and plans approved by management.

Sensitivity analysis:

Management believes that any reasonably possible change in the key assumptions on which this cash-generating unit's recoverable amount is based would not cause the carrying amount to exceed its recoverable amount.

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15. Intangible assets (cont'd)

15A. Goodwill (cont'd)

No impairment allowance was recognised because the carrying amount of all cash-generating units was lower than their recoverable amount.

The financial reporting standard on impairment of assets does not permit reversing an impairment loss on goodwill.

15B. Other intangible assets

Distribution rights, trademarks and non-contractual customer relationships	Group \$'000
<u>Cost</u>	
At 1 January 2023	9,361
Arising from acquisition of subsidiary (Note 27)	2,336
Additions	287
At 31 December 2023	<u>11,984</u>
Additions	1,998
At 31 December 2024	<u>13,982</u>
<u>Accumulated amortisation</u>	
At 1 January 2023	3,103
Amortisation for the year	702
At 31 December 2023	<u>3,805</u>
Amortisation for the year	1,043
At 31 December 2024	<u>4,848</u>
<u>Carrying value</u>	
At 1 January 2023	<u>6,258</u>
At 31 December 2023	<u>8,179</u>
At 31 December 2024	<u>9,134</u>

The amortisation expense is charged to profit or loss under administrative expenses.

The useful lives are as follows:

Distribution rights, trademarks and non-contractual customer relationships - 5 to 10 years

Assessment is made at each reporting date by evaluating conditions specific to the reporting entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

16. Investments in subsidiaries

	Company	
	2024 \$'000	2023 \$'000
<u>Movements during the year</u>		
Carrying value at beginning of the year	19,886	19,886
Additions (See (d) below)	100	–
Carrying value at end of the year	19,986	19,886
Total cost comprising:		
Unquoted equity shares at cost	19,986	19,886
Net book value of subsidiaries	52,114	49,182

The following subsidiaries are wholly owned by the Group.

Name of subsidiary	Principal place of business	Principal activities	Cost in the books of the Company	
			2024 \$'000	2023 \$'000
<u>Held by the Company</u>				
Hyphens Pharma Pte. Ltd. ^(a)	Singapore	Sales, marketing and distribution of pharmaceutical and healthcare related products and related services	16,686	16,686
<u>Held through Hyphens Pharma Pte. Ltd.</u>				
Hyphens Pharma Philippines, Inc. ^{(b) (c)}	The Philippines	Sales, marketing and distribution of pharmaceutical and healthcare related products and related services		
Hyphens Pharma Sdn. Bhd. ^(b)	Malaysia	Sales, marketing and distribution of pharmaceutical and healthcare related products and related services		
Ocean Health Pte. Ltd. ^(a)	Singapore	Brand owner of health supplement products		
PT. Hyphens Pharma Indonesia ^(b)	Indonesia	Sales, marketing and distribution of pharmaceutical and healthcare related products and related services		
Hyphens Pharma (Thailand) Limited ^{(b) (f)}	Thailand	Sales, marketing and distribution of pharmaceutical and healthcare related products and related services		
Novem Healthcare Pte Ltd ^(a)	Singapore	Wholesale of medicinal and pharmaceutical products		
Novem Pharma Private Limited ^(a)	Singapore	Wholesale of medicinal and pharmaceutical products		
Ardence Aesthetics Pte. Ltd. ^(a)	Singapore	Wholesale of medicinal and pharmaceutical products		

NOTES TO THE FINANCIAL STATEMENTS

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16. Investments in subsidiaries (cont'd)

The subsidiaries that have non-controlling interests are listed below:

Name of subsidiary and principal place of business	Principal activities	Cost in the books of the Company		Effective percentage of equity held by Group	
		2024	2023	2024	2023
		\$'000	\$'000	%	%
<i>Held by the Company</i>					
DocMed Technology Pte. Ltd. (a) (d) Singapore	Wholesale trade and investment and incubation of early-stage business relating to digital healthcare	3,300	3,200	90.00	89.76
<i>Held through Hyphens Pharma Pte. Ltd. and Ardence Aesthetics Pte. Ltd.</i>					
Ardence Pharma Sdn. Bhd. (e) Malaysia (Crowe Malaysia PLT)	Trading of pharmaceuticals and cosmeceuticals			65.00	65.00
<i>Held through DocMed Technology Pte. Ltd.</i>					
Pan-Malayan Pharmaceuticals Pte Ltd Singapore	Wholesale trade and investment and incubation of early-stage business relating to digital healthcare			90.00	89.76
DocMed Lyth Pte. Ltd. Singapore	Investment and incubation of early stage business related to digital healthcare			45.90	45.78
TechMed Sdn. Bhd. Malaysia	Wholesale trade; investment and incubation of early stage business related to digital healthcare			90.00	89.76

(a) Audited by RSM SG Assurance LLP in Singapore.

(b) Audited by RSM International network firms of which RSM SG Assurance LLP in Singapore is a member.

(c) 5 common shares are held by 5 individuals as nominees for Hyphens Pharma Pte. Ltd.

(d) During the current reporting year, the Company acquired an additional 0.24% interest in DocMed Technology Pte Ltd, increasing its ownership from 89.76% to 90% at a consideration of \$100,000.

(e) Another independent auditor. Audited by firms of accountants other than member firms of RSM International network firms of which RSM SG Assurance LLP in Singapore is a member. Their names are indicated above.

(f) The subsidiary was incorporated in October 2024.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

16. Investments in subsidiaries (cont'd)

There are subsidiaries with non-controlling interests that are considered material to the reporting entity and additional disclosures on them (amounts before inter-company eliminations) are presented below.

	Group	
	2024	2023
	\$'000	\$'000
<u>DocMed Technology Pte. Ltd. and subsidiaries</u>		
Loss allocated to NCI of the subsidiaries during the reporting year	(171)	(92)
Accumulated NCI of the subsidiaries at the end of the reporting year	1,408	1,335
The summarised financial information of the subsidiaries (not adjusted for the percentage ownership held by the Group and amounts before inter-company eliminations) is as follows:		
Current assets	29,341	34,610
Non-current assets	1,816	2,856
Current liabilities	(22,806)	(26,234)
Non-current liabilities	(67)	(67)
Revenue	71,029	67,575
Loss for the reporting year	(1,134)	(530)
Total comprehensive loss for the reporting year	(1,159)	(527)
Net operating cash flows, decrease	(1,146)	(1,518)
Net cash flows, decrease	(1,935)	(951)

	Group	
	2024	2023
	\$'000	\$'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
Total comprehensive loss for the reporting year	2,379	298
Net operating cash flows, decrease	1,954	363
Net cash flows, decrease	1,954	363

17. Inventories

	Group	
	2024	2023
	\$'000	\$'000
Raw materials and supplies	1,184	1,308
Finished goods and goods for resale ^(a)	33,261	24,221
	34,445	25,529

Inventories are stated after allowance.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

17. Inventories (cont'd)

	Group	
	2024 \$'000	2023 \$'000
Movements in allowance:		
At beginning of the year	817	875
Charge to profit or loss included in other losses	489	291
Used	(217)	(349)
At end of the year	1,089	817
The amount of inventories included in cost of sales	124,899	107,819
Inventories written off charged to profit or loss included in other losses	774	580

There are no inventories pledged as security for liabilities.

- (a) Included in finished goods and goods for resale are inventories under consignment with distributors that amounted to \$8,168,000 (2023: \$390,000).

18. Trade and other receivables

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<u>Trade receivables</u>				
Outside parties	43,445	39,848	-	-
Less allowance for impairment	(290)	(214)	-	-
Subsidiaries (Note 3)	-	-	430	353
Subtotal	43,155	39,634	430	353
<u>Other receivables</u>				
Staff advances	13	11	-	-
Deposits to secure services	699	720	-	-
Subsidiaries (Note 3)	-	-	20,130	18,488
Goods and services tax receivables	136	80	-	-
Other receivables	1,420	665	40	-
Subtotal	2,268	1,476	20,170	18,488
Total trade and other receivables	45,423	41,110	20,600	18,841
Movements in above allowance:				
At beginning of the year	214	229	-	-
Charge (reversal) to profit or loss included in other income and gains and (other losses)	76	(15)	-	-
At end of the year	290	214	-	-

There are no collaterals held as security and other credit enhancements for the trade receivables.

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade customers is about 30 to 90 days (2023: 30 to 90 days). However, some customers take a longer period to settle the amounts. The customers' balances are subject to the expected credit loss ("ECL") assessment under the financial reporting standard on financial instruments.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

18. Trade and other receivables (cont'd)

The ECL on the trade receivables are based on the simplified approach to measuring ECL which uses a lifetime ECL allowance approach for all such assets recognised from the initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the ECL including the impact of the current economic conditions.

The Group also has a few customers with material balances and which can be credit risk graded individually and these are recorded at inception net of any expected lifetime ECL. For these material balances judgement is required for the assessment of the credit risk graded individually. For these material balances, at the end of the reporting year a loss allowance is recognised if there has been a material increase in credit risk since initial recognition. For any material increase or decrease in credit risk an adjustment is made to the loss allowance for the material balances. For the smaller balances the assets are grouped based on shared credit risk characteristics and the days past due for measuring the ECL including the impact of the current economic conditions. The allowance model is based on the historical observed default rates (over a period of 36 months) over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The ageing of all the balances is as follows:

Group	Gross amount		Loss allowance	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Trade receivables:				
Amount within due date	25,952	22,166	–	–
Past due less than 30 days	11,137	8,580	–	–
Past due 30 to 60 days	1,384	4,780	–	–
Past due 60 to 90 days	1,191	1,580	–	–
Past due over 90 days	3,781	2,742	290	214
Total	43,445	39,848	290	214

The receivables have common risk characteristics as compared to previous years. There were no significant bad debts noted in the previous years. The Group assesses the credit risk of major customers and risk of default rates of the customers using audited financial statements, management accounts, and available press information about the customers and applying experienced credit judgement.

Concentration of trade receivables customers as at the end of reporting year:

	Group	
	2024 \$'000	2023 \$'000
Top 1 customer	5,732	5,805
Top 2 customers	10,023	10,389
Top 3 customers	13,384	13,757

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

18. Trade and other receivables (cont'd)

Other receivables:

The other receivables shown above are subject to the ECL allowance assessment under the financial reporting standard on financial instruments. The other receivables can be graded for credit risk individually. At inception they are recorded net of any expected 12 month expected credit losses. At the end of the reporting year a loss allowance is recognised if there has been a significant increase in credit risk since initial recognition. For any significant increase or decrease in credit risk an adjustment is made to the loss allowance.

The credit risk grade assessed is based on predictive nature of the risk of loss (such as the use of internal and external ratings, audited financial statements, management accounts and cash flow projections and available published information about debtors that is available without undue cost or effort). Other receivables are normally with no fixed terms and therefore there is no fixed maturity date. As at the end of reporting year, there were no amounts that were impaired.

19. Cash and cash equivalents

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Not restricted in use	23,420	23,369	106	356

The rates of interest for the cash on interest earning balances ranged between 0.22% and 3.92% (2023: 0.22% and 3.92%) per annum.

19A. Non-cash transactions

	Group	
	2024 \$'000	2023 \$'000
Acquisitions of certain assets under plant and equipment under lease contracts	874	3,591

19B. Reconciliation of liabilities arising from financing activities

	2024 \$'000	Cash flows \$'000	Non-cash changes \$'000	2024 \$'000
<u>Group</u>				
Loans and borrowings	3,229	7,759	-	10,988
Lease liabilities	3,593	(1,568)	1,101 ^(c)	3,126
Total liabilities from financing activities	6,822	6,191	1,101	14,114

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

19. Cash and cash equivalents (cont'd)

19B. Reconciliation of liabilities arising from financing activities (cont'd)

	2023 \$'000	Cash flows \$'000	Non-cash changes \$'000	2023 \$'000
Loans and borrowings	4,479	(1,250)	–	3,229
Lease liabilities	1,191	(1,251)	3,653 (a)(b)(c)	3,593
Total liabilities from financing activities	5,670	(2,501)	3,653	6,822

- (a) Foreign exchange movements.
(b) Acquisitions per Note 27.
(c) Additions and accretion of interest.

20. Share capital

	Number of shares issued '000	Group and Company		Total \$'000
		Share capital \$'000	Treasury shares \$'000	
<u>Ordinary shares of no par value</u>				
Balance at 1 January 2023	308,776	35,083	–	35,083
Issuance of new shares pursuant to share awards under Hyphens Performance Share Plan (a)	422	133	–	133
Balance at 31 December 2023	309,198	35,216	–	35,216
Purchase of treasury shares (b)	(321)	–	(85)	(85)
Balance at 31 December 2024	308,877	35,216	(85)	35,131

- (a) On 28 April 2023, the Company allotted and issued 422,000 new ordinary shares to the Eligible Employees pursuant to Hyphens Performance Share Plan (Note 22).
(b) Under the mandate approved at the last annual general meeting, 321,200 treasury shares (2023: nil) were acquired on the stock exchange for a consideration of \$85,000.

Treasury shares

Where the entity reacquires its own equity instruments as treasury shares, the consideration paid, including any directly attributable incremental cost is deducted from equity attributable to the entity's owners until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the entity's owners and no gain or loss is recognised in profit or loss.

The ordinary shares of no par value are fully paid, carry one vote each and have no right to fixed income. The Company is not subject to any externally imposed capital requirements except as mentioned below.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

20. Share capital (cont'd)

Capital management:

The objectives when managing capital are to safeguard the reporting entity's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. There were no changes in the approach to capital management during the reporting year. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends to be paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt. Adjusted capital comprises all components of equity.

The Group and Company are in a net cash and cash equivalents position (borrowings less cash and cash equivalent). The debt-to-adjusted capital ratio does not provide a meaningful indicator of the risk from borrowings.

In order to maintain its listing on the Singapore Stock Exchange, it has to have share capital with a free float of at least 10% of the shares. The Company met the capital requirement on its initial listing and the rules limiting treasury share purchases mean it will continue to satisfy that requirement, as it did throughout the reporting year. Management receives a report from the share registrars frequently on substantial share interests showing the non-free float to ensure continuing compliance with the 10% limit throughout the reporting year.

The management does not set a target level of gearing but uses capital opportunistically to support its business and to add value for shareholders. The key discipline adopted is to widen the margin between the return on capital employed and the cost of that capital.

21. Other reserves

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Merger reserve (Note 21A)	(15,165)	(15,165)	-	-
Foreign currency translation reserve (Note 21B)	583	17	-	-
Capital reserves (Note 21C)	5,118	5,118	-	-
Share-based payment reserves (Note 21D)	-	35	-	35
Total	(9,464)	(9,995)	-	35

All the reserves classified on the face of the statements of financial position as retained earnings represents past accumulated earnings and are distributable as cash dividends. The other reserves are not available for cash dividends unless realised.

21A. Merger reserve

This represents the difference between the consideration paid and the share capital of the subsidiaries when entities under common control are accounted for by applying the pooling of interest method when the Group undertook a corporate restructuring in 2018 for its listing on the Catalist.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

21. Other reserves (cont'd)

21B. Foreign currency translation reserve

	Group	
	2024 \$'000	2023 \$'000
At beginning of the year	17	202
Exchange differences on translating foreign operations	566	(185)
At end of the year	583	17

The foreign currency translation reserve accumulates all foreign exchange differences.

21C. Capital reserves

	Group	
	2024 \$'000	2023 \$'000
Issue of share capital to non-controlling interests in subsidiaries ^(a)	5,015	5,015
Fair value adjustment on shares issued ^(b)	103	103
	5,118	5,118

^(a) This represents the excess of carrying value over the consideration received from non-controlling interests in DocMed.

^(b) This relates to the difference between the fair value of the shares issued for the acquisition of Novem that took place in 2021 and the prevailing share price as of the transaction date.

21D. Share-based payment reserves

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
At beginning of the year	35	–	35	–
Share-based (reversal) payment (Note 22)	(35)	35	(35)	35
At end of the year	–	35	–	35

22. Share-based payment

Under the HSP, a participant may be granted awards of shares. The eligibility of the participants, the number of shares which are the subject of each award to be granted to a participant and the vesting period shall be determined at the absolute discretion of the Administration Committee, taking into account factors including the Group's financial performance and a participant's rank, job performance, potential for future development and contribution to the success and development of the Group.

On 8 December 2023, the Company granted share awards to eligible employees of the Group pursuant to the HSP. The actual number of fully paid ordinary shares to be awarded is subject to achievements against targets over a three-year performance period (up to the reporting year ending 31 December 2025) and may range from 0% to 120% of 5,854,418 ordinary shares. Up to 2,137,118 shares will be awarded to one of the directors of the Company, subject to meeting certain performance targets and other terms and conditions. The market price was at \$0.28 per share at the grant date. The new shares to be awarded shall have a sale restriction moratorium period of one year from the date of issue.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

22. Share-based payment (cont'd)

The Company reviewed the possibility of the shares being awarded and has since determined that it is unlikely for the eligible employees to achieve the targets. Hence, the Group reversed all the share-based payment expenses recognised in the previous reporting year 2023 of \$35,000 in the current reporting year.

A subsidiary of the Group entered into an employment agreement in 2022 with one of its directors where he was entitled to subscribe for certain shares in the subsidiary at a specific price, upon achieving certain stipulated milestones within the agreement. As the involved director resigned from his position during the current reporting year, all relevant share-based payment expenses recognised in the previous reporting years of \$290,000 was reversed in the current reporting year.

The Company held 321,200 treasury shares as at 31 December 2024 (2023: Nil).

Save as disclosed above, there has been no change in the Company's share capital since 31 December 2023.

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2024 and 31 December 2023.

23. Other financial liabilities

	Group	
	2024	2023
	\$'000	\$'000
Non-current		
Lease liabilities (Note 23C)	1,844	2,427
Term loan (Note 23A)	729	1,979
Total non-current portion	2,573	4,406
Current		
Lease liabilities (Note 23C)	1,282	1,166
Term loan (Note 23A)	1,250	1,250
Short-term revolving loans (Note 23B)	9,009	-
Total current portion	11,541	2,416
Total current and non-current	14,114	6,822
The non-current portion is repayable as follows:		
Due within 1 to 5 years	2,573	4,406

23A. Term loan

In 2022, a subsidiary had obtained a term loan of \$5,000,000 with interest rate at SORA in-arrears plus 2.5% per annum. The loan is covered by corporate guarantees from the Company and another subsidiary in the Group. The loan is repayable over a 48-month period, with first instalment commencing from August 2022.

During 2022, the Group entered into an interest rate swap (Note 23D). They are designed to convert floating rate borrowings to fixed rate exposure for the next three years at 4.5% per annum effective from July 2023.

23B. Short-term revolving loans

The range of floating rate interest rates paid were as follows:

	Group	
	2024	2023
Short-term revolving loans	4.19% to 6.60%	-

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

23. Other financial liabilities (cont'd)

23B. Short-term revolving loans (cont'd)

The bank agreements for certain of the bank loans and other credit facilities provide among other matters for the following:

- (1) Corporate guarantee from the Company and certain subsidiaries in the Group.
- (2) The Company remain listed on the Catalist Board of Singapore Exchange Securities Trading Limited.
- (3) Need to comply with certain financial covenants.
- (4) Certain subsidiaries in the Group remain fully owned by the Group.

23C. Lease liabilities

Lease liabilities are presented in the statement of financial position as follows:

	Group	
	2024	2023
	\$'000	\$'000
Lease liabilities, current	1,282	1,166
Lease liabilities, non-current	1,844	2,427
	3,126	3,593

The Group leases office and warehouse facilities. The leases typically run for a period between two to five years, with an option to renew the lease after that date. Lease payments are renegotiated upon expiry to reflect market rentals. The Group has elected not to recognise right-of-use assets and lease liabilities for the shorter tenured office leases.

The Group leases IT equipment with contract terms of three to five years. These leases are short-term and low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

The lease liabilities above do not include short-term leases of less than 12 months and leases of low-value underlying assets. Variable lease payments that do not depend on an index or a rate or based on a percentage of revenue are not included from the initial measurement of lease liabilities and right-of-use assets.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes to in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

A summary of the maturity analysis of lease liabilities is disclosed in Note 25E. Total cash outflows from leases are shown in the consolidated statement of cash flows. The related right-of-use-assets included in plant and equipment are disclosed in Note 14.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

23. Other financial liabilities (cont'd)

23C. Lease liabilities (cont'd)

Apart from the disclosures made in other notes to the financial statements, amounts relating to leases include the following:

	Group	
	2024	2023
	\$'000	\$'000
Expenses relating to short-term leases included in administrative expenses	265	410
Expenses relating to leases of low-value assets included in administrative expenses	20	17
Total commitments on short-term leases at year end date	236	218

23D. Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date with the gain or loss recognised immediately in profit or loss except where the derivatives qualify for cash flow hedge accounting or hedges of net investment in a foreign operation, in which case recognition of any resultant gain or loss depends on the nature of the item being hedged.

(a) Interest rate swap

During 2022, the Group entered into an interest rate swap. The notional amount of the interest rate swaps was \$3,750,000. They are designed to convert floating rate borrowings to fixed rate exposure for the three years at 4.5% per year effective from July 2023.

The interest rate swaps are not traded in an active market. The fair value (Level 2) of interest rate swaps is measured on the basis of the current value of the difference between the contractual interest rate and the market rate at the end of the reporting year. The valuation technique uses market observable inputs.

Management has assessed and determined the unrealised fair value of the interest rate swap to be not material to the Group's financial statements and hence not recognised in the current and previous reporting years.

(b) Fair value of option to acquire non-controlling interests in subsidiary

In the previous reporting year 2023, the Group entered into a sales and purchase agreement to acquire controlling interests in Ardence Pharma Sdn Bhd (Note 27), for which the Group also had the option to acquire 35% interests in the subsidiary in subsequent reporting years over 2 tranches. The fair value of the option is determined based on valuation techniques currently consistent with generally accepted valuation methodologies for pricing financial instruments (Level 3). The key assumptions for the fair value measurement calculations are as disclosed below.

	2024	2023
Valuation model	Monte Carlo	Monte Carlo
Estimated discount rates using post-tax rates that reflect current market assessments at the risks specific to the CGU	11%	15%
Fair value	\$270,000	\$90,000

The option derivative of \$270,000 (2023: \$90,000) has been recognised under other financial assets.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

24. Trade and other payables

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<u>Trade payables</u>				
Outside parties and accrued liabilities	42,303	42,834	965	977
Subtotal	42,303	42,834	965	977
<u>Other payables</u>				
Subsidiary (Note 3)	–	–	69	94
Outside parties	1,267	1,459	–	10
Subtotal	1,267	1,459	69	104
Total trade and other payables	43,570	44,293	1,034	1,081

25. Financial instruments: information on financial risks and other explanatory information

25A. Categories of financial assets and financial liabilities

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting year:

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<u>Financial assets</u>				
Financial assets at amortised cost	68,843	64,479	20,706	19,197
Financial assets at fair value through profit or loss ("FVTPL")	270	90	–	–
At end of the year	69,113	64,569	20,706	19,197
<u>Financial liabilities</u>				
Financial liabilities at amortised cost	57,684	51,115	1,034	1,081
At end of the year	57,684	51,115	1,034	1,081

Further quantitative disclosures are included throughout these financial statements.

25B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures.

Management has certain procedures for the management of financial risks. The guidelines set up the short and long-term objectives and action to be taken in order to manage the financial risks. The guidelines include are followed:

1. All financial risk management activities are carried out and monitored by senior management staff.
2. All financial risk management activities are carried out following acceptable market practices including such activities to minimise interest rate, currency, credit and market risks for most kinds of transactions; to maximise the use of "natural hedge" favouring as much as possible the natural off-setting of sales; and when appropriate consideration is given to entering into derivatives or any other similar instruments for hedging purposes.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

25. Financial instruments: information on financial risks and other explanatory information (cont'd)

25B. Financial risk management (cont'd)

There have been no changes to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

The Group and Company are exposed to currency and interest rate risks. There are no cost effective arrangements to manage such risk exposures through the use of derivatives and other hedging instruments. When appropriate, management will assess and enter into derivatives or any other similar instruments to reduce the Group's and Company's exposure.

25C. Fair values of financial instruments

The analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include the material financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments. The disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

25D. Credit risk on financial assets

Financial assets subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner arise principally from cash balances with banks, receivables and other financial assets. The general approach in the financial reporting standard on financial instruments is applied to measure expected credit losses ("ECL") allowance on financial assets measured at amortised cost. On initial recognition, a loss allowance is recorded equal to the 12 month ECL unless the assets are considered credit impaired. The ECL allowance for debt assets is recognised at an amount equal to the lifetime ECL if the credit risk on that financial instrument has increased significantly since initial recognition. However, for trade receivables that do not contain a material financing component or when the reporting entity applies the practical expedient of not adjusting the effect of a material financing component, the simplified approach in calculating ECL is applied. Under the simplified approach, the loss allowance is recognised at an amount equal to lifetime ECL at each reporting date using historical loss rates for the respective risk categories and incorporating forward-looking estimates. Lifetime ECL may be estimated individually or collectively. For the credit risk on the financial assets an ongoing credit evaluation is performed on the financial condition of the debtors and any loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Note 19 discloses the cash balances. There was no identified impairment loss.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

25. Financial instruments: information on financial risks and other explanatory information (cont'd)

25E. Liquidity risk – financial liabilities maturity analysis

Liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity. The average credit period taken to settle current trade payables is about 60 days (2023: 60 days). The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual undiscounted cash flows):

Group	Less than 1 year \$'000	1 - 5 years \$'000	Total \$'000
<u>2024</u>			
Trade and other payables	43,570	–	43,570
Gross loans and borrowings	10,322	740	11,062
Gross lease liabilities	1,439	1,959	3,398
At end of the year	55,331	2,699	58,030
<u>2023</u>			
Trade and other payables	44,293	–	44,293
Gross loans and borrowings	1,535	2,430	3,965
Gross lease liabilities	1,371	2,590	3,961
At end of the year	47,199	5,020	52,219

There are no liabilities contracted to fall due after twelve months at the end of the reporting year for the Company.

The undiscounted amounts on the borrowings with fixed and floating interest rates are determined by reference to the conditions existing at the reporting date.

The above amounts disclosed in the maturity analysis are the contractual undiscounted cash flows and such undiscounted cash flows differ from the amount included in the statement of financial position. When the counterparty has a choice of when an amount is paid, the liability is included based on the earliest date on which it can be required to pay.

Financial guarantee contracts

Company	Less than 1 year \$'000
<u>2024</u>	
Financial guarantee contracts – in favour of subsidiaries	10,259
<u>2023</u>	
Financial guarantee contracts – in favour of subsidiaries	1,250

The above table shows the maturity analysis of the contingent liabilities from financial guarantees. For issued financial guarantee contracts the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called. At the end of the reporting year, no claims on the financial guarantees are expected to be payable.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

25. Financial instruments: information on financial risks and other explanatory information (cont'd)

25E. Liquidity risk – financial liabilities maturity analysis (cont'd)

The Company provides financial guarantees to financial institutions for banking facilities granted to subsidiaries (see Note 23). These financial guarantees are provided without charge.

Bank facilities	Group	
	2024 \$'000	2023 \$'000
Undrawn borrowing facilities	13,489	22,350

The undrawn borrowing facilities are available for operating activities and to settle other commitments. Borrowing facilities are maintained to ensure funds are available for the operations. A schedule showing the maturity of financial liabilities and unused bank facilities is provided regularly to management to assist in monitoring the liquidity risk.

25F. Interest rate risk

Interest rate risk arises on interest-bearing financial instruments recognised in the statement of financial position and on some financial instruments not recognised in the statement of financial position.

The following table analyses the breakdown of the significant financial instruments by type of interest rate:

	Group	
	2024 \$'000	2023 \$'000
<u>Financial liabilities with interest</u>		
Fixed rates	3,126	3,593
Floating rates	10,988	3,229
Total at end of the year	14,114	6,822

The floating rate debt instruments are with interest rates that are re-set at regular intervals. The interest rates are disclosed in the respective notes.

Sensitivity analysis: The effect on pre-tax profit is not significant.

25G. Foreign currency risk

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency that is a currency other than the functional currency in which they are measured. Currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

25. Financial instruments: information on financial risks and other explanatory information (cont'd)

25G. Foreign currency risk (cont'd)

Analysis of amounts denominated in non-functional currencies:

Group	US		Vietnam	Indo	Total
	Dollar	Euro	Dong	Rupiah	
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 31 December 2024					
<u>Financial assets</u>					
Cash and cash equivalents	546	1,397	113	2	2,058
Loan and receivables	16	13,512	–	1,586	15,114
Total financial assets	562	14,909	113	1,588	17,172
<u>Financial liabilities</u>					
Trade and other payables	(4,343)	(17,121)	(123)	(466)	(22,053)
Loan payables	(2,108)	–	–	–	(2,108)
Total financial liabilities	(6,451)	(17,121)	(123)	(466)	(24,161)
Net financial (liabilities) assets at end of the year	(5,889)	(2,212)	(10)	1,122	(6,989)
As at 31 December 2023					
<u>Financial assets</u>					
Cash and cash equivalents	508	1,017	125	3	1,653
Loan and receivables	1,187	7,486	–	4,483	13,156
Total financial assets	1,695	8,503	125	4,486	14,809
<u>Financial liabilities</u>					
Trade and other payables	(2,732)	(17,464)	(165)	(184)	(20,545)
Total financial liabilities	(2,732)	(17,464)	(165)	(184)	(20,545)
Net financial (liabilities) assets at end of the year	(1,037)	(8,961)	(40)	4,302	(5,736)

There is no significant foreign currency risk at the Company level.

There is exposure to foreign currency risk as part of its normal business.

Sensitivity analysis:

	Group	
	2024	2023
	\$'000	\$'000
A hypothetical 10% strengthening in the exchange rate of the functional currency \$ against the US Dollars with all other variables held constant would have a favourable effect on pre-tax profit of	589	104
A hypothetical 10% strengthening in the exchange rate of the functional currency \$ against the Euro with all other variables held constant would have a favourable effect on pre-tax profit of	221	896

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

25. Financial instruments: information on financial risks and other explanatory information (cont'd)

25G. Foreign currency risk (cont'd)

Sensitivity analysis:

	Group	
	2024	2023
	\$'000	\$'000
A hypothetical 10% strengthening in the exchange rate of the functional currency \$ against the Indo Rupiah with all other variables held constant would have an adverse effect on pre-tax profit of	(112)	(430)

The above table shows sensitivity to the hypothetical percentage variations in the functional currency against the relevant non-functional foreign currencies. The sensitivity rate used is the reasonably possible change in foreign exchange rates. For similar rate weakening of the functional currency against the relevant foreign currencies above, there would be comparable impacts in the opposite direction.

In management's opinion, the above sensitivity analysis is unrepresentative of the foreign currency risks as the historical exposure does not reflect the exposure in future.

The hypothetical changes in exchange rates are not based on observable market data (unobservable inputs). The sensitivity analysis is disclosed for each non-functional currency to which the entity has significant exposure at end of the reporting year. The analysis above has been carried out on the basis that there are no hedged transactions.

26. Items in profit or loss

In addition to the profit or loss line items disclosed elsewhere in the notes to the financial statements, this item includes the following expenses:

	Group	
	2024	2023
	\$'000	\$'000
Audit fees to the independent auditor of the Company	200	184
Audit fees to other independent auditors	36	28
Non-audit related services fees to the independent auditor of the Company, including its affiliated firms	63	85

27. Acquisition of a subsidiary

On 17 October 2023, the Group's wholly-owned subsidiary, Hyphens Pharma Pte. Ltd. ("HPPL"), entered into two (2) sale and purchase agreements ("SPAs") with IREG Solution Sdn Bhd ("IREG") and Lee Pak Hsiung (collectively, the "Vendors") respectively to acquire the remaining 58% of the issued and paid up shares in the share capital of Ardence Pharma Sdn. Bhd. ("Ardence Pharma") (the "Sale Shares") over three (3) tranches.

Ardence Pharma is a boutique pharmaceutical company specialising in aesthetic medicine. Prior to the signing of the SPAs, the Group owned 42% shareholding in Ardence Pharma through Ardence Aesthetics Pte. Ltd.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

27. Acquisition of a subsidiary (cont'd)

The sale and purchase of the Sale Shares was to be completed in three (3) tranches as follows:

- (a) the sale and purchase of 46,000 Sale Shares from the Vendors representing 23% of the total issued and paid-up share capital of Ardence Pharma ("Tranche 1 Sale Shares") shall complete on or before the third (3rd) business day immediately succeeding the date of the SPAs or such other date as may be agreed between HPPL and IREG ("Tranche 1 Completion");
- (b) the sale and purchase of 34,000 Sale Shares representing 17% of the total issued and paid-up shares of Ardence Pharma ("Tranche 2 Sale Shares") shall complete on the tenth (10th) business day following the expiry of 45 days from the issuance of the audited accounts of Ardence Pharma for the financial year ending 31 December ("FY") 2024 or such other date as may be agreed between HPPL and IREG ("Tranche 2 Completion"); and
- (c) the sale and purchase of 36,000 Shares representing 18% respectively of the total issued and paid-up shares of Ardence Pharma ("Tranche 3 Sale Shares") shall complete on the tenth (10th) business day following the expiry of 45 days from the issuance of the audited accounts of Ardence Pharma for FY2025, or where deferred by IREG in exercise of its rights in the event that the EBITDA for FY2025 is lower than the EBITDA for FY2024, the audited accounts of Ardence Pharma for FY2026, or such other date as may be agreed between HPPL and IREG ("Tranche 3 Completion").

Tranche 1 Completion took place on 8 November 2023 and correspondingly the shareholding held by the Group in Ardence Pharma increased to 65%. As a result of the Tranche 1 Completion, the Group has also gained control over Ardence Pharma, resulting in it accounted as a subsidiary of the Group in 2023.

Tranche 2 Completion has not taken place at the date of this report.

Management has finalised the purchase price allocation in 2023 and identified the fair value of the identifiable assets, liabilities and contingent liabilities at date of acquisition as follows:

	Fair values
	\$'000
Plant and equipment, including right-of-use assets	54
Intangible assets	2,336
Inventories	745
Trade and other receivables	765
Prepayments and deposits	120
Cash and cash equivalents	1,174
Income tax payable	(220)
Trade and other payables	(629)
Deferred tax liabilities	(621)
Net assets	3,724
Non-controlling interest measured at fair value ^(a)	(1,304)
Fair value of the Group's equity interest in Ardence Pharma before the business combination ^(b)	(3,232)
Fair value of option (derivative) (Note 23D)	90
Goodwill arising on acquisition	2,582
Purchase consideration transferred in cash	1,860

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

27. Acquisition of a subsidiary (cont'd)

	\$'000
Net cash outflow arising on acquisition	
Cash consideration	1,860
Transaction costs of the acquisition ^(c)	65
Less: Cash and cash equivalent balances acquired	(1,174)
Net cash flow on acquisition	751

- (a) The non-controlling interest of 35% in the acquiree at the acquisition date was measured based on the non-controlling interest's proportionate share of the acquiree's net identifiable assets.
- (b) Prior to the Acquisition, the carrying value of Ardence Pharma using the equity method was \$3,067,000. The previously held equity interest is remeasured to fair value at the date of acquisition, resulting in recognition of a gain of \$165,000. The gain is taken to profit or loss as other income and gains (see Note 6).
- (c) Transaction costs of \$65,000 were expensed and included in administrative expenses.

28. Events after the end of the reporting year

Subsequent to the end of the reporting year, on 26 February 2025, the Group injected an additional capital of THB 750,000 (\$30,905) into Hyphens Pharma (Thailand) Limited.

29. Changes and adoption of financial reporting standards

For the current reporting year, the ASC issued certain new or revised financial reporting standards. None had a material impact on the reporting entity.

30. New or amended standards in issue but not yet effective

The ASC issued certain new or revised financial reporting standards for the future reporting years. The transfer to the applicable new or revised standards from the effective dates is not expected to result in material modification of the measurement methods or the presentation in the financial statements for the following reporting year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the entity's financial statements in the period of initial application. Those applicable to the reporting entity for future reporting years are listed below:

SFRS (I) No.	Title	Effective date for periods beginning on or after
SFRS(I) 18	Presentation and disclosures in financial statements	1 January 2027

SFRS(I) 18 Presentation and Disclosure in Financial Statements. It replaces SFRS(I) 1-1. The new version includes (a) revised presentation of specified categories and defined subtotals in the statement of profit or loss; (b) new disclosures on management-defined performance measures in the notes to the financial statements; and (c) improved disclosures of aggregation and disaggregation of balances.

STATISTICS OF SHAREHOLDINGS AS AT 14 MARCH 2025

SHARE CAPITAL

Number of Issued Shares	:	309,198,200
Class of shares	:	Ordinary shares
Voting rights	:	1 vote for each ordinary share
Number of treasury shares	:	321,200 (0.1% of total issued shares)
Number of subsidiary holdings	:	Nil

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	1	0.08	60	0.00
100 - 1,000	94	7.13	64,340	0.02
1,001 - 10,000	665	50.42	3,773,600	1.22
10,001 - 1,000,000	546	41.38	34,021,156	11.02
1,000,001 and above	13	1.14	271,017,844	87.74
TOTAL	1,319	100.00	308,877,000	100.00

SHAREHOLDING HELD BY THE PUBLIC

Based on the information available to the Company as at 14 March 2025, approximately 23.85% of the issued ordinary shares of the Company is held in the hands of the public as defined in the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "Catalist Rules"). Accordingly, Rule 723 of the Catalist Rules is complied with.

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	DBS NOMINEES (PRIVATE) LIMITED	174,346,841	56.45
2	TAN KIA KING	58,003,759	18.78
3	CITIBANK NOMINEES SINGAPORE PTE LTD	18,815,244	6.09
4	PHILLIP SECURITIES PTE LTD	5,716,400	1.85
5	BPSS NOMINEES SINGAPORE (PTE.) LTD.	4,000,400	1.30
6	RAFFLES NOMINEES (PTE.) LIMITED	1,874,600	0.61
7	ONG POH LIM @ ONG PAO LIM	1,520,000	0.49
8	TAN WEI PING (CHEN WEIBIN)	1,227,200	0.40
9	ONG ENG SAI	1,140,000	0.37
10	MAYBANK SECURITIES PTE. LTD.	1,138,600	0.37
11	LEE YEOW HWEE OR TANG BOON LUI (CHEN WENLEI)	1,100,000	0.36
12	WONG POH HWA @ KWAI SENG	1,072,000	0.35
13	IFAST FINANCIAL PTE. LTD.	1,062,800	0.34
14	UOB KAY HIAN PRIVATE LIMITED	795,600	0.26
15	JAMES ALVIN LOW YIEW HOCK	783,800	0.25
16	OCBC SECURITIES PRIVATE LIMITED	756,600	0.24
17	YANN ALAIN MARCHE	673,700	0.22
18	KOH SEW LEAN	630,000	0.20
19	HSBC (SINGAPORE) NOMINEES PTE LTD	569,756	0.18
20	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	539,200	0.17
TOTAL		275,766,500	89.28

STATISTICS OF SHAREHOLDINGS AS AT 14 MARCH 2025

SUBSTANTIAL SHAREHOLDERS AS AT 14 MARCH 2025

No.	Name of Shareholder	Direct Interest	Deemed Interest	Total	% ⁽¹⁾
		No. of Shares	No. of Shares		
1.	Inomed Holding Pte Ltd ⁽²⁾	-	147,656,441	147,656,441	47.80
2.	Lim See Wah ⁽³⁾	-	147,656,441	147,656,441	47.80
3.	Tan Kia King ⁽⁴⁾	58,003,759	28,676,000	86,679,759	28.06

Notes:

- (1) Based on the total issued and paid-up share capital of the Company of 308,877,000 ordinary shares (excluding Treasury Shares and Subsidiary Holdings) as 14 March 2025.
- (2) Inomed Holding Pte Ltd's ("**Inomed**") deemed interest arises from their Shares held through DBS Nominees (Private) Limited.
- (3) Mr Lim See Wah ("**Mr Lim**") holds 100% of the shares in Inomed. Accordingly, Mr Lim is deemed interested in the 147,656,441 Shares in the Company held by Inomed through DBS Nominee (Private) Limited by virtue of Section 4 of the Securities and Futures Act 2001.
- (4) Dr Tan Kia King's deemed interest arises from his 17,832,000 ordinary shares held through DBS Nominees (Private) Limited, 10,800,000 ordinary shares held through Citibank Nominees Singapore Pte Ltd, and 44,000 ordinary shares held through OCBC Nominees Singapore Private Limited.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 7th Annual General Meeting (“**AGM**”) of the Company 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. to transact the following business:

AS ORDINARY BUSINESS

- | | |
|--|---------------------|
| 1. To receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2024 together with the Auditors’ Report. | Resolution 1 |
| 2. To declare a final tax exempt (one-tier) dividend of 1.50 Singapore cents per ordinary share for the financial year ended 31 December 2024. | Resolution 2 |
| 3. To re-elect Mr Lim See Wah who is retiring pursuant to Regulation 97 of the Company’s Constitution, as a Director of the Company. | Resolution 3 |
| 4. To re-elect Ms Tan Seok Hoong @ Mrs Audrey Liow who is retiring pursuant to Regulation 97 of the Company’s Constitution, as a Director of the Company. | Resolution 4 |
| 5. To approve the payment of Directors’ fees of S\$257,000 for the financial year ended 31 December 2024. | Resolution 5 |
| 6. To re-appoint RSM SG Assurance LLP as the Auditors of the Company and to authorise the Directors to fix their remuneration. | Resolution 6 |

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without amendments:

- | | |
|--|---------------------|
| 7. Authority to allot and issue new shares and convertible securities | Resolution 7 |
|--|---------------------|

That pursuant to Section 161 of the Companies Act 1967 of Singapore (“**Companies Act**”) and Rule 806 of the Singapore Exchange Securities Trading Limited (“**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 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 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;

NOTICE OF ANNUAL GENERAL MEETING

- (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.

Adjustments in accordance with sub-paragraphs (a) and (b) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of the resolution approving this resolution;

- (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), the Companies Act 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.

8. **Grant awards and to allot and issue shares in accordance with Hyphens Performance Share Plan** **Resolution 8**

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

- (i) offer and grant awards in accordance with the provisions of the Hyphens Performance Share Plan (the "**Performance Share Plan**"); and
- (ii) allot 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 (as defined below) 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.

9. **Grant options and to allot and issue shares in accordance with Hyphens Employee Share Option Scheme** **Resolution 9**

That pursuant to Section 161 of the Companies Act and the Catalist Rules, 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) 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.

NOTICE OF ANNUAL GENERAL MEETING

10. The proposed renewal of the share buy-back mandate

Resolution 10

That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of: (i) market purchases (each a **"Market Purchase"**) on the SGX-ST; and/or (ii) off-market purchases (each an **"Off-Market Purchase"**) effected otherwise than on the SGX-ST in accordance with any equal access schemes as may be determined or formulated by the Directors of the Company as they may, in their absolute discretion, deem fit, which schemes shall satisfy all the conditions prescribed by the Companies Act, and otherwise in accordance with all other laws, regulations and rules of the SGX-ST as may for the time being be applicable (the **"Share Buy-back Mandate"**);
- (b) the Directors of the Company may impose such terms and conditions which are not inconsistent with the Share Buy-back Mandate, the listing rules of the SGX-ST and the Companies Act, as they consider fit and in the interests of the Company in connection with or in relation to any equal access scheme(s);
- (c) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Buy-back Mandate shall, at the absolute discretion of the Directors of the Company, either be cancelled or held in treasury and dealt with in accordance with the Companies Act;
- (d) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buy-back Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:
 - (i) the date on which the next AGM is held or is required by law to be held;
 - (ii) the date on which the share buy-backs are carried out to the full extent mandated; or
 - (iii) the date on which the authority contained in the Share Buy-back Mandate is varied or revoked by the Company in a general meeting;
- (e) in this Resolution:

"Prescribed Limit" means the number of issued Shares representing not more than 10% of the total number of issued Shares (excluding Treasury Shares and Subsidiary Holdings), ascertained as at the date of the last AGM held before the passing of this Resolution or as at the date of passing of this Resolution, whichever is higher, unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the total number of Shares shall be taken to be the total number of Shares as altered;

"Relevant Period" means the period commencing on and from the Approval Date, up to the earliest of:

- (i) the date on which the next AGM of the Company is held or required by law to be held;
- (ii) the date on which the Share Buy-backs pursuant to the Share Buy-back Mandate are carried out to the full extent mandated; or

NOTICE OF ANNUAL GENERAL MEETING

- (iii) the date on which the authority conferred by the Share Buy-back Mandate is varied or revoked by the Shareholders in a general meeting,

"Maximum Price" in relation to a Share to be purchased, means an amount (excluding brokerage, commission, stamp duties, applicable goods and services tax, clearance fees and other related expenses) not exceeding:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price; and
- (ii) in the case of an Off-Market Purchase, 120% of the Average Closing Price,

where:

"Average Closing Price" means: (A) the average of the closing market prices of the Shares over the last five (5) Market Days, on which transactions in the Shares were recorded, before the day on which the Market Purchase was made or, as the case may be, before the date of making an announcement by the Company of an offer for an Off-Market Purchase; and (B) deemed to be adjusted for any corporate action that occurs after the relevant five-day period and the day on which the purchases are made; and

"day of the making of the offer" means the day on which the Company announces its intention to make an offer for the purchase of Shares from shareholders of the Company, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

- (f) the Directors of the Company and each of them be and are hereby authorised and empowered to complete and do all such acts and things (including without limitation, to execute all such documents as may be required and to approve any amendments, alterations or modifications to any documents), as they/he/she may consider necessary, desirable or expedient to give effect to the transactions contemplated by this Resolution.

11. To transact any other business which may be properly transacted at an AGM of the Company.

By Order of the Board

Lim Sher Mei
Company Secretary

Date: 11 April 2025

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

Resolution 3

Mr Lim See Wah shall, upon re-election as Director of the Company, remain as the Executive Chairman and CEO of the Company.

Resolution 4

Ms Tan Seok Hoong @ Mrs Audrey Liow shall, upon re-election as Director of the Company, remain as an Independent Director, the Chairman of the Nominating Committee and a member of the Audit Committee of the Company and shall be considered independent for the purposes of Rule 704(7) of the Catalist Rules.

Resolution 7

Resolution 7 is to empower the Directors of the Company from the date of this AGM until the date of the next AGM, to allot and issue shares and convertible securities in the Company. The number of shares and convertible securities, which the Directors may allot and issue under this Resolution shall not exceed 100% of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) at the time of passing this Resolution. For allotment and issue of shares and convertible securities other than on a pro-rata basis to all shareholders of the Company, the aggregate number of shares and convertible securities to be allotted and issued shall not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any). This authority will, unless revoked or varied at a general meeting, expire at the next AGM, or by the date by which the next AGM is required by law to be held, whichever is earlier.

Resolution 8

Resolution 8 is to empower the Directors to grant awards and to allot and issue shares pursuant to the Performance Share Plan. The grant of awards under the Performance Share Plan will be made in accordance with the provisions of the Performance Share Plan. The aggregate number of shares which may be issued pursuant to the Performance Share Plan and the Share Option Scheme shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) from time to time.

Resolution 9

Resolution 9 is to empower the Directors to offer and grant options, and to allot and issue shares pursuant to the Share Option Scheme. The grant of options under the Scheme will be made in accordance with the provisions of the Share Option Scheme. The aggregate number of shares which may be issued pursuant to the Performance Share Plan and Share Option Scheme shall not exceed 15% of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) from time to time.

Resolution 10

Resolution 10, if passed, will empower the Directors, from the date of the AGM until the date on which the next AGM is to be held or is required by law to be held, the date on which the share buy-back is carried out to the full extent mandated, or the date on which the authority contained in the Share Buy-back Mandate is varied or revoked by the Company in a general meeting, whichever is the earliest, to make purchases (whether by way of market purchases or off-market purchases on an equal access scheme) from time to time of up to the Prescribed Limit at prices up to but not exceeding the Maximum Price. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Buy-back Mandate are set out in greater detail in the Appendix accompanying this notice in the Annual Report.

NOTICE OF ANNUAL GENERAL MEETING

NOTES

1. The members of the Company are invited to attend the AGM physically. **There will be no option for members to participate virtually.** Printed copies of this Notice of AGM, Proxy Form and the Request Form for members to request for a printed copy of the Annual Report (the “**Request Form**”) will be sent to members. Copies of the Annual Report are available to members by electronic means via publication on the Company’s website at the URL <https://www.hyphensgroup.com/investor-relations/sgx-announcements/> and on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. A member will need an internet browser and PDF reader to view these documents. Members who wish to request for printed copies of the Annual Report will need to complete and return the Request Form, by sending it back by post to the address stated on the Request Form to reach by 18 April 2025.
2. Members (including Supplementary Retirement Scheme investors (“**SRS Investors**”)) may participate in the AGM by:
 - (a) attending the AGM in person;
 - (b) raising questions at the AGM or submitting questions in advance of the AGM; and/ or
 - (c) voting at the AGM (i) themselves personally; or (ii) through their duly appointed proxy(ies).

SRS Investors who wish to appoint the Chairman of the AGM (and not third-party proxy(ies)) as proxy should approach their respective SRS Operators to submit their votes by 5:00 p.m. on 15 April 2025, being seven (7) working days prior to the date of the AGM. Please bring along your NRIC/passport so as to enable the Company to verify your identity. Members are requested to arrive early to facilitate the registration process and are advised not to attend the AGM if they are feeling unwell.

3. A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote on his/her/its behalf at the AGM. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a member of the Company.

Where such member appoints two (2) proxies, the proportion of his shareholding to be represented by each proxy shall be specified. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his name in the Depository Register and any second named proxy as an alternate to the first named.

4. A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

“**Relevant Intermediary**” has the meaning prescribed to it in Section 181 of the Companies Act:

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; and
 - (b) a person holding a capital markets services licence to provide under the Securities and Futures Act and who holds shares in that capacity.
5. A member can appoint the Chairman of the AGM as his/her/its proxy **but this is not mandatory.**

If a member wishes to appoint the Chairman of the AGM as proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the AGM as proxy. If no specific direction as to voting or abstentions from voting in respect of a resolution in the form of proxy, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

NOTICE OF ANNUAL GENERAL MEETING

6. The duly executed Proxy Form must be submitted to the Company in the following manner:
- (a) if submitted by hand or by post, to the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632; or
 - (b) if submitted electronically, be submitted via email to the Company's Share Registrar at srs.proxy@boardroomlimited.com.

in either case, not less than 72 hours before the time appointed for holding the AGM (and any adjournment thereof), i.e. by no later than **10:00 a.m. on 25 April 2025**. **Members are strongly encouraged to submit the completed proxy forms electronically by email.**

If a proxy is to be appointed, the instrument appointing the proxy must be signed by the appointor on his/her/its attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised. The Proxy Form has been uploaded together with the Notice of AGM on SGXNet on the same day.

Where the instrument appointing a proxy or proxies is submitted by email, it must be authorised in the following manner:

- (a) by way of the affixation of an electronic signature by the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation; or
- (b) by way of the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation signing the instrument under hand and submitting a scanned copy of the signed instrument by email.

Where this instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney or a notarially certified copy thereof (failing previous registration with the Company) must be lodged with this instrument of proxy, failing which this instrument of proxy may be treated as invalid.

In appointing a proxy, if no specific directions as to voting is given by a member, the proxy/proxies (except where the Chairman of the AGM is appointed as the member's proxy) will vote or abstain from voting at his/her/their discretion on any matter arising at the AGM and at any adjournment thereof.

The Company shall be entitled to reject a Proxy Form if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument (such as in the case where the appointor submits more than one instrument of proxy).

In the case of shares entered in the Depository Register, a Depositor's name must appear on the Depository Register maintained by CDP as at 72 hours before the time fixed for holding the AGM in order for the Depositor to be entitled to appoint the proxy.

7. Member's Queries

Members may raise questions at the AGM or submit questions related to the resolutions to be tabled for approval at the AGM, in advance of the AGM, in the following manner by **18 April 2025** (the "**Cut-off Time**"):

- (a) in hard copy by sending personally or by post and lodging the same at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632; or
- (b) by email to Boardroom Corporate & Advisory Services Pte. Ltd. at srs.teamE@boardroomlimited.com.

NOTICE OF ANNUAL GENERAL MEETING

For verification purpose, when submitting any questions by post or via email, members MUST provide the Company with their particulars (comprising full name (for individuals)/ company name (for corporates), email address, contact number, NRIC/ passport number/ company registration number, shareholding type and number of shares held).

The Company will endeavour to address substantial and relevant questions (determined by the Company in its sole discretion) to the resolutions to be tabled for approval at the AGM by way of an announcement to be released on SGXNet and on the Company's website by **22 April 2025** (being, no later than 48 hours before the closing date and time for the lodgement of the Proxy Forms).

Any subsequent clarification sought by members after the Cut-off Time will be addressed at the AGM. Members may also ask questions during the AGM.

The minutes of the AGM will be published on SGXNet within one (1) month after the date of the AGM.

PERSONAL DATA PRIVACY

By submitting an instrument appointing the proxy(ies) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

NOTICE OF RECORD AND PAYMENT DATE

NOTICE IS HEREBY GIVEN that the Register of Members and Share Transfer Books of the Company will be closed on 9 May 2025 for the purpose of determining members' entitlements to a final tax exempt (one-tier) dividend of 1.50 Singapore cents per ordinary share for the financial year ended 31 December 2024 ("**Proposed Final Dividend**"). The Proposed Final Dividend, if approved by shareholders at the AGM, will be paid on 23 May 2025.

Duly completed transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632 up to the close of business at **5:00 p.m. on 8 May 2025** will be registered to determine members' entitlements to the Proposed Final Dividend.

Members whose Securities Accounts with The Central Depository (Pte) Limited ("**CDP**") are credited with ordinary shares in the capital of the Company as at 5:00 p.m. on 8 May 2025 will be entitled to the Proposed Final Dividend.

In respect of shares in Securities Accounts with CDP, the Proposed Final Dividend will be paid by the Company to CDP which will in turn distribute the dividend entitlements to such holders of shares in accordance with its practice.

INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Lim See Wah and Ms Tan Seok Hoong @ Mrs Audrey Liow are the Directors seeking re-election at the forthcoming AGM of the Company. Pursuant to Rule 720(5) of the Catalist Rules, the information as set out in Appendix 7F to the Catalist Rules relating to Mr Lim See Wah and Ms Tan Seok Hoong @ Mrs Audrey Liow, being the Directors who are retiring in accordance with the Company's Constitution at the forthcoming AGM, are set out below and to be read with their profile under the section entitled "Board of Directors" of this Annual Report:

	Mr Lim See Wah	Ms Tan Seok Hoong @ Mrs Audrey Liow
Date of Appointment	12 December 2017	29 July 2019
Date of last re-appointment	27 April 2022	27 April 2022
Age	57	65
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board, having considered the recommendation of the NC and assessed Mr Lim See Wah's overall contributions and performance, is of the view that he is suitable for re-appointment as the Chairman of the Board and an Executive Director of the Company.	The Board, having considered the recommendation of the NC and assessed Mrs Audrey Liow's overall contributions and performance as well as her independence, is of the view that she is suitable for re-appointment as an Independent Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive - Overseeing the overall operations of the Group and managing its strategic direction.	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Chairman of the Board, Executive Director & CEO	Independent Director, Chairman of Nominating Committee and Member of Audit Committee
Professional Qualifications	Bachelor of Science (Pharmacy) with Honours, National University of Singapore	Bachelor of Science, National University of Singapore
Working experience and occupation(s) during the past 10 years	Please refer to the "Board of Directors" in the Annual Report.	Please refer to the "Board of Directors" in the Annual Report.
Shareholding interest in the listed issuer and its subsidiaries	Deemed Interest in 147,656,441 (47.80%) ordinary shares in the Company.	Nil

INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Lim See Wah	Ms Tan Seok Hoong @ Mrs Audrey Liow
Any relationship (including immediate family relationships with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries)	No	No
Conflict of Interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Past Directorship (for the last 5 years)	DAC Pharmalab Pte Ltd (struck off)	C-Quest Capital SGT Asia Stoves Private Limited
Present Directorship	<p>Singapore</p> <ul style="list-style-type: none"> • Hyphens Pharma Pte. Ltd. • Pan-Malayan Pharmaceuticals Pte Ltd • Ocean Health Pte. Ltd. • DocMed Technology Pte. Ltd. • DocMed Lyth Pte. Ltd. • Novem Healthcare Pte Ltd • Novem Pharma Private Limited • Ardence Aesthetics Pte. Ltd. • Inomed Holding Pte Ltd • LTT Investments Pte. Ltd. <p>Malaysia</p> <ul style="list-style-type: none"> • Hyphens Pharma Sdn. Bhd. • TechMed Sdn. Bhd. • Ardence Pharma Sdn. Bhd. <p>The Philippines</p> <ul style="list-style-type: none"> • Hyphens Pharma Philippines Inc. <p>Thailand</p> <ul style="list-style-type: none"> • Hyphens Pharma (Thailand) Limited 	<p>Singapore</p> <ul style="list-style-type: none"> • Venture Corporation Limited • Heliconia Capital Management Pte. Ltd.

INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Lim See Wah	Ms Tan Seok Hoong @ Mrs Audrey Liow
<p>Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.</p>		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No

INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Lim See Wah	Ms Tan Seok Hoong @ Mrs Audrey Liow
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No

INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Lim See Wah	Ms Tan Seok Hoong @ Mrs Audrey Liow
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No

INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Lim See Wah	Ms Tan Seok Hoong @ Mrs Audrey Liow
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

APPENDIX

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR ATTENTION. PLEASE READ IT CAREFULLY.

IF YOU ARE IN DOUBT ABOUT THE CONTENTS OF THIS APPENDIX OR THE ACTION THAT YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, TAX ADVISER OR OTHER PROFESSIONAL ADVISER(S) IMMEDIATELY.

This appendix (the “**Appendix**”) is circulated to the shareholders of Hyphens Pharma International Limited (the “**Company**”), together with the Company’s annual report for the financial year ended 31 December 2024 (the “**Annual Report**”). The Notice of the AGM (as defined herein) and the accompanying proxy form are enclosed with the Annual Report.

If you have sold or transferred all your Shares (as defined herein) in the capital of the Company held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward this Appendix to the purchaser or transferee. If you have sold or transferred all your Shares represented by physical share certificate(s), you should at once hand the Annual Report (including the Notice of AGM and the proxy form) and this Appendix immediately to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

This Appendix has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, SAC Capital Private Limited (the “**Sponsor**”). This Appendix 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 Appendix, including the correctness of any statements or opinions made, or reports contained in this Appendix.

The contact person for the Sponsor is Ms. Lee Khai Yinn, who can be contacted at 1 Robinson Road, #21-01 AIA Tower, Singapore 048542, Telephone: +65 6232 3210.



HYPHENS PHARMA INTERNATIONAL LIMITED

(Company Registration No. 201735688C)

(Incorporated in the Republic of Singapore)

APPENDIX TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

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APPENDIX

DEFINITIONS

In this Appendix, except where the context otherwise requires, the following definitions shall apply throughout:

"AGM"	:	the annual general meeting of the Company
"Annual Report"	:	the annual report of the Company for the financial year ended 31 December 2024
"Appendix"	:	this appendix to Shareholders dated 11 April 2025
"Approval Date"	:	has the meaning ascribed to it in Section 2.3(a) of this Appendix
"Associate"	:	(a) in relation to any individual, including a Director, CEO, Substantial Shareholder or Controlling Shareholder (being an individual) means: <ul style="list-style-type: none"> (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; <p>(b) in relation to a Substantial Shareholder or Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more</p>
"Average Closing Price"	:	has the meaning ascribed to it in Section 2.3(e) of this Appendix
"Board"	:	the board of Directors of the Company as at the date of this Appendix or from time to time, as the case may be
"Catalist"	:	the Catalist board of the SGX-ST
"Catalist Rules"	:	the SGX-ST Listing Manual Section B: Rules of Catalist, as may be amended, modified or supplemented from time to time
"CDP"	:	The Central Depository (Pte) Limited
"CEO"	:	Chief Executive Officer or the most senior executive officer who is responsible under the immediate authority of the board of directors for the conduct of the business
"Company"	:	Hyphens Pharma International Limited
"Companies Act"	:	the Companies Act 1967 of Singapore, as may be amended, modified or supplemented from time to time
"Concert Parties"	:	has the meaning ascribed to it in Section 2.11(c) of this Appendix
"Constitution"	:	the Constitution of the Company, as may be amended, modified or supplemented from time to time
"control"	:	the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company

APPENDIX

DEFINITIONS

"Controlling Shareholder"	:	a person who: <ul style="list-style-type: none"> (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in a company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or (b) in fact exercises control over a company
"Director"	:	a director of the Company as at the date of this Appendix or from time to time, as the case may be
"EPS"	:	earnings per share
"Group"	:	the Company and its subsidiaries
"Inomed"	:	Inomed Holding Pte Ltd
"Latest Practicable Date"	:	14 March 2025, being the latest practicable date prior to the issue of this Appendix
"Market Day"	:	a day on which the SGX-ST (or the recognised stock exchange, as the case may be) is open for trading in securities
"Market Purchase"	:	has the meaning ascribed to it in Section 2.3(c)(i) of this Appendix
"Maximum Price"	:	has the meaning ascribed to it in Section 2.3(e) of this Appendix
"Notice of AGM"	:	the notice of AGM dated 11 April 2025
"NTA"	:	net tangible assets
"Off-Market Purchase"	:	has the meaning ascribed to it in Section 2.3(c)(ii) of this Appendix
"Registrar"	:	has the meaning ascribed to it in Section 2.12 of this Appendix
"Relevant Period"	:	has the meaning ascribed to it in Section 2.3(b) of this Appendix
"Securities Accounts"	:	the securities accounts maintained by Depositors with CDP, but not including the securities accounts maintained with a Depository Agent
"SFA"	:	the Securities and Futures Act 2001 of Singapore, as may be amended, modified or supplemented from time to time
"SGXNet"	:	Singapore Exchange Network, a system network used by listed companies in sending information and announcements to the SGX-ST or any other system networks prescribed by the SGX-ST
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"Share Buy-back"	:	the purchase or acquisition of issued Share(s) by the Company pursuant to the Share Buy-back Mandate
"Share Buy-back Mandate"	:	the general and unconditional mandate given by Shareholders to authorise the Directors to exercise all powers of the Company to purchase or otherwise acquire, on behalf of the Company, issued Shares within the Relevant Period in accordance with the terms set out in this Appendix, as well as the rules and regulations set forth in the Companies Act and the Catalist Rules
"Shares"	:	ordinary shares in the capital of the Company and "Share" shall be construed accordingly

APPENDIX

DEFINITIONS

"Shareholders"	:	registered holder(s) of Shares in the register of members of the Company, except where the registered holder is CDP, in which case the term "Shareholders" shall, in relation to such Shares, mean the Depositors who have Shares entered against their name in the Depository Register of CDP. Any reference to Shares held by or shareholdings of Shareholders shall include Shares standing to the credit of their respective Securities Accounts
"SIC"	:	Securities Industry Council
"Subsidiary Holdings"	:	Shares held by a subsidiary in accordance with the Companies Act
"Substantial Shareholder"	:	a person who has an interest or interests in voting Shares (excluding Treasury Shares and Subsidiary Holdings), representing not less than 5% of all the voting Shares
"Take-over Code"	:	the Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time
"Treasury Shares"	:	the Shares held in treasury by the Company
"S\$"	:	Singapore dollars, being the lawful currency of Singapore
"%"	:	per centum or percentage

Unless the context otherwise requires:

- (a) the terms **"Depositor"**, **"Depository Agent"** and **"Depository Register"** shall have the same meanings ascribed to them respectively in Section 81SF of the SFA;
- (b) the terms **"subsidiary"** and **"related corporations"** shall have the meanings ascribed to them respectively in Section 5 of the Companies Act;
- (c) words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. Unless the context otherwise requires, any references to persons shall include individuals, corporate bodies (wherever incorporated), unincorporated associations and partnerships;
- (d) any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA, the Catalist Rules or any statutory or regulatory modification thereof and not otherwise defined in this Appendix shall, where applicable, have the same meaning ascribed to it under the Companies Act, the SFA, the Catalist Rules or such modification thereof, as the case may be, unless the context otherwise requires;
- (e) any reference to a time of a day in this Appendix shall be a reference to Singapore time unless otherwise stated;
- (f) any discrepancies between the figures listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Appendix may not be an arithmetic aggregation of the figures that precede them; and
- (g) the headings in this Appendix are inserted for convenience only and shall be ignored in construing this Appendix.

APPENDIX

**HYPHENS PHARMA INTERNATIONAL LIMITED**

(Company Registration No. 201735688C)
(Incorporated in the Republic of Singapore)

Directors:

Mr. Lim See Wah (Chairman, Executive Director & CEO)
Dr. Tan Kia King (Non-Executive Director)
Mr. Heng Wee Koon (Lead Independent Director)
Mr. Ng Eng Leng (Independent Director)
Ms. Tan Seok Hoong @ Mrs. Audrey Liow (Independent Director)
Mr. Chan Kiat (Independent Director)

Registered Office:

16 Tai Seng Street
Level 4
Singapore 534138

11 April 2025

To: The Shareholders of the Company

Dear Sir/Madam,

THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE**1. INTRODUCTION****1.1. Annual General Meeting**

Reference is made to the Notice of AGM, accompanying the Annual Report, convening the AGM on 28 April 2025 and the Ordinary Resolution 10 in relation to the renewal of the Share Buy-back Mandate, under the heading "Special Business" set out in the Notice of AGM.

1.2. Purpose of this Appendix

The purpose of this Appendix is to provide the Shareholders with details in respect of the proposed renewal of the Share Buy-back Mandate.

2. THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE**2.1. The Share Buy-back Mandate**

At the extraordinary general meeting of the Company held on 26 April 2023, Shareholders approved the adoption of the Share Buy-back Mandate to enable the Company to purchase or otherwise acquire Shares in the capital of the Company. As the said Share Buy-back Mandate will expire on the forthcoming AGM, being 28 April 2025, the Directors propose that the Share Buy-back Mandate be renewed at the Company's forthcoming AGM.

The Companies Act allows a Singapore-incorporated company to purchase or otherwise acquire its issued ordinary shares, stocks and preference shares if the purchase or acquisition is permitted under the company's constitution. Any purchase of Shares by the Company will also have to be made in accordance with, and in the manner prescribed by, the Companies Act, the Catalist Rules, the Constitution and such other laws and regulations as may for the time being, be applicable.

As the Company is listed on the Catalist, it is also required to comply with Part XI of Chapter 8 of the Catalist Rules, which relates to the purchase or acquisition by an issuer of its own issued ordinary shares. Regulation 13(b) of the Constitution expressly permits the Company to purchase or otherwise acquire its issued Shares. It is a requirement under the Companies Act and the Catalist Rules for a company that wishes to purchase or otherwise acquire its own shares to obtain the approval of its shareholders.

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Accordingly, the Directors are proposing to seek the approval from Shareholders at the forthcoming AGM for the proposed renewal of the Share Buy-back Mandate. An ordinary resolution is being proposed, pursuant to which the Share Buy-back Mandate will be given to the Directors to exercise all powers of the Company to purchase or otherwise acquire Shares according to the terms of the Share Buy-back Mandate, as well as the rules and regulations set forth in the Companies Act and the Catalyst Rules.

If approved by Shareholders at the forthcoming AGM, the authority conferred by the Share Buy-back Mandate will take effect from the date of the forthcoming AGM at which the proposed renewal of the Share Buy-back Mandate is approved and continues to be in force for the duration of the Relevant Period, which is until the earliest of the date on which the next AGM is held or is required by law to be held, or when Share Buy-backs pursuant to a Share Buy-back Mandate are carried out to the full extent mandated, or the date the said mandate is varied or revoked by the Company in general meeting (whereupon it will lapse, unless renewed at such meeting).

2.2. Rationale for the Proposed Renewal of the Share Buy-back Mandate

The proposed renewal of the Share Buy-back Mandate will give the Company the flexibility to undertake Share Buy-backs at any time when circumstances permit, during the period when the Share Buy-back Mandate is in force. The Directors believe that the Share Buy-back Mandate will provide the Company with a mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements, in an expedient and cost-efficient manner. The Share Buy-back Mandate will also allow the Directors to exercise greater control over the Company's share capital structure, dividend pay-out and cash reserves, with a view to enhancing the NTA and/or EPS. The Directors further believe that Share Buy-backs may also buffer short-term share price volatility and offset the effects of share price speculation.

Share Buy-backs will only be undertaken if the Directors believe that it can benefit the Company and Shareholders, taking into consideration factors both financial and non-financial such as the amount of surplus cash available, prevailing market conditions and performance of Shares. Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buy-back Mandate may not be carried out to the full 10% limit as authorised. No purchase or acquisition of Shares will be made in circumstances which would have or may have a material adverse effect on the financial condition, liquidity and capital of the Company and the Group.

It should be noted that there can be no assurance that the proposed renewal of Share Buy-back Mandate or Share Buy-backs pursuant thereto will achieve any desired effect, and there can be no assurance that such effect (if achieved) can be sustained in the longer term.

2.3. Authority and Limits of the Share Buy-back Mandate

The authority and limits placed on the Share Buy-backs under the Share Buy-back Mandate are set out below:

(a) Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company pursuant to the Share Buy-back Mandate.

The total number of Shares which may be purchased or acquired pursuant to the Share Buy-back Mandate during the Relevant Period shall not exceed 10% of the total number of issued Shares (excluding Treasury Shares and Subsidiary Holdings) as at the date of the forthcoming AGM at which approval for the proposed renewal of the Share Buy-back Mandate is being sought (the "**Approval Date**").

For purposes of calculating the percentage of issued Shares, any Shares which are held as Treasury Shares and Subsidiary Holdings will be disregarded for the purpose of computing the 10% limit.

For illustrative purposes only, on the basis of 308,877,000 Shares in issue as at the Latest Practicable Date (excluding Treasury Shares and any Subsidiary Holdings), and assuming that no further Shares are issued on or prior to the Approval Date, the purchase or acquisition by the Company pursuant to the Share Buy-back Mandate of up to the maximum limit of 10% of its issued Shares will result in the purchase or acquisition of 30,887,700 Shares.

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(b) Duration of Authority

Under the Share Buy-back Mandate, Share Buy-backs may be made, at any time and from time to time, on and from the Approval Date up to:

- (i) the date on which the next AGM of the Company is held or required by law to be held;
- (ii) the date on which the Share Buy-backs pursuant to the Share Buy-back Mandate are carried out to the full extent mandated; or
- (iii) the date on which the authority conferred by the Share Buy-back Mandate is varied or revoked by the Shareholders in a general meeting,

whichever is the earliest ("**Relevant Period**").

The authority conferred on the Directors by the Share Buy-back Mandate to purchase Shares may be renewed at each subsequent AGM or other general meetings of the Company. When seeking the approval of Shareholders for the proposed renewal of the Share Buy-back Mandate, the Company is required to disclose details pertaining to any Share Buy-backs made during the previous 12 months, including both Off-Market Purchases and Market Purchases, the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such Share Buy-backs, where relevant, the total consideration paid for such Share Buy-backs and whether the Shares purchased by the Company will be cancelled or kept as Treasury Shares.

(c) Manner of Share Buy-back

Share Buy-backs may be made by way of:

- (i) an on-market purchase ("**Market Purchase**") transacted on SGX-ST through the SGX-ST trading system or, as the case may be, any other securities exchange on which the Shares may, for the time being, be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (ii) an off-market purchase ("**Off-Market Purchase**") (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme(s) as defined in Section 76C of the Companies Act as may be formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the Catalist Rules.

The Directors may impose such terms and conditions which are not inconsistent with the Share Buy-back Mandate, the Catalist Rules, the Companies Act and the Constitution, as they consider fit in the interests of the Company in connection with, or in relation to, any equal access scheme or schemes.

(d) Off-Market Purchase

Under the Companies Act, an Off-Market Purchase effected in accordance with an equal access scheme must satisfy all the following conditions:

- (i) offers under the scheme are to be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (ii) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made to them; and
- (iii) the terms of all the offers shall be the same, except that there shall be disregarded:
 - (1) differences in consideration attributable to the fact that the offers relate to Shares with different accrued dividend entitlements;
 - (2) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid (if applicable); and

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- (3) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

In addition, the Catalist Rules provides that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders which must contain at least the following information:

- (A) the terms and conditions of the offer;
- (B) the period and procedures for acceptances;
- (C) the reasons for the proposed Share Buy-back;
- (D) the consequences, if any, of the Share Buy-back by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (E) whether the Share Buy-back, if made, could affect the listing of the Shares on the SGX-ST;
- (F) details of any Share Buy-backs made by the Company in the previous 12 months (whether by way of Market Purchases or Off-Market Purchases in accordance with an equal access scheme), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such Share Buy-backs, where relevant, and the total consideration paid for such Share Buy-backs; and
- (G) whether the Shares purchased by the Company will be cancelled or kept as Treasury Shares.

(e) Maximum Purchase Price

The purchase price (excluding brokerage, commission, stamp duties, applicable goods and services tax, clearance fees and other related expenses) to be paid for a Share in the event of any Share Buy-back will be determined by the Directors.

However, the purchase price to be paid for the Shares pursuant to the Share Buy-back Mandate must not exceed:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price (as defined below) of the Shares; and
- (ii) in the case of an Off-Market Purchase, 120% of the Average Closing Price of the Shares,

in either case, excluding related expenses of the Share Buy-back (the "**Maximum Price**").

For the above purposes:

- (1) "**Average Closing Price**" means: (A) the average of the closing market prices of the Shares over the last five (5) Market Days, on which transactions in the Shares were recorded, before the day on which the Market Purchase was made or, as the case may be, before the date of making an announcement by the Company of an offer for an Off-Market Purchase; and (B) deemed to be adjusted for any corporate action that occurs after the relevant five-day period and the day on which the Market Purchases are made or the announcement in relation to the Off-Market Purchase is made; and
- (2) "**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for the Off-Market Purchase, stating the purchase price (which shall not be more than the Maximum Price of the Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

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2.4. Status of Purchased Shares

Under Section 76B of the Companies Act, any Share which is purchased shall, unless held as a Treasury Share, be deemed cancelled immediately on purchase, and all rights and privileges attached to that Share will expire on cancellation.

All Shares purchased by the Company, unless held as Treasury Shares, will be automatically delisted by the SGX-ST, and (where applicable) all certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following the settlement of any such purchase. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as Treasury Shares.

2.5. Treasury Shares

Certain of the provisions on Treasury Shares under the Companies Act are summarised below:

(a) Maximum Holdings

The aggregate number of Shares held as Treasury Shares shall not at any time exceed 10% of the total number of issued Shares. In the event that the aggregate number of Treasury Shares held by the Company exceeds the aforesaid limit, the Company shall dispose of or cancel the excess Treasury Shares in accordance with Section 76K of the Companies Act within six (6) months from the day the aforesaid limit is first exceeded or such further period as the Registrar of Companies may allow.

The Company has 321,200 Shares held as Treasury Shares as at the Latest Practicable Date.

(b) Voting and Other Rights

The Company cannot exercise any right in respect of Treasury Shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote in respect of Treasury Shares and the Treasury Shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of the Treasury Shares. However, the allotment of Shares as fully paid bonus shares in respect of Treasury Shares is allowed. Also, a subdivision or consolidation of any Treasury Share into Treasury Shares of a smaller amount is allowed so long as the total value of the Treasury Shares after the sub-division or consolidation is the same as before.

(c) Disposal and Cancellation

Where Shares purchased or acquired by the Company are held as Treasury Shares, the Company may at any time:

- (i) sell the Treasury Shares (or any of them) for cash;
- (ii) transfer the Treasury Shares (or any of them) for the purposes of or pursuant to share scheme, whether for employees, Directors or other persons;
- (iii) transfer the Treasury Shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (iv) cancel the Treasury Shares (or any of them); or
- (v) sell, transfer or otherwise use the Treasury Shares for such other purposes as may be prescribed by the Minister of Finance of Singapore.

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At the time of each Share Buy-back, the Directors will decide whether the Shares purchased under the Share Buy-back Mandate will be held as Treasury Shares, cancelled by the Company, or partly cancelled and partly held as Treasury Shares, as the Directors deem fit in the interest of the Company at that time taking into consideration the then prevailing circumstances and requirements of the Company at the relevant time.

In addition, under Rule 704(31) of the Catalist Rules, an immediate announcement must be made of any sale, transfer, cancellation and/or use of Treasury Shares (in each case, the “usage”). Such announcement must include details such as the date of the usage, the purpose of the usage, the number of Treasury Shares comprised in the usage, the number of Treasury Shares before and after the usage, the percentage of the number of Treasury Shares comprised in the usage against the total number of issued shares (of the same class as the Treasury Shares) which are listed on the SGX-ST before and after the usage and the value of the Treasury Shares comprised in the usage.

2.6. Source of Funds

In purchasing Shares, the Company may only apply funds legally available for such purchase in accordance with its Constitution and the applicable laws in Singapore. The Company may not purchase Shares for a consideration other than cash or for settlement otherwise in accordance with the trading rules of the SGX-ST. Under the Companies Act, any Share Buy-back undertaken by the Company shall be made out of capital or profits that are available for distribution as dividends so long as the Company is solvent (as defined in Section 76F(4) of the Companies Act).

Pursuant to Section 76F(4) of the Companies Act, a company is solvent if the following conditions are satisfied:

- (a) there is no ground on which the company could be found to be unable to pay its debts;
- (b) the company will be able to pay its debts as they fall due in the normal course of business in the 12 months following such date of payment; and
- (c) the value of its assets is not less than the value of its liabilities (including contingent liabilities) and such value of its assets will not, after any purchase of shares for purposes of any proposed acquisition or release of the company's obligations, become less than the value of its liabilities (including contingent liabilities).

In determining whether the Company is solvent, the Directors must have regard to the most recently audited financial statements, other relevant circumstances, and may rely on valuations or estimations of assets or liabilities. In determining the value of contingent liabilities, the Directors may take into account the likelihood of the contingency occurring, as well as any counterclaims by the Company.

The Company intends to use internal sources of funds or external borrowings, or a combination of both, to finance its Share Buy-backs. In considering the use of external funding, the Company will take into consideration the availability of external financing and the resulting impact on the prevailing gearing level of the Company and the Group. The Company will only exercise the Share Buy-back Mandate in the interest of the Company and the Group without causing adverse financial impact to the Company and the Group. In particular, the Company will have regard to any relevant financial covenants which are applicable to the Company and/or the Group under any agreements for banking and credit facilities which may be granted by a financial institution to the Company and/or the Group from time to time. The Company will not effect any Share Buy-back if such purchases or acquisitions would result in any breaches of the relevant financial covenants. The Company will also not propose to exercise the Share Buy-back Mandate in such a manner and to such an extent that the liquidity and capital adequacy position of the Company and the Group would be materially adversely affected.

2.7. Financial Effects of the Share Buy-back Mandate

Shareholders should note that the financial effects illustrated set out herein are based on certain assumptions and purely for illustrative purposes only. In particular, it is important to note that the financial analyses set out below are based on the audited accounts of the Company and the Group for the financial year ended 31 December 2024 and are not necessarily representative of the future financial performance of the Company or the Group.

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It is not possible for the Company to realistically calculate or quantify the impact of Share Buy-backs that may be made pursuant to the Share Buy-back Mandate as the financial effects on the Company and the Group arising from the Share Buy-backs will depend on, amongst others, the aggregate number of Shares purchased or acquired, whether the Share Buy-backs are made by way of Off-Market Purchases or Market Purchases, the price at which the Share Buy-backs are made, the amount (if any) borrowed by the Company to fund the Share Buy-backs and whether the Shares are cancelled or held as Treasury Shares. Particularly, the financial effects on the financial statements of the Group and the Company will depend, amongst others, on the factors set out below:

(a) Purchase or Acquisition out of Profits and/or Capital

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's profits and/or capital so long as the Company is solvent. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding brokerage, commission, stamp duties, applicable goods and services tax, clearance fees and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

(b) Number of Shares Acquired or Purchased

Based on the 308,877,000 issued Shares as at the Latest Practicable Date (excluding Treasury Shares and any Subsidiary Holdings), the purchase or acquisition of Shares by the Company of up to the maximum limit of 10% of its issued Shares will result in the purchase or acquisition of 30,887,700 Shares.

(c) Maximum Price Paid for Shares Acquired or Purchased

In the case of a Market Purchase by the Company and assuming that the Company purchases or acquires 30,887,700 Shares at the Maximum Price of S\$0.2993 per Share (being the price equivalent to 5% above the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the Catalist immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 30,887,700 Shares is approximately S\$9.2 million (excluding brokerage, commission, stamp duties, applicable goods and services tax, clearance fees and other related expenses).

In the case of an Off-Market Purchase by the Company and assuming that the Company purchases or acquires 30,887,700 Shares at the Maximum Price of S\$0.3420 per Share (being the price equivalent to 20% above the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the Catalist immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 30,887,700 Shares is approximately S\$10.6 million (excluding brokerage, commission, stamp duties, applicable goods and services tax, clearance fees and other related expenses).

Illustrative Financial Effects

For illustrative purposes only, based on the assumptions set out above and assuming that the purchase or acquisition of Shares are made to the extent aforesaid, such Shares are funded wholly by internal resources within the Group and the Company had purchased 30,887,700 Shares (representing 10% of the issued Shares as at the Latest Practicable Date), the financial effects of the purchase of 30,887,700 Shares by way of:

- (i) purchases made entirely out of capital and held as Treasury Shares;
- (ii) purchases made entirely out of capital and cancelled,

on the audited financial statements of the Group and the Company for the financial year ended 31 December 2024 pursuant to the Share Buy-back Mandate are set out as follows:

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Scenario A – Share Buy-backs with the Shares Held as Treasury Shares

	Group			Company		
	Before Share Buy-back (\$S'000)	After Market Purchase (\$S'000)	After Off-Market Purchase (\$S'000)	Before Share Buy-back (\$S'000)	After Market Purchase (\$S'000)	After Off-Market Purchase (\$S'000)
As at 31 December 2024						
Profit Attributable to Owners of the Company	10,194	10,194	10,194	4,473	4,473	4,473
Share Capital	35,216	35,216	35,216	35,216	35,216	35,216
Reserve	(9,464)	(9,464)	(9,464)	-	-	-
Treasury Shares	(85)	(9,328)	(10,649)	(85)	(9,328)	(10,649)
Retained Earnings	45,231	45,231	45,231	4,654	4,654	4,654
Shareholders' Funds	70,898	61,655	60,334	39,785	30,542	29,221
NTA ⁽¹⁾	46,368	37,125	35,804	39,785	30,542	29,221
Current Assets	106,088	96,845	95,524	20,825	11,582	10,261
Current Liabilities	57,687	57,687	57,687	1,034	1,034	1,034
Working Capital	48,401	39,158	37,837	19,791	10,548	9,227
Total Borrowings	10,988	10,988	10,988	-	-	-
Cash and Cash Equivalents	23,420	14,177	12,856	106	(9,137) ⁽⁵⁾	(10,458) ⁽⁵⁾
Number of Shares Including Treasury Shares (In Thousands)	309,198	309,198	309,198	309,198	309,198	309,198
Number of Treasury Shares (In Thousands)	321	31,209	31,209	321	31,209	31,209
Number of Shares Excluding Treasury Shares (In Thousands)	308,877	277,989	277,989	308,877	277,989	277,989
Weighted Average Number of Shares (In Thousands)	308,958	278,070	278,070	308,958	278,070	278,070
Financial Ratios						
NTA per Share (cents) ⁽¹⁾	15.01	13.35	12.88	12.88	10.99	10.51
Gearing Ratio (times) ⁽²⁾	0.15	0.18	0.18	Nil	Nil	Nil
Current Ratio (times) ⁽³⁾	1.84	1.68	1.66	20.14	11.20	9.92
Basic EPS (cents) ⁽⁴⁾	3.30	3.67	3.67	1.45	1.61	1.61

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Notes:

- (1) NTA equals total equity less intangible assets and non-controlling interests. NTA per Share equals NTA divided by the number of Shares (excluding Treasury Shares) as at 31 December 2024.
- (2) Gearing Ratio equals total borrowings divided by total equity.
- (3) Current Ratio equals current assets divided by current liabilities.
- (4) Basic EPS equals profit attributable to owners of the Group and Company divided by the weighted average number of Shares (excluding Treasury Shares) as at 31 December 2024.
- (5) The Company assumes that it will have sufficient cash to conduct the Share Buy-backs through dividends from subsidiaries or inter-company loans.

Scenario B – Share Buy-backs with the Shares Cancelled Thereafter

As at 31 December 2024	Group			Company		
	Before Share Buy-back (\$\$'000)	After Market Purchase (\$\$'000)	After Off-Market Purchase (\$\$'000)	Before Share Buy-back (\$\$'000)	After Market Purchase (\$\$'000)	After Off-Market Purchase (\$\$'000)
Profit Attributable to Owners of the Company	10,194	10,194	10,194	4,473	4,473	4,473
Share Capital	35,216	25,973	24,652	35,216	25,973	24,652
Reserve	(9,464)	(9,464)	(9,464)	-	-	-
Treasury Shares	(85)	(85)	(85)	(85)	(85)	(85)
Retained Earnings	45,231	45,231	45,231	4,654	4,654	4,654
Shareholders' Funds	70,898	61,655	60,334	39,785	30,542	29,221
NTA ⁽¹⁾	46,368	37,125	35,804	39,785	30,542	29,221
Current Assets	106,088	96,845	95,524	20,825	11,582	10,261
Current Liabilities	57,687	57,687	57,687	1,034	1,034	1,034
Working Capital	48,401	39,158	37,837	19,791	10,548	9,227
Total Borrowings	10,988	10,988	10,988	-	-	-
Cash and Cash Equivalents	23,420	14,177	12,856	106	(9,137) ⁽⁵⁾	(10,458) ⁽⁵⁾
Number of Shares Including Treasury Shares (In Thousands)	309,198	278,310	278,310	309,198	278,310	278,310
Number of Treasury Shares (In Thousands)	321	321	321	321	321	321
Number of Shares Excluding Treasury Shares (In Thousands)	308,877	277,989	277,989	308,877	277,989	277,989
Weighted Average Number of Shares (In Thousands)	308,958	278,070	278,070	308,958	278,070	278,070
Financial Ratios						
NTA per Share (cents) ⁽¹⁾	15.01	13.35	12.88	12.88	10.99	10.51
Gearing Ratio (times) ⁽²⁾	0.15	0.18	0.18	Nil	Nil	Nil
Current Ratio (times) ⁽³⁾	1.84	1.68	1.66	20.14	11.20	9.92
Basic EPS (cents) ⁽⁴⁾	3.30	3.67	3.67	1.45	1.61	1.61

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Notes:

- (1) NTA equals total equity less intangible assets and non-controlling interests. NTA per Share equals NTA divided by the number of Shares (excluding Treasury Shares) as at 31 December 2024.
- (2) Gearing Ratio equals total borrowings divided by total equity.
- (3) Current Ratio equals current assets divided by current liabilities.
- (4) Basic EPS equals profit attributable to owners of the Group and Company divided by the weighted average number of Shares (excluding Treasury Shares) as at 31 December 2024.
- (5) The Company assumes that it will have sufficient cash to conduct the Share Buy-backs through dividends from subsidiaries or inter-company loans.

2.8. Catalyst Rules

Under the Catalyst Rules, a listed company may only purchase shares by way of Market Purchases at a price per share which is not more than 5% above the average closing market price, being the average of the closing market prices of the shares over the last five (5) Market Days, on which transactions in the shares were recorded, before the day on which the purchases were made and deemed to be adjusted for any corporate action that occurs during the relevant five (5)-day period and the day on which the purchases are made. The Maximum Price for a Share in relation to Market Purchases by the Company, referred to in Section 2.3(e) of this Appendix, conforms to this restriction.

Although the Catalyst Rules do not prescribe a maximum price in relation to purchases of shares by way of Off-Market Purchases, the Company has set a cap of 20% above the Average Closing Price of a Share as the Maximum Price for a Share to be purchased or acquired by way of an Off-Market Purchase.

Rule 871 of the Catalyst Rules specifies that a listed company shall notify all purchases or acquisitions of its shares to the SGX-ST not later than 9:00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares; and
- (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer.

Such announcement (which must be in the form of Appendix 8D to the Catalyst Rules) shall include, amongst others, details of the total number of shares authorised for purchase, the date of purchase, the total number of shares purchased, the purchase price per share (or the highest price and lowest price per share in the case of Market Purchases), the total consideration (including stamp duties and clearing charges) paid for the shares and the number of issued shares (excluding treasury shares) after purchase.

While the Catalyst Rules do not expressly prohibit any purchase of shares by a listed company during any particular time, because the listed company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase of Shares pursuant to the Share Buy-back Mandate at any time after any matter or development of a price- or trade-sensitive nature has occurred or has been the subject of consideration and/or a decision of the Board until such price- or trade-sensitive information has been publicly announced. In particular, in line with the best practices guide on securities dealings issued by the SGX-ST, the Company will not purchase or acquire any Shares during the period of one (1) month before the announcement of the Company's half year and full year financial statements.

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2.9. Listing Status on the SGX-ST

The Catalist Rules require a listed company to ensure that at least 10% of equity securities (excluding preference shares, convertible equity securities, Treasury Shares and Subsidiary Holdings) in any class that is listed is at all times held by the public. Where such percentage falls below 10%, the SGX-ST may at any time suspend trading of the shares of the listed company. The “public”, as defined under the Catalist Rules, are persons other than Directors, chief executive officer and Substantial Shareholders or Controlling Shareholders of the Company and its subsidiaries, as well as the associates (as defined in the Catalist Rules) of such persons.

As at the Latest Practicable Date, there are 73,659,800 Shares in the hands of the public (as defined above), representing 23.85% of the issued and paid-up share capital of the Company. Assuming that the Company purchases 30,887,700 Shares through Market Purchases up to the full 10% limit pursuant to the Share Buy-back Mandate and held as Treasury Shares, the number of Shares in the hands of the public would be reduced to 42,772,100 Shares, representing 15.39% of the issued and paid-up share capital of the Company, excluding Treasury Shares.

In undertaking any purchases or acquisitions of its Shares through Market Purchases, the Directors will use their best efforts to ensure that a sufficient number of Shares remain in public hands so that the Share Buy-back(s) will not: (a) adversely affect the listing status of the Shares on the SGX-ST; (b) cause market illiquidity; or (c) adversely affect the orderly trading of the Shares.

2.10. Tax Implications

Shareholders who are in doubt as to their respective tax positions or the tax implications of Share Buy-backs by the Company, or, who may be subject to tax whether in or outside Singapore, should consult their own professional advisers.

2.11. Implications of Take-over Code

(a) Requirement to Make General Offer

Rule 14.1 of the Take-over Code requires, amongst others, that, except with the consent of the SIC, where:

- (i) any person acquires, whether by a series of transactions over a period of time or not shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30% or more of the voting rights of a company; or
- (ii) any person who, together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights and such person, or any person acting in concert with him, acquires in any period of six (6) months additional shares carrying more than 1% of the voting rights,

such person shall extend immediately an offer on the basis set out below to the holders of any class of shares in the capital which carries votes and in which such person or persons acting in concert with him hold shares. In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer.

(b) Persons Acting in Concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of the company.

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Unless the contrary is established, the following persons will, amongst others, be presumed to be acting in concert under the Take-over Code:

- (i) a company with its parent company, its subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights. For this purpose, a company is an associated company of another company if the second company owns or controls at least 20% but not more than 50% of the voting rights of the first-mentioned company;
- (ii) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trusts;
- (iii) a company with any of its pension funds and employee share schemes;
- (iv) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (v) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser;
- (vi) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where they have reason to believe a bona fide offer for their company may be imminent;
- (vii) partners; and
- (viii) an individual, his close relatives, his related trusts, any person who is accustomed to act according to his instructions, companies controlled by any of the foregoing persons, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons and/or entities for the purchase of voting rights.

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

The offer required to be made under the provisions of Rule 14.1 of the Take-over Code shall, in respect of each class of shares in the capital involved, be in cash or be accompanied by a cash alternative at the required price.

(c) Application of the Take-Over Code

The details of the shareholdings of the Directors and Substantial Shareholders of the Company as at the Latest Practicable Date are set out in Section 3 below.

As at the Latest Practicable Date, Mr. Lim See Wah, the Chairman, Executive Director & CEO of the Company who is deemed interested in Inomed's Shares in the Company held by Inomed through DBS Nominees (Private) Limited by virtue of section 4 of the SFA, and Dr. Tan Kia King, the Non-Executive Director of the Company, owns 47.80% and 28.06% of the shareholdings in the Company, respectively.

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In the event the Company undertakes Shares Buy-backs of up to 10% of the issued Shares of the Company as permitted by the Share Buy-back Mandate and assuming that the voting rights remain unchanged, the shareholding and voting rights of the following Directors will increase as follows:

- (i) Mr. Lim See Wah's shareholding and voting rights may be increased from approximately 47.80% to approximately 53.12%; and
- (ii) Dr. Tan Kia King's shareholding and voting rights may be increased from approximately 28.06% to approximately 31.18%.

Mr. Lim See Wah and Dr. Tan Kia King (the "**Concert Parties**") are deemed to be acting in concert for the following reasons:

- (1) the Concert Parties were previously the shareholders of Inomed, the Controlling Shareholder of the Company, since September 1998, prior to the listing of the Company on the Catalist in 2018;
- (2) following the listing of the Company on the Catalist, further to an agreement between the Concert Parties, Mr. Lim See Wah became the sole shareholder of Inomed and continues to hold his interest in the Company through the same, while Dr. Tan Kia King holds his interest in the Company directly in his name and indirectly through, DBS Nominees (Private) Limited and Citibank Nominees Singapore Pte Ltd;
- (3) notwithstanding the above, as the Take-over Code defines "acting in concert" as "persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company", the Concert Parties are of the view that they are persons acting in concert.

As at the Latest Practicable Date, the Concert Parties collectively hold an aggregate interest (direct and deemed) of 234,336,200 Shares representing 75.87% of the total number of the issued and paid-up share capital of the Company (excluding Treasury Shares).

As the Concert Parties already have an aggregate interest of more than 50.0% in the Company, they would not be obliged to make a general offer under Rule 14 of the Take-over Code in the event of any Share Buy-backs.

Save as disclosed above and to the best of their knowledge, the Directors are not aware of any fact(s) or factor(s) which suggest or imply that any particular person(s) and/or Shareholder(s) are, or may be regarded as, parties acting in concert such that their respective interests in voting shares in the capital of the Company should or ought to be consolidated, and consequences under Rule 14 of the Take-over Code would ensue as a result of a purchase of Shares by the Company pursuant to the Share Buy-back Mandate.

Shareholders should note that the statements in this Appendix do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Take-over Code. Shareholders who are in any doubt as to whether they would incur any obligations to make a take-over offer as a result of any purchase of Shares by the Company pursuant to the Share Buy-back Mandate are advised to consult their professional advisers and/or the SIC at the earliest opportunity before they acquire any Shares in the Company during the period when the Share Buy-back Mandate is in force.

2.12. Reporting Requirements

In accordance with Section 76B(9)(a) of the Companies Act, within 30 days of the passing of the Shareholders' resolution to approve the proposed renewal of Share Buy-back Mandate, the Directors shall lodge a copy of such resolution with the Registrar of Companies (the "**Registrar**").

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In accordance with Section 76B(9)(b) of the Companies Act, the Directors shall lodge with the Registrar a notice of Share Buy-backs within 30 days of a share purchase. Such notification shall include the date of the purchase, the number of Shares purchased by the Company, the number of Shares cancelled, the number of Shares held as Treasury Shares, the Company's issued share capital before and after the purchase, the amount of consideration paid by the Company for the purchase and such other particulars as may be required in the prescribed form.

In accordance with Section 76K(1D) of the Companies Act, within 30 days of the cancellation or disposal of Treasury Shares in accordance with the provisions of the Companies Act, the Directors shall lodge with the Registrar the notice of cancellation or disposal of Treasury Shares in the prescribed form.

2.13. Share Buy-backs in the Previous 12 Months

The Company purchased a total of 321,200 Shares by way of Market Purchases, pursuant to the Share Buy-back Mandate renewed by Shareholders at the AGM held on 26 April 2023, during the twelve (12) months preceding the Latest Practicable Date. The price paid for the purchases was S\$0.265 per Share. The total consideration paid for all the purchases was S\$85,248, including commission, brokerage and goods and services tax.

2.14. Limits on Shareholdings

The Company does not have any limits on the shareholdings of any Shareholder.

3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Based on the Register of Directors and Register of Substantial Shareholders, as at the Latest Practicable Date, the shareholdings of the Directors, and Substantial Shareholders in the Shares are as follows:

	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Directors						
Lim See Wah ⁽²⁾	-	-	147,656,441	47.80	147,656,441	47.80
Tan Kia King ⁽³⁾	58,003,759	18.78	28,676,000	9.28	86,679,759	28.06
Heng Wee Koon	-	-	-	-	-	-
Ng Eng Leng	-	-	-	-	-	-
Tan Seok Hoong @ Audrey Liow	-	-	-	-	-	-
Chan Kiat	-	-	120,000	0.04	120,000	0.04
Substantial Shareholders (other than Directors)						
Inomed ⁽⁵⁾	-	-	147,656,441	47.80	147,656,441	47.80

Notes:

- (1) Based on the total issued and paid-up share capital of the Company of 308,877,000 Shares (excluding Treasury Shares and Subsidiary Holdings) as at the Latest Practicable Date.
- (2) Mr. Lim See Wah ("Mr. Lim") holds 100% of the shares in Inomed. Accordingly, Mr. Lim is deemed interested in the 147,656,441 Shares in the Company held by Inomed through DBS Nominees (Private) Limited by virtue of Section 4 of the SFA.
- (3) Dr. Tan Kia King's deemed interest arises from his 28,676,000 ordinary shares held through OCBC Nominees Singapore Private Limited, DBS Nominees (Private) Limited and Citibank Nominees Singapore Pte Ltd.

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- (4) Mr. Chan Kiat's deemed interest arises from his 120,000 ordinary shares held through DBS Nominees (Private) Limited.
- (5) Inomed's deemed interest arises from their Shares held through DBS Nominees (Private) Limited.

Save as disclosed, none of the Directors or their Associates or, as far as the Company is aware, Substantial Shareholders or their Associates, has any interest, direct or indirect, in the proposed resolutions set out in the Notice of AGM, other than through their respective shareholding interest (if any) in the Company.

4. DIRECTORS' RECOMMENDATION

The Directors having reviewed and considered the rationale and benefit of the proposed renewal of the Share Buy-back Mandate, are of the view that the proposed renewal of the Share Buy-back Mandate is in the best interests of the Company. They accordingly recommend that Shareholders vote in favour of Ordinary Resolution 10 for the proposed renewal of the Share Buy-back Mandate as set out in the Notice of AGM.

5. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of the Share Buy-back Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading.

Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at 16 Tai Seng Street Level 4 Singapore 534138 during normal office hours from the date of this Appendix up to the forthcoming AGM scheduled to be held on 28 April 2025:

- (a) Annual Report of the Company for the financial year ended 31 December 2024; and
- (b) the Constitution.

Yours faithfully

For and on behalf of
the Board of Directors of
HYPHENS PHARMA INTERNATIONAL LIMITED

Lim See Wah
Chairman, Executive Director & CEO

**HYPHENS PHARMA
INTERNATIONAL LIMITED**

Registration No.: 201735688C
(Incorporated in Singapore)

**ANNUAL GENERAL MEETING
PROXY FORM**

IMPORTANT:

1. An investor who holds shares under the Supplementary Retirement Scheme (“SRS Investor”) (as may be applicable) may attend personally. SRS Investors who are unable to attend the AGM but would like to vote, may inform their SRS Operators to appoint the Chairman of the AGM to act as their proxy, in which case, the SRS Investors shall be precluded from attending the AGM.
2. This Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by SRS Investors.
3. A relevant intermediary may appoint the Chairman of the AGM to attend the AGM and vote. Please see Note 2 for the definition of “relevant intermediary”.

I/We _____ NRIC/Passport no./Co. Reg No. _____
of _____

being a *member/members of Hyphens Pharma International Limited (the “Company”), hereby appoint:

Name	NRIC/Passport Number	Proportion of Shareholdings	
		No. of Shares	%
Address			

*and/or (delete as appropriate)

Name	NRIC/Passport Number	Proportion of Shareholdings	
		No. of Shares	%
Address			

Or failing which, the Chairman (“Chairman”) of the 7th Annual General Meeting of the Company (the “AGM”) *as my/our proxy to attend speak and to vote for *me/us on *my/our behalf at the AGM of the Company to be held at 750A Chai Chee Road, ESR BizPark @ Chai Chee, #06-02/03, Singapore 469001 on 28 April 2025 at 10.00 a.m. and at any adjournment thereof.

*I/We direct *my/our proxy/proxies to vote for, against and/or abstain from voting on the Resolution to be proposed at the AGM as indicated hereunder:

No.	Resolutions relating to:	For**	Against**	Abstain**
	Ordinary Business			
1.	To receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2024 together with the Auditors’ Report			
2.	To declare a final tax exempt (one-tier) dividend of 1.50 Singapore cents per ordinary share for the financial year ended 31 December 2024			
3.	To re-elect Mr Lim See Wah as Director			
4.	To re-elect Ms Tan Seok Hoong @ Mrs Audrey Liow as Director			
5.	To approve the payment of Directors’ fees payable by the Company			
6.	To re-appoint RSM SG Assurance LLP as Auditors			
	Special Business			
7.	To authorise the Directors to allot and issue new shares			
8.	To authorise the Directors to grant awards and issue shares in accordance with the Hyphens Performance Share Plan			
9.	To authorise the Directors to grant options and issue shares in accordance with the Hyphens Employee Share Option Scheme			
10.	To authorise the Directors to purchase shares in accordance with the Share Buy-back Mandate			

* If you wish to exercise all your votes “For”, “Against” or “Abstain”, please indicate with a “√” in the box provided. Alternatively, please indicate the number of shares as appropriate. If no specific direction as to voting is given, the proxy/proxies (except where the Chairman of the AGM is appointed as my/our proxy) will vote or abstain from voting at his/her/their discretion on any matter arising at the AGM and at any adjournment thereof. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as my/our proxy for that resolution will be treated as invalid.

Dated this _____ day of _____ 2025.

Total number of Shares held

Signature(s) of member(s) or Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS FORM

NOTES:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81F of the Securities and Futures Act 2001 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
2. A member of the Company may physically attend and vote at the AGM, or:
 - (a) a member of the Company entitled to attend and vote at the AGM and who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. Where such member appoints more than one (1) proxy, he/ she shall specify the proportion of his/her shareholdings to be represented by each proxy. If no percentage is specified, the first named proxy shall be deemed to represent 100% of the shareholding and the second named proxy shall be deemed to be an alternate to the first named proxy; and
 - (b) a member of the Company entitled to attend and vote at the AGM and who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote at the AGM of the Company, but each such proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than one (1) proxy, the number of shares in relation to which each proxy has been appointed shall be specified in the proxy form. In such event, the relevant intermediary shall submit a list of its proxies together with the information required in this proxy form to the Company.

A "relevant intermediary" means:

- (a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity.
3. In appointing a proxy, if no specific directions as to voting is given by a member, the proxy/proxies (except where the Chairman of the AGM is appointed as the member's proxy) will vote or abstain from voting at his/her/their discretion on any matter arising at the AGM and at any adjournment thereof. In the absence of specific direction as to the voting is given by a member, the appointment of the Chairman of the AGM as the member's proxy for the relevant resolutions will be treated as invalid.
 4. SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective SRS operators to submit their votes by at 5:00 p.m. on 15 April 2025 (being at least seven (7) working days before the date of the AGM) to allow sufficient time for their respective SRS operators to in turn submit a proxy form to appoint the Chairman of the AGM to vote on their behalf by the cut-off date.
 5. A proxy need not be a member of the Company.
 6. The duly executed Proxy Form must be submitted to the Company in the following manner:
 - (a) if submitted by hand or by post, to be lodged with the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632; or
 - (b) if submitted electronically, be submitted via email to the Company's Share Registrar at srs.proxy@boardroomlimited.com,

in either case, not less than 72 hours before the time appointed for holding the AGM (and at any adjournment thereof), i.e. by no later than 10:00 a.m. on 25 April 2025. Members are strongly encouraged to submit completed Proxy Forms electronically via email.

7. This instrument of proxy must be signed by the appointor or of his/her/its attorney duly authorised in writing and where such instrument is executed by a corporation, it must be executed either under its common seal or signed on its behalf by a duly authorised officer or attorney.

Where the instrument appointing a proxy or proxies is submitted by email, it must be authorised in the following manner:

- (a) by way of the affixation of an electronic signature by the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation; or
 - (b) by way of the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation signing the instrument under hand and submitting a scanned copy of the signed instrument by email.
8. Where this instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney or a notarially certified copy thereof (failing previous registration with the Company) must be lodged with this instrument of proxy, failing which this instrument of proxy may be treated as invalid.
 9. A corporation which is a member may authorise by a resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM in accordance with Section 179 of the Companies Act 1967 of Singapore.
 10. A member may withdraw instrument appointing the Chairman of the AGM as proxy by sending an email to the Company's Share Registrar at srs.proxy@boardroomlimited.com to notify the Company of the withdrawal, at least 72 hours before the time for holding the AGM.
 11. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the AGM as the proxy.
 12. In the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing the Chairman of the AGM as the proxy lodged if such members are not shown to have shares entered against their names in the Depository Register as at 72 hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 11 April 2025.



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