Date: 17 July 2022

Headline: Laughter is good business



LunchWithSumiko

# Laughter is good business

Karl Mak and Adrian Ang vowed never to work together again after a failed blogshop venture, but came back to start popular meme site SGAG. They meet Executive Editor Sumiko Tan in this 100th edition of her lunch.

uestion to me from Xiao Ming: "Do you know which road in Singapore ducks like to change direction?"

I think. Hard.
Surely I can outsmart what I know will be one of his signature lame puns coming up. Ilook at him.
He stares back with a grin, his eyes behind

He stares back with a grin, his eyes behind sunglasses that give nothing away.

I think. Ugh. I don't know the answer.

He laughs. "Which road are we at

"Dux...," I begin, and we all burst out laughing.

He's got me. Duxton Road.

Xiao Ming is the character Mr Adrian Ang plays in videos on the popular Singapore humour site SGAG.

The site was started in 2012 by Mr Ang and a friend, Mr Karl Mak, while they were at university. It began as a Facebook page

It began as a racebook page hosting memes they created. (Memes are basically images with funny captions that are shared on the Internet.)

Many went viral and they were soon able to make money creating memes for companies.

In 2016, they set up Hepmil Media as a holding company for their fast-expanding business, which is now also in Malaysia (MGAG) and the Philippines (PGAG).

the Philippines (PGAG). Mr Mak, 34, is chief executive officer, and Mr Ang, 35, is chief creative officer.

Last November, the company closed a US\$10 million (\$\$14 million) Series A funding round led by venture capital firm Quest Ventures, Pavilion Capital – a private equity firm under Singapore's Temasek – and Bent Pixels, the world's largest gaming lifestyle media platform.

More significantly, SGAG has changed Singapore's media landscape.

landscape.

It has shown that funny content
can be a serious business here. It
has also institutionalised a
Singaporean brand of humour, and
provided a platform for aspiring
comedians to find an audience.

Lunch with the two is a very pleasant affair, though not as laugh-a-minute as I had imagined it would be, based on the hilarious SGAG videos I've watched over the

years.
Mr Mak, a clean-cut father of two, is eloquent, earnest and chatty. Mr Ang, whose wife is expecting their first child next month, is friendly and answers questions readily. But there's an air of reserve and you sense that the loud, wisecracking Xiao Ming persona doesn't reflect

They have chosen to meet me at Rappu Handroll Bar in Duxton Road in Tanjong Pagar.

Road in Tanjong Pagar.
The sushi and izakaya eatery is housed in a trendily dark shophouse. Upstairs is Goho, a kaiseki restaurant run by the same owner, a friend of Mr Ang's.
The eatery is closed that day for a

The eatery is closed that day for function later in the evening, but we get to use the space at 3pm. There are no crowds and we have ample space to film.

ample space to film.

We ask to order but the restaurant says it has pre-planned bar snacks for us to share. We get lotus chips, salmon sashimi, fried prawns and grilled unagi.

They come nicely plated and are delicious, but my rumbling tummy - I had saved myself for what I thought would be a full lunch -

wishes we could order more food. The two men met in Anglo-Chinese Junior College (ACJC) in the mid-2000s.

Mr Ang, a science student, had chosen to repeat his first year because he wanted to switch to the arts.

He was placed in the same class as Mr Mak. There were only five boys in the class and they all became good friends. "There was just a lot of laughter from the get-go," recalls Mr Mak.

get-go," recalls Mr Mak.
Only one of the five was from
Anglo-Chinese School. Mr Ang had
attended Tanjong Katong
Secondary and Mr Mak was from
Fairfield Methodist.

"We had to stick together to feel safe, maybe," laughs Mr Mak. The five remain close today.

The five remain close today.
"One is a pastor, one is a real
estate investor, one is a banker,
and then us two are doing this. We
still talk almost every other week,"

By the sound of it, their JC days were a load of fun.

National service (NS), which followed, was a transformative experience.

experience.

Mr Ang was a naval diver. "It was an amazing experience," he says. "Growing up, I don't think I was the most confident kid. I've always struggled to find who I am and what exactly my strengths are."

The NS experience, including Hell Week, clarified some things for him. "It proved that if I put my mind to something, it can be done no matter how tough it is. That changed my personality and character forever."

Mr Mak completed his Basic Section Leader course training and became a third sergeant, then tore a shoulder ligament and was downgraded. He became a personal assistant

to a senior commander, who was "probably the worst boss you would meet in any environment". Thankfully, that stint lasted only

Thankfully, that stint lasted only three months. His next commander was the complete opposite and became a mentor, then a friend. "My life was changed when I served under this leadership." he says. "He brought me into a lot of meetings and different scenarios that I could learn from."

#### FRIENDSHIP FIRST

After NS and before they went on to university, the two decided to start a blogshop with one of their JC friends, who left after a while to focus on his studies.

Mr Mak and Mr Ang would fly to Bangkok's Chatuchak market to buy T-shirts. Mr Ang would model them and Mr Mak would take the photos, which they uploaded online.

"It was the era of blogshops so we thought, hey, let's just go there, have an eye for the right shirts that maybe Singaporean guys would like, or maybe Singaporean girlfriends would like to buy for their boyfriends," recalls Mr Mak.

But running hot and sweaty around Chatuchak, rushing to catch same-day flights, and making just a \$30 to \$40 profit for

each collection took its toll.

"We made \$500 each after a year
and it was like, wow, this is
completely pointless," Mr Mak
lauehs.

laughs.
The two kept bickering about the business. "We fought so much. We reached a point where I told him'I would never work with you again' for the sake of our friendship," says Mr Mak.

They called it quits as business partners after a year but remained friends.

At Singapore Management University, Mr Mak was in the School of Economics and Mr Ang in the Lee Kong Chian School of Business

Inspired by 9GAG, a popular humour site from Hong Kong, they started creating memes using tools like Photoshop. The first meme they did was in

like Photoshop.
The first meme they did was in
February 2012. It poked fun at how
distressed Singaporeans were
when McDonald's ran out of its

curry sauce. They uploaded it onto a Facebook page that became SGAG. The memes on the page became more popular, and they were in time able to charge about \$500 for

a sponsored post.
"We didn't put any money in to
start it," says Mr Mak of what grew
to become a multimillion-dollar
venture. "We were just students."
After graduation, Mr Ang ran the
page part-time while trying to
build a business in T-shirt printing.
Revenues at SGAG then were

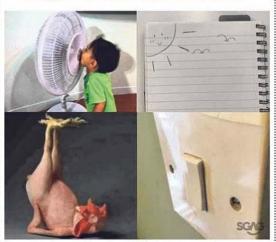
negligible.
Mr Mak co-founded a software start-up called Televate. The idea was to provide a digital solution to eliminate customer hotline waiting times for hanks and teleos.

waiting times for banks and telcos. The venture failed after a year. In 2014, he decided to work on SGAG full-time. He and Mr Ang



Friends since their junior college days, Mr Karl Mak (left) and Mr Adrian Ang co-founded Hepmil Media, which wants to "make everyone's day a better one" through its entertaining content. ST PHOTO: JASON QUAH

### things i did as a kid for no reason:



Memes like the one above from SGAG's Instagram page tap a sense of Singaporeanness through humour. PHOTO:  ${\sf SGAG}$ 

worked from a co-working space for two people at Oxley Bizhub. The blogshop experience didn't

"We were a little bit older, a little bit calmer and a lot more interested in the work," recalls Mr

Ang.
Mr Mak adds: "We already sort of had an identity of our own, and understood a bit more about who we were in terms of our strengths

and weaknesses."
They sat down to discuss the business and clarify the values it would abide by. "It has kept us not just working together but working well together," Mr Mak says.

well together," Mr Mak says. By 2016, when they had expanded to MGAG, Hepmil Media

SCAN TO WATCH

make jokes for a

Singapore content creators

str.sg/sgag17

More conventional careers like banking didn't cross their minds. They knew that even if their ventures failed in the two- to three-year window after

graduation, they could handle it.
"We didn't have mortgages to pay
or much financial commitment, so
we thought: Why not do something
that has some risks and see what

He in fact got married soon after Televate failed. His wife is a housewife and his sons are aged six and two. "If she would marry me when I have nothing, this must be it," he laughs. Their family backgrounds also

inspired them to take the entrepreneurship route.
Mr Mak's parents had

immigrated to Singapore from Hong Kong, His father worked for a multinational advertising agency but was laid off during a financial crisis and started his own small advertising business.

advertising business.

"He would talk to me about how all the years he had spent in a big company didn't amount to anything, and now he was much happier and a lot more fulfilled in this little shop that he set up," Mr Mak says.

"I realised from a young age that

"I realised from a young age the it is not just about titles or a big corporate job but finding something that suits you."

Mr Ang's father has a small family business doing marble polishing. "I was influenced by the ability to control the future of your career

I wanted to always try to build something for myself," he says. Doing a job just for the sake of its salary would make him feel "suffocated", he says. "I always want to do things with a purpose."

#### BUSINESS IS FUN

Spelt backwards, Hepmil is Limpeh. It is the Hokkien word for father, but also used sarcastically to put someone who has been bragging or silly in his place.

bragging or silly in his place.
The two came up with the name together. "We wanted a name that was uniquely Singaporean, but also with an Easter egg hidden in it so that Singaporeans would chuckle when they discover the meaning behind the name," says Mr Mak.

Mr Mak.
The company has been
profitable since 2012. In 2020, it
recorded \$5.2 million in revenue
and more than \$812,800 in profit.
Revenue grew by 50 per cent last
year and latest figures are
currently being audited.

The group is mainly split between its content business in Singapore, Malaysia and the

## WHATWEATE

Rappu Handroll Bar 52 Duxton Road

1 lotus chips: \$8 1 salmon belly crudo: \$14 1 amaebi: \$14 1 grilled unagi (on the house)

Total (with tax and discount): \$38.52

WHOLESOME CONTENT

No race-related content, no religious content, no sexual content, no violent content.

"

MR ADRIAN ANG, on the guidelines that content teams have to follow.

Philippines, and its creator

The latter started about two years ago and includes Hepmil Creators' Network to connect brands with comedy, lifestyle and entertainment TikTok creators in the region.

the region.
There is also a joint venture to connect e-sports content creators with brands, focused on YouTube.
Hepmil works with more than

Hepmil works with more than 700 digital content creators on commercial projects. Some are exclusive talents and others work on projects. About 70 per cent of its 150

About 70 per cent of its 150 full-time employees do creative work, and its office space in the Tai Seng area has expanded to 13,000 sq ft.

About 20 per cent to 30 per cent of its content work today is commercial. Clients have included the Singapore Government, which Mr Mak describes as an "extremely progressive client that is constantly looking to experiment on latest content formats and trends".

Government work has covered campaigns on Covid-19

Government work has covered campaigns on Covid-19 vaccination, and encouraging Singaporeans to sleep more and to take staycations.

"Our value proposition is that we can effectively communicate with young Singaporeans on social media platforms through content that resonates and is relatable," Mr

Mak says. SGAG videos start from \$15,000, which includes conceptualisation, production and distribution.

These commercial projects fund the rest of SGAG's content that is released free on its platforms. This would include Xiao Ming gags, including those where Mr Ang's wife Xin Lei, a consultant at Accenture, is pranked by him.

Mr Ang says Hepmil's content teams in Malaysia and the Philippines have autonomy to publish content. But the same guidelines apply across countries: "No race-related content, no religious content, no sexual content, no violent content," he says.

says.
On average, SGAG, which reaches 10 million people weekly, aims for six to eight posts and one video a day. Talents on its network are encouraged to create content on their personal pages daily, but don't have to follow a quota.

The company has what it has described as an eight-layer "kueh lapis strategy", including sponsored memes, branded videos, cast engagement fees, licensing fees, merchandising and e-commerce.

Expanding into Thailand and Vietnam is on the cards, and it is studying Web 3.0 products like NFTs, or non-fungible tokens. Iwonder if they have advice for aspiring comics dreaming to be the

aspiring comics dreaming to be the next big social media star. Mr Ang has a serious one: Work with like-minded people.

"Creative work and content creation work can be a lonely journey," he says. "Being together with like-minded people with

like-minded people with complementary skill sets, with a vision of wanting to do good – I think that is something that would allow you to build a sustainable career beyond just milking it for that three years."

As we wrap up the interview, I ask who between them is the funnier one?

Mr Mak points to Mr Ang and says: "Definitely him." He adds with a laugh: "I think back when we were younger in JC,

back when we were younger in JC, maybe we were equally funny." Mr Ang agrees, and adds: "Watching numbers has killed his iokes."

sumiko@sph.com.sg