

APEX HEALTHCARE BERHAD
(Registration No. 199801016979 (473108-T))

MINUTES OF THE TWENTY-FIFTH ANNUAL GENERAL MEETING (“**AGM**”) OF THE COMPANY HELD AND CONDUCTED ON A VIRTUAL BASIS THROUGH LIVE STREAMING FROM THE BROADCAST VENUE AT LEVEL 12, MENARA SYMPHONY, NO. 5, JALAN PROF. KHOO KAY KIM, SEKSYEN 13, 46200 PETALING JAYA, SELANGOR DARUL EHSAN, MALAYSIA ON WEDNESDAY, 15TH MAY 2024 AT 9:30 A.M.

PRESENT:-

DIRECTORS

Dr. Kee Kirk Chin

- Chairman and Group Chief Executive Officer (“**CEO**”) and also a shareholder and proxyholder

Mr Robert Dobson Millner AO

- Non-Independent Non-Executive Director and also a shareholder

Datuk Noharuddin bin Nordin @ Harun

- Senior Independent Non-Executive Director and also a shareholder

Mr Yap Seng Chong

- Independent Non-Executive Director

Datuk Phang Ah Tong

- Independent Non-Executive Director and also a shareholder

¹ Mr Kee Kirk Chuen

- Non-Independent Non-Executive Director and also a shareholder

Mr Leong Khai Cheong

- Independent Non-Executive Director and also a shareholder

Ms Le Wat Su

- Independent Non-Executive Director and also a shareholder

IN ATTENDANCE

Ms Chan Yoke Peng - Company Secretary

Ms Chiew Woon Wui - Chief Financial Officer

¹ Mr Edwin Francis - Partner, representing Ernst & Young PLT, Auditors of the Company

BY INVITATION

Ms Tan Ping Sin - Boardroom Corporate Services Sdn. Bhd.

Mr Raymond Wong - Boardroom Corporate Services Sdn. Bhd.

Note

¹ Joined via online platform at <https://meeting.boardroomlimited.my/>

The shareholders and proxyholders (collectively referred to as “**Members**”) who attended and participated in the AGM remotely via online platform at <https://meeting.boardroomlimited.my/> are set out in the Attendee List.

CHAIRMAN

The Chairman of the Board of Directors of the Company (the “**Board**”) and the Group CEO, Dr. Kee Kirk Chin (“**Dr. Kee**”), extended a warm welcome to all Members and invitees present at the Twenty-Fifth (“**25th**”) AGM of the Company held and conducted on a virtual basis through live streaming and online remote participation by using Remote Participation and Electronic Voting (“**RPEV**”) facilities, which was in compliance with Section 327 of the Companies Act 2016 and Clause 64 of the Constitution of the Company.

The registered shareholders, proxies and the corporate representatives were reminded to refrain from any forms of recording of the 25th AGM as this was a private meeting with the shareholders of the Company, of which the public was not given access.

QUORUM

The Company Secretary confirmed that a quorum was present in accordance with Clause 73 of the Company’s Constitution. With the requisite quorum being present, the AGM was called to order at 9:30 a.m..

SUMMARY OF PROXY FORMS RECEIVED

The Company Secretary also reported that the Company had received in total 37 proxy forms from the shareholders of the Company for a total of 520,573,115 ordinary shares representing 72.34% of the issued share capital of the Company.

Out of those, there were 18 shareholders who had appointed the Chairman of the Meeting as proxy to vote on their behalf and the shares so represented were 222,465,742 ordinary shares representing 30.91% of the issued share capital of the Company.

The Chairman proceeded to introduce the other Board members, Chief Financial Officer and the Company Secretary, who were present together with him at the Broadcast Venue.

The Chairman then introduced the remaining Director and the representative of Ernst & Young PLT, the External Auditors of the Company who joined the 25th AGM remotely to the shareholders.

[The rest of this page is intentionally left blank]

The Chairman presented to the Meeting on the review of the Group's performance in 2023. The details of the Year in Review 2023 were as follows:-

(a) Group Revenue

In 2023, the Group's revenue grew 6.7% to reach RM936.2 million from RM877.7 million the year before. This was the twenty-third consecutive year of revenue growth, crossing the RM900.0 million level for the first time and a new high for the Group. Manufacturing segment revenue grew 13.4% while Distribution segment revenue improved by 6.8%.

(b) Group Revenue Trend by Quarters

The onset of the COVID-19 pandemic in 2020 significantly depressed market demand, with recovery commencing in 2021, helped by sales of pandemic-related products. This momentum continued into 2023 as COVID-19 transitioned to endemicity, creating strong demand for respiratory medicines, especially in the first quarter and fourth quarter. As it turned out, the first quarter of 2023 was the highest quarterly revenue on record.

(c) Composition of Revenue

The Group's revenue came from the sale of pharmaceuticals, consumer healthcare products and medical devices to clinics, pharmacies, hospitals, and other consumer facing retail stores. All products sold could be broadly categorised under 3 brand types.

Firstly, Group Brands were those owned by the Group and products in this category accounted for 32.6% of revenue. The key pharmaceutical Group brands were Xepa and Avo and the key brands in Consumer Healthcare were Agnesia and Hennson.

Secondly, Agency Brands were those that belong to the business partners of the Group and which it either represented for distribution or contract manufacture for. These accounted for 49.7% of revenue. Currently, the Group distributed for more than 45 such partners in Malaysia, the largest of which was Nestle Health Science. In Singapore, the Group distributed for more than 40 companies, and the largest was Merck Serono.

The third category were General Brands, and these were products the Group trades or wholesales. This group accounted for 17.7% of Group Revenue. In pharmaceutical wholesale, the Group works with over 100 business partners, including all the major multinational pharmaceutical companies such as Pfizer, Sanofi, Novartis and AstraZeneca.

(d) Group Revenue by Brands

Group Brands revenue increased 12.3% from RM271.0 million to RM305.0 million due to high demand for respiratory medicines. Agency Brands grew 7.8% to RM465.0 million from strong sales of consumer healthcare and newly acquired agencies, while General Brands declined 5% from falling demand for pandemic-related products.

(e) New Group Brand Products in 2023

In 2023, the Group successfully launched 12 new pharmaceutical and consumer healthcare products into the market. This was above the Group's historical average of 6 to 8 new products annually. The launch of new products continues to be an important growth strategy, and today, the portfolio of products bearing the Group Brands comprised a total of 664 products. More than 70 new products were currently under development to support future launches.

(f) Group Revenue by Export

Another key growth driver for the Group was the sale of its products in international markets, or exports. Today, the Group exported to 20 countries, with the potential to serve a combined population of 600 million people in those countries. In 2023, exports of the Group brands grew 23% due to improved demand in key international markets, especially Asia Pacific countries. Overall, exports grew 16.5% to reach a new high of RM78.3 million in 2023, accounting for 8.4% of Group Revenue, up from 7.7% the year before.

(g) Group Revenue Public Sector

The Group actively supplies both Group Brand and Agency Brand products to the public sector. In 2023, Malaysian public sector sales grew 9.9% while in Singapore and other countries, growth was 62.5%. Overall, total public sector revenue was 14.3% of Group Revenue in 2023, up from 12.3% the year before.

(h) Share of Earnings of Associate (SAG)

Non-recurring earnings from SAG rose to RM321.7 million because of the divestment of 100% equity in its subsidiary Straits Apex Sdn. Bhd., or SA, and the subsequent reinvestment for 40% equity in the new holding company of SA by SAG. The non-recurring earnings of RM4.2 million recorded in 2022 was due to the reversal of an impairment made in 2016. Recurring earnings of SAG declined 42.1% to RM14.7 million because of a reduced effective equity to 16% from 40% in SA from May 2023 and an 8-month amortisation expense of RM2.4 million for intangible assets. In total, share of earnings in 2023 from SAG reached RM336.4 million.

(i) Group Profit Before Tax

The Group's Operating Profit declined 4.5% to RM87.5 million as certain one-off SAG expenses relating to the divestment were classified as other expenses of the Group. If those were adjusted out, Operating Profit grew 11.4% to RM102 million in 2023. Interest expense was lower as borrowings continue to be paid down. SAG contributed significantly higher earnings of RM336.4 million as explained earlier. The Group Profit before Tax therefore grew 251% to RM423.3 million, a new high.

(j) Group Profit After Tax

In 2023, the Group's Profit after Tax grew 294.2% to RM398.0 million. The Group's 2023 tax rate at 6.0% was significantly lower as compared to 2022 because of the recognition of non-taxable one-off gain of RM321.7 million from

the Group's associate company, SAG. Excluding the impact from the Group's associate company, SAG, the effective tax rate at 29.1% was higher because of the absence of reinvestment allowance and non-deductibility of certain provisions made.

(k) Dividends

In respect of the strong financial performance in financial year 2023, the Board had proposed an increased Final Dividend of 2.5 sen per ordinary share and a Special Dividend of 20.0 sen per ordinary share for shareholders' approval at this AGM. This translated to a Dividend Payout Ratio of 45%. The entitlement date was 16th May 2024 and the payment date was 29th May 2024.

(l) Business Segments Key Operational Highlights in 2023

The Group's business was organised into 3 reporting segments, i.e. Manufacturing, Distribution and Corporate, and these correspond with the business segments in the Group's quarterly results announcement to Bursa Malaysia Securities Berhad.

(i) Manufacturing

The Group secured Halal certification for 23 products from JAKIM. This would help open new markets for the Group.

The Group continues to add facilities at its current manufacturing site which the Group termed it as Cheng 1. To support growth, the Group built a new Quality Control Laboratory facility that doubles its capacity to release production batches. The Group also established a new centralised Office housing teams in Quality Assurance, Research and Development as well as Regulatory Affairs to foster greater teamwork and efficiency.

The Group's capacity utilisation for manufacturing of solids reached 65.8%. To meet higher demand, the Group added a second dispensing booth, a high-speed tablet press and an additional lifter and blender to the Group's Intermediate Bulk Containers material handling system.

The Group's capacity utilisation for manufacturing of liquids stood at 60.7%, with an 8% increase in the total number of batches produced. To meet higher demand, the Group added a second large capacity blending tank at its newest third liquid production line.

The Group's research and development expenditure increased 18.9% over 2022 as the Group continues to direct resources to build a bigger pipeline of new products for the future.

Manufacturing Group Key Highlights 2023 (Cheng 2)

A key highlight was the signing of a Sales & Purchase Agreement ("**SPA**") in December 2023 to acquire 20.7 acres of industrial land with 377,888 sq ft of built-up space in 2 factory buildings in Cheng Industrial Estate, Melaka, to support future growth. The Group called this site Cheng 2.

The Purchase Consideration was RM66.5 million and would be funded by a mix of internal cash and external borrowings of RM50.0 million. The Group's appointed valuer placed a value of RM77.45 million in a report dated 20th November 2023. This acquisition was expected to be completed on 31st July 2024.

The Group planned to retrofit the existing factory buildings on the site to establish a second liquid production plant, which termed LPP2, and an advanced pharmaceutical warehouse. LPP2 would enable the Group to increase production capacity to meet future demand and add capabilities to manufacture a new range of products. The new warehouse would enable the Group to operate more efficiently by reducing usage of external warehouse service providers.

The Group expected to submit building applications to the relevant authorities in 2024 and construction costs and specifications would be disclosed when designs were finalised.

It can be seen from the aerial photograph that the new site was just 400 metres down the road from Xepa's current manufacturing campus in the same industrial estate. This proximity offers the advantage of lean management by minimising duplication of support services which would be required if expanded production facilities were constructed at a distant site.

(ii) Distribution

The Group continues to see strong distribution volumes in Malaysia and Singapore through its network of 8 distribution depots in both countries. Today, the Group has more than 16,000 active customer accounts in these 2 countries. In 2023, the Group processes more than 2,100 sales orders each working day. This added up to more than 615,000 invoices for the whole of 2023.

The drive to digitalise distribution operations was a key priority. The Group saw increasing use of the Group's B2B platforms by clinics and medical centres in 2023, with 50.7% Singapore's wholesale revenue transacted online last year.

To strengthen processes, the Group's wholly-owned Singapore subsidiary, Apex Pharma Marketing Pte Ltd, completed the migration of its enterprise software to SAP in January 2023, in line with the Group's Information Technology Master Plan. The Group's Singapore subsidiary also secured the ISO 9001:2015 certification for the Wholesales and Distribution of Pharmaceutical Products and Medical Devices.

In 2023, the Group added the distribution of t2 adult nutrition products, Enercal Plus and Omega Plus, from Nestle Dairy and Adult Nutrition for Malaysia. The Group also secured distribution of StratPharma's range of dermatological products for Malaysia, and Bpositive's wound care products for both Malaysia and Singapore.

(iii) Corporate

On 11th May 2023, 40% associate Straits Apex Group Sdn. Bhd. completed the effective divestment of 60% equity in its then wholly-owned subsidiary, Straits Apex Sdn. Bhd., to Quadria Capital. The agreed Enterprise Value was US\$240.0 million, before debt and working capital adjustments.

After the Group's majority and managing partner of SAG expressed his wish to realise value in the business in early 2022, the Group evaluated various options together, including IPO, before deciding on a partial divestment. SAG proceeded to appoint KPMG Singapore to manage a competitive bid process and Quadria Capital emerged with the best offer. The divestment represented an excellent return on the Group's 10-year investment in SAG, with SAG retaining 40% equity for future growth. The Enterprise Value was a multiple of 16.7 times average EBITDA of SA in the last 3 years. It was also a substantial return over the cost of investment of RM7.0 million which the Group made in 2013 in SAG. The exercise enabled all shareholders to partially unlock good value in the business, making possible the special dividend of 20 sen to be approved at this AGM.

(m) The performance after divestment of Straits Apex Sdn. Bhd. was highlighted as below:-

(i) There would be a reduced Share of Earnings from the recurring business of Contract Manufacturing. This was because of the Group's reduced effective equity of 16% in Next Ortho Investment Holdings Pte Ltd ("**NEXT**"), which was SAG's 40% associate and the ultimate parent of its wholly-owned operating subsidiaries held through Straits Apex Sdn. Bhd. ("**SA**"). In addition, the Group would also need to recognise its share of NEXT's operating expenses, which included financing costs and amortization of intangible assets identified in the Purchase Price Allocation exercise.

(ii) SAG would have a new income stream from the leasing of Industrial Land and Buildings at Batu Kawan Industrial Park, Penang, to SA. Lease income was expected to commence in the second half of 2024, as buildings were progressively handed over, but was not expected to match the impact of reduced equity and operating expenses at NEXT.

(iii) Overall, SAG was not expected to contribute meaningfully to the Group's performance in 2024.

(n) Group properties were also managed under the Corporate Group. The update on the current 2 properties was highlighted as below:-

(i) Pavilion Damansara Heights

The Group has taken possession of the 6 freehold office suites totalling 10,053 sq ft in September 2023 and the space would be tenanted out in the interim as it was not required for internal use at this juncture. Currently, 83% of the space has been leased out.

(ii) HICOM-Pegoh Industrial Park

With the purchase of the Cheng 2 site, this site was no longer required by the Group, and the Group intended to divest this property at the appropriate time.

(o) The update on Zynexis was highlighted as below:-

The Group established Zynexis Healthcare Pte Ltd as a Singapore based 40% joint venture with Shanghai Pharmaceuticals Holding Co Ltd (“**SPH**”) with the aim of leveraging SPH’s reach with leading Chinese pharmaceutical companies to in-license products under the Zynexis brand for agreed ASEAN markets. The Group expected to file first regulatory submissions in Malaysia and Singapore in 2024, and for commercial activities to commence from 2026 onwards.

(p) Sustainability

In 2023, the Group substantially enhanced its sustainability reporting with the help of external expertise, referencing its initiatives and report to Bursa Malaysia Main Market Listing Requirements, Bursa Malaysia Sustainability Reporting Guide (3rd Edition) and Global Reporting Initiative, or GRI Standards.

The Group’s materiality assessment adhered to Bursa Malaysia Sustainability Reporting Guide (3rd Edition) and GRI Standards, with the inclusion of benchmarking against industry peers.

In all, the Group’s 2023 Sustainability Statement addressed all the Common Sustainability Matters mandated by Bursa Malaysia, sector-specific Sustainability Matters relevant to healthcare, namely Materials and Effluents, as well as other sustainability matters assessed to be material to the Group, namely Responsible Product and Marketing Practices and Customer Health and Safety. In total, 9 material sustainability matters, subdivided into 15 sub-matters encompassing 47 indicators, were addressed, a significant increase.

The Group Sustainability Statement in 2023 reflected its growing commitment to transparent sustainability reporting, providing a detailed analysis of its comprehensive approach to sustainable development and delivering value to all stakeholders. Moving forward, the Group is committed to continually elevating the progress of its sustainability reporting journey in the following years, integrating climate-related disclosures and its aspirational targets across reported sustainability metrics and indicators.

(q) Outlook for 2024

In 2024, Malaysia’s economy was projected to grow by 4.7% from the 3.7% posted in 2023. Total healthcare expenditure was expected to grow in line with rising affluence, higher public spending, increased incidence of chronic illnesses, ageing populations, and increased health awareness among consumers.

Budget 2024 saw an increased allocation of RM41.2 billion to the Malaysian Ministry of Health, of which RM5.5 billion was earmarked for procuring medicine supplies, consumables, reagents, and vaccines. Enhanced funding was expected to boost demand for pharmaceutical supplies.

But this outlook must be tempered by uncertainties over the strength of the Ringgit, elevated interest rates, increased operational expense and the impact on the global economy should conflict escalate in several parts of the world.

The Group also did not expect its associate company, SAG to contribute meaningfully to Group earnings in 2024. This sharpened the Group's focus on its core pharmaceutical operations, as the Group continues its journey of continuous improvement and growth.

(r) Key Priorities for 2024 Driving Growth

The Group will:-

- step up sales and marketing programs to grow market share.
- deploy more resources to open up new international markets.
- intensify research & development and enable the swift launch of new pharmaceutical and consumer healthcare products.
- secure new products and agency partnerships to meet the evolving demands of the market.
- acquire and renew globally recognized manufacturing and distribution certifications that are commercially pertinent.
- invest in deeper digitalisation of business processes to stay at the forefront of technological advancements and finally,
- strengthen its sustainability practices and further refine reporting mechanisms.

As always, the Group remains dedicated to its 3 core tenets of Quality, Service and Integrity as the Group move into 2024, always mindful of the Group's mission to "Restoring Health, Enhancing Life".

The shareholders were assured that the Board and Management are fully committed to create even more value for the Company's shareholders in 2024 and beyond.

On behalf of the Board, the Chairman thanked all the shareholders of the Company for their support, continued confidence and trust.

NOTICE OF MEETING

With the consent of the Members, the Notice convening the 25th AGM having been circulated within the prescribed period was taken as read.

The Chairman informed the Members of their right to participate at this AGM by transmitting their questions in real time via the messaging window.

POLLING AND ADMINISTRATIVE GUIDE

The Chairman informed the Meeting that pursuant to Paragraph 8.29A of the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), all resolutions set out in the Notice of the AGM must be voted by poll. Pursuant to Clause 77 of the Company's Constitution, the Chairman then demanded for a poll to be taken for all the resolutions set forth in the Notice of the 25th AGM.

The Chairman also informed the Meeting that the Company had appointed Boardroom Share Registrars Sdn. Bhd. to facilitate the poll voting electronically and GovernAce Advisory & Solutions Sdn. Bhd. as the Independent Scrutineer to validate the poll results.

The Meeting was informed that the voting session was available at that point in time until the closure of the voting session to be announced later. The results of the poll voting would be announced after the Scrutineer has verified the poll results.

The Meeting was then briefed on the electronic and remote poll voting process via video presentation.

After the briefing on the polling procedure, the Chairman proceeded with business on the agenda and went through each of the resolutions set out in the Notice of the 25th AGM.

DISCUSSION ITEM

- AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2023

The Audited Financial Statements together with the Reports of the Directors and Auditors of the Company for the financial year ended 31st December 2023 ("**Audited Financial Statements**") having been circulated to all the shareholders of the Company within the statutory period were taken as read.

The Chairman informed the Meeting that this item on the agenda was meant for discussion. It would not be put to voting by shareholders as it did not require approval from the shareholders of the Company.

The Chairman then informed the Meeting that the question and answer session would be opened after all the resolutions have been tabled.

The Chairman went through the remainder resolutions set out in the Notice of the 25th AGM and informed the Meeting of the commencement of the question and answer session.

QUESTION AND ANSWER SESSION

It was noted that the Company had received questions from the Minority Shareholders Watch Group ("**MSWG**") before the AGM and MSWG has requested the questions and replies to be presented at the AGM for the interest of the minority shareholders. At the invitation of the Chairman, Mr Yap Seng Chong ("**Mr Yap**"), the Chairman of the Audit Committee presented to the Meeting the Company's responses to MSWG's questions.

Mr Yap and Ms Chiew Woon Wui ("**Ms Chiew**"), the Chief Financial Officer of the Company were invited to address the questions from shareholders/proxies received by the Company before the AGM.

The chair was handed back to the Chairman after all the pre-meeting submission questions had been addressed.

The Chairman proceeded to address the questions received during the Meeting. The Meeting was informed that answers for questions similar to those addressed earlier would not be repeated and questions from different shareholders on the same topic would be grouped together for a single response. The questions from MSWG and Members and replies were set out in Appendix I attached hereto.

After addressing the questions received, the Chairman informed the Meeting of the closure of question and answer session and the Company would respond to those questions that were not taken up during the Meeting via email, if any. Those answers would also be published on the Company's website.

The Chairman then declared that the Audited Financial Statements of the Company for the financial year ended 31st December 2023 had been duly tabled and received by the shareholders.

VOTING SESSION

The Chairman then invited the Members to cast their votes if the Members have not submitted their votes earlier and informed that the voting session would be closed after 5 minutes. It was noted that the Chairman was appointed to act as proxies for a number of shareholders and he would vote according to the instructions given.

The Chairman further informed the Meeting that the outcome of the poll would be announced after the short break as it would take some time for the Independent Scrutineer to tabulate the results of the poll. The Meeting was then adjourned at 10:40 a.m. for the votes to be counted and to enable the Independent Scrutineer to tabulate the results of the poll.

The Meeting resumed at 11:00 a.m. for the declaration of the results of the poll.

POLL RESULTS

The Chairman announced the results of the poll as follows:-

ORDINARY RESOLUTION 1

- FINAL SINGLE-TIER DIVIDEND FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2023

Ordinary Resolution 1	Vote For		Vote Against		Results
	No. of Shares	%	No. of Shares	%	
<i>To approve a final single-tier dividend of 2.5 sen per ordinary share for the financial year ended 31st December 2023</i>	529,815,620	99.9983	9,178	0.0017	Carried

It was RESOLVED:-

That the payment of a final single-tier dividend of 2.5 sen per ordinary share for the financial year ended 31st December 2023 be and is hereby approved.

ORDINARY RESOLUTION 2

- SPECIAL DIVIDEND FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2023

Ordinary Resolution 2	Vote For		Vote Against		Results
	No. of Shares	%	No. of Shares	%	
<i>To approve a special dividend of 20.0 sen per ordinary share for the financial year ended 31st December 2023</i>	529,812,620	99.9983	9,178	0.0017	Carried

It was RESOLVED:-

That the payment of a special dividend of 20.0 sen per ordinary share for the financial year ended 31st December 2023 be and is hereby approved.

ORDINARY RESOLUTION 3

- DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2023

Ordinary Resolution 3	Vote For		Vote Against		Results
	No. of Shares	%	No. of Shares	%	
<i>To approve the payment of Directors' fees of RM669,000 for the financial year ended 31st December 2023</i>	522,994,308	99.9931	36,240	0.0069	Carried

It was RESOLVED:-

That the Directors' fees of RM669,000 only for the financial year ended 31st December 2023 be and is hereby approved for payment to the Directors.

ORDINARY RESOLUTION 4

- RE-ELECTION OF DIRECTOR - ROBERT DOBSON MILLNER AO

Ordinary Resolution 4	Vote For		Vote Against		Results
	No. of Shares	%	No. of Shares	%	
<i>To re-elect Robert Dobson Millner AO who retires by rotation pursuant to Clause 95 of the Constitution of the Company</i>	528,126,863	99.7905	1,109,013	0.2095	Carried

It was RESOLVED:-

That the retiring Director, Robert Dobson Millner AO be and is hereby re-elected as Director of the Company.

ORDINARY RESOLUTION 5

- RE-ELECTION OF DIRECTOR - DATUK NOHARUDDIN BIN NORDIN @ HARUN

Ordinary Resolution 5	Vote For		Vote Against		Results
	No. of Shares	%	No. of Shares	%	
<i>To re-elect Datuk Noharuddin bin Nordin @ Harun who retires by rotation pursuant to Clause 95 of the Constitution of the Company</i>	528,297,565	99.7510	1,318,933	0.2490	Carried

It was RESOLVED:-

That the retiring Director, Datuk Noharuddin bin Nordin @ Harun be and is hereby re-elected as Director of the Company.

ORDINARY RESOLUTION 6

- RE-ELECTION OF DIRECTOR - MR YAP SENG CHONG

Ordinary Resolution 6	Vote For		Vote Against		Results
	No. of Shares	%	No. of Shares	%	
<i>To re-elect Mr Yap Seng Chong who retires pursuant to Clause 102 of the Constitution of the Company</i>	529,757,910	99.9879	63,888	0.0121	Carried

It was RESOLVED:-

That the retiring Director, Mr Yap Seng Chong be and is hereby re-elected as Director of the Company.

ORDINARY RESOLUTION 7

- RE-ELECTION OF DIRECTOR - MS LE WAT SU

Ordinary Resolution 7	Vote For		Vote Against		Results
	No. of Shares	%	No. of Shares	%	
<i>To re-elect Ms Le Wat Su who retires pursuant to Clause 102 of the Constitution of the Company</i>	529,756,910	99.9878	64,888	0.0122	Carried

It was RESOLVED:-

That the retiring Director, Ms Le Wat Su be and is hereby re-elected as Director of the Company.

ORDINARY RESOLUTION 8
- RE-APPOINTMENT OF AUDITORS

Ordinary Resolution 8	Vote For		Vote Against		Results
	No. of Shares	%	No. of Shares	%	
<i>To re-appoint Ernst & Young PLT as the Auditors of the Company and to authorise the Directors to fix their remuneration</i>	529,632,940	99.9644	188,858	0.0356	Carried

It was RESOLVED:-

That the retiring Auditors, Ernst & Young PLT, having indicated their willingness to continue in office, be and are hereby re-appointed as the Auditors of the Company for the ensuing year until the conclusion of the next Annual General Meeting and that the Directors be and are hereby authorised to fix their remuneration.

ORDINARY RESOLUTION 9
- AUTHORITY UNDER SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 FOR THE DIRECTORS TO ALLOT AND ISSUE SHARES; AND WAIVER OF PRE-EMPTIVE RIGHTS

Ordinary Resolution 9	Vote For		Vote Against		Results
	No. of Shares	%	No. of Shares	%	
<i>Authority under Sections 75 and 76 of the Companies Act 2016 for the Directors to allot and issue shares; and Waiver of pre-emptive rights</i>	527,695,895	99.5988	2,125,903	0.4012	Carried

It was RESOLVED:-

THAT pursuant to Sections 75 and 76 of the Companies Act 2016, and subject to the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue new shares in the Company at any time, at such price, upon such terms and conditions and for such purposes and to such person or persons whomsoever as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution in any one financial year does not exceed 10% of the total number of issued shares of the Company for the time being AND THAT the Directors be and are also hereby

empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.

THAT in connection with the above, pursuant to Section 85(1) of the Act read together with Clause 59 of the Constitution of the Company, the shareholders do hereby waive the statutory pre-emptive rights of the offered shares in proportion of their holdings at such price and at such terms to be offered arising from any issuance of new shares above by the Company.

AND THAT the new shares to be issued shall, upon allotment and issuance, rank *pari passu* in all respects with the existing Shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares.

ORDINARY RESOLUTION 10

- AUTHORITY FOR DATUK NOHARUDDIN BIN NORDIN @ HARUN TO CONTINUE IN OFFICE AS INDEPENDENT DIRECTOR

Ordinary Resolution 10	Vote For		Vote Against		Results
	No. of Shares	%	No. of Shares	%	
<i>Authority for Datuk Noharuddin bin Nordin @ Harun to continue in office as an Independent Director of the Company</i>	303,665,786 (Tier 1)	100.0000	-	-	Carried
	224,421,139 (Tier 2)	99.3231	1,529,573	0.6769	Carried

It was RESOLVED:-

That Datuk Noharuddin bin Nordin @ Harun be and is hereby retained as an Independent Director of the Company, in accordance with the Malaysian Code on Corporate Governance until the conclusion of the next Annual General Meeting.

CONCLUSION OF THE MEETING

There being no other matters, the Meeting concluded at 11:01 a.m. with a vote of thanks to the Chair.

SIGNED AS A CORRECT RECORD

- Approved -

.....
CHAIRMAN

APEX HEALTHCARE BERHAD
(“AHB” or the “Company”)
(Registration No. 199801016979 (473108-T))

**QUESTIONS AND ANSWERS SESSION DURING THE TWENTY-FIFTH ANNUAL
GENERAL MEETING OF THE COMPANY HELD ON WEDNESDAY, 15TH MAY 2024**

PART A : Questions (“Q”) from Minority Shareholders Watch Group and Replies (“A”) from the Company

Operational & Financial Matters

Q1	<p>Moving forward, the Group has set the target of reinvesting 5% of its total manufacturing revenue into the R&D of new products. Supported by this increased R&D spend, it seeks to capitalize on patent cliffs by quickly bringing to market newly formulated generic options for molecules that are coming close to patent expiry or already off patent. (Page 7 of AR 2023)</p> <p>(a) What is the revenue contributed from Group-branded off-patent pharmaceuticals in FY2023?</p> <p>(b) With the Group's dedication to reinvesting 5% of its total manufacturing revenue into R&D for new products, do you anticipate a higher revenue composition from Group-branded off-patent pharmaceuticals? If so, what are the set targets?</p> <p>(c) What is the targeted number of new Group-branded products to be launched in FY2024?</p>
A1	<p>(a) The revenue contributed from Group branded products in FY2023 was RM304.9 million, or 32.6% of the Group’s consolidated revenue. The majority of Group branded products are off-patent pharmaceuticals.</p> <p>(b) The higher investment in research and development will enable the Group to secure a higher revenue composition of Group branded off-patent pharmaceuticals in the coming years. As Group revenue continues to grow each year from Group brands as well as brands belonging to our business partners, the internal target is for Group branded products to exceed 50% by FY2030.</p> <p>(c) Historically, the Group launches between 6 to 8 new Group branded products each year. In FY2023, the Group exceeded this norm by introducing 12 new products. For FY2024, the Group targets to launch at least 12 new Group branded products.</p>
Q2	<p>XEPA has commenced the acquisition process for a 20.7-acre industrial land and its existing premises at the Cheng Industrial Estate from Panasonic Appliances Refrigeration Devices Malaysia Sdn Bhd ('Panasonic') for RM 66.5 million. The availability of the Panasonic site is timely, as XEPA is currently reviewing plans to significantly expand its warehousing and liquid production capacity but has already fully utilized all available land on its current 9.63-acre site following the completion of SPP NOVO and the multi-storey carpark in December 2018. (Page 24 of AR 2023)</p>

PART A : Questions (“Q”) from Minority Shareholders Watch Group and replies (“A”) from the Company (Cont’d)

Operational & Financial Matters (Cont’d)

A3	<p>(b) Octantis is a chemical analysis laboratory that is an integral part of XEPA’s quality control function which focused on product testing to enable production batch release. The work of the Octantis laboratory is not directly related to improving production efficiency by reducing manufacturing wastage on the production floor.</p>
Q4	<p>The Group recorded a significant increase in other expenses amounting to RM18.09 million in FY2023 from RM1.41 million in the previous financial year. (Page 132 of AR 2023)</p> <p>(a) Please provide a detailed breakdown of the other expenses.</p> <p>(b) What are the reasons for the significant increase in other expenses? Are these one-off or recurring expenses?</p>
A4	<p>(a) Other Expenses of a recurring nature rose 20.5% from RM1.41 million in 2022 to RM1.7 million in 2023. However, there was a Non-Recurring Transaction related expense of RM16.38 million which was classified as Other Expenses in 2023. This caused the significant increase in Other Expenses to RM18.09 million in FY2023. This is elaborated further in our answer to the next question.</p> <p>(b) The significant increase in other expenses compared to FY2022 was due largely to the accrual of one-off non-recurring transaction related expenses of RM16.38 million stemming from the divestment of Straits Apex Group Sdn Bhd’s (“SAG”) entire equity interest in its wholly owned subsidiary Straits Apex Sdn Bhd (“SA”) to Quadria Capital, along with SAG’s reinvestment in the SA Group of companies through subscription and rollover for a 40% equity stake in the new holding company of SA which was completed on 11 May 2023 (the “Transactions”).</p> <p>These one-off expenses were initially accounted for under the share of results of the Associate in the Group’s quarterly announcement for the second quarter of 2023 when estimating the non-recurring gain arising from the Transactions. Based on advice from our Auditors Ernst & Young, these expenses were reclassified in the fourth quarter of 2023 from share of results of the Associate to Other Expenses to align with generally accepted accounting principles.</p>

PART A : Questions (“Q”) from Minority Shareholders Watch Group and replies (“A”) from the Company (Cont’d)

Operational & Financial Matters (Cont’d)

A4	<p>The one-off expenses comprised consulting fees for an external advisor and performance related bonuses approved by the Board for a team of 7 management and staff who played important roles in identifying and nurturing the investment in SAG over a period of 10 years. This group also led and supported the SAG management team in directing the competitive sale process, introducing the eventual purchaser and negotiating a successful closing. This enabled the Group to unlock significant value from its 10-year investment in SAG to record a non-recurring gain of RM321.7 million, a substantial return of 45.9 times the cost of investment of RM7 million first made in 2013. This success has enabled the proposal of a special dividend of 20 sen per share to be considered at this AGM.</p>
-----------	---

Sustainability Matters

Q5	<p>In the Sustainability Statement, actual data are provided for each sustainability pillar (i.e., economic, environment, social, and governance), but specific key performance indicators (KPIs) and targets for sustainability matters are not included.</p> <p>The inclusion of KPIs, and targets will enhance the message and facilitate a better understanding of the Group’s approach in sustainability matters. What are the key targets and the performance indicators for each sustainability matter?</p>
A5	<p>In 2023, we substantially enhanced our sustainability reporting, referencing our initiatives and report to Bursa Malaysia Main Market Listing Requirements, Bursa Malaysia Sustainability Reporting Guide, Global Reporting Initiative and United Nations Sustainable Development Goals.</p> <p>We have addressed all the Common Sustainability Matters mandated by Bursa Malaysia, healthcare sector-specific Sustainability Matters, namely Materials and Effluents, as well as other Sustainability Matters which we assessed to be material to the Group, such as Responsible Product and Marketing Practices and Customer Health and Safety. In total, 9 material Sustainability Matters, subdivided into 15 sub-matters encompassing 47 indicators were identified and addressed, a significant increase from the 3 material matters reported in the year before.</p> <p>For FY2023, we have disclosed 3 targets in our Sustainability Statement. First, we aim to invest at least 0.3% of the previous year’s Group Profit After Tax, excluding one-off gains, in the community (page 97 of Annual Report 2023 (“AR 2023”)). The second is to target 100% participation by our workforce in health and safety training (page 83 of AR 2023). The third is to attain at least 70% of our total procurement spending on local suppliers (page 64 of AR 2023).</p>

PART A : Questions (“Q”) from Minority Shareholders Watch Group and replies (“A”) from the Company (Cont’d)

Sustainability Matters (Cont’d)

A5	<p>As 2023 was the first year of data collection for our expanded set of material matters and indicators, we intend to first establish a baseline dataset for analyses before we set meaningful targets for more indicators. We are committed to ongoing progress in sustainability reporting and will be integrating climate disclosures and more targets in subsequent years.</p>
Q6	<p>While there were 13 product recalls in 2023, the affected products were primarily those which the Group distributes for its external suppliers who initiated the recall. The Group’s distribution business segment renders full support to its suppliers accordingly. Through the close collaboration with its suppliers, the Group is able to institute an effective process to ensure customer health and safety are maintained at all times.</p> <p>(a) How many product recalls during the year are related to Group-branded products?</p> <p>(b) Quality is one of the three Core Tenets of the Group. Has the Group established KPIs for product recalls as an initiative to uphold the quality of the Group's products?</p>
A6	<p>(a) There was one product recall for a Group branded product in the territory of Brunei in 2023.</p> <p>(b) The established KPI for product recalls in each year is zero for Group branded products, although this has not been specifically stated in our Sustainability Statement for FY2023. This KPI will be incorporated in next year’s Sustainability Statement.</p>

Governance Matters

Q7	<p>Practice 1.3 of the Malaysian Code on Corporate Governance 2021 advocates a separation of the positions of the chairman and Chief Executive Officer (CEO) in order to promote accountability and facilitate the division of responsibilities between them. A chairman leads the board in overseeing the management team, including deciding on the appointment, compensation and replacement of CEO, while the CEO focuses on the business and day-to-day management of the company. As such, a separation of the roles of the chairman and the CEO increases the board’s independence from management and thus leads to better monitoring and oversight.</p> <p>On page 7 of the Corporate Governance Report 2023, the Company states that it has departed from Practice 1.3 and the functions of Chairman and CEO are currently combined. What measures have been put in place to ensure the independence of the board in overseeing the management team especially since the chairman who leads the board is also the CEO of the Company?</p>
----	---

PART A : Questions (“Q”) from Minority Shareholders Watch Group and replies (“A”) from the Company (Cont’d)**Governance Matters (Cont’d)**

A7	<p>The Board acknowledges that the CEO, being the representative of the largest shareholder, confers the advantage of shareholder leadership and enjoys the support and cooperation of all Directors. The Independent Directors are of the opinion that he is well qualified and best positioned to align all interests to create a high functioning Board in the additional capacity as Chairman of the Board. Although the functions of Chairman and CEO are currently combined, the Board has put in place the following measures to ensure the independence of the Board in overseeing the management team.</p> <p>Firstly, Board’s decisions are dependent on the consensus of the Directors. Five of the eight Board members are independent, forming the majority. There is therefore a strong independent element in debates and decision-making at the Board.</p> <p>Secondly, at all meetings of the Board of Directors, the Board elects one of its members, other than the Chairman, to be the Chairman of the meeting, thus avoiding any unfettered power of decision-making in any one individual.</p> <p>Thirdly, the Non-Executive Directors meet among themselves at least once a year to discuss relevant strategic, governance and operational issues. To enable this, the Board facilitates a meeting each year exclusively for Non-Executive Directors without the participation of the CEO and other members of Management. Only Non-Executive Directors attend.</p> <p>Fourthly, the Chairman is not a member of the Audit, Remuneration, Nomination and Risk & Sustainability Committees. When required, he is invited to attend these committee meetings in his capacity as the CEO to answer questions.</p> <p>However, the Board will look into separating the roles if these measures are insufficient and the intended outcome is compromised.</p>
-----------	---

[The rest of this page is intentionally left blank]

PART B : Questions from Shareholders and Proxyholders and Replies from the Company

Shareholder's/ Proxyholder's Name	No.	Description
Lai Mun Sik	1.	<p>Question</p> <p>How is the remuneration of the CEO determined and can you explain the reason for the increase stated in page 122 of the Annual Report?</p>
		<p>Answer</p> <p>The CEO's remuneration is reviewed annually by the Remuneration Committee, taking into consideration remuneration paid to CEOs of other publicly listed companies that are comparable in terms of market capitalization, profitability and industry. As explained earlier, Year 2023 saw record revenue of RM936.2 million. Profit Before Tax rose 251% to RM423.1 million. The structure of the CEO's remuneration is highly performance related and was increased accordingly. He was instrumental in identifying the Group's original investment in Straits Apex, managing the investment over the 10-year period, and securing the exit with Quadria Capital. The Board is of the opinion that the increase in remuneration is justified and performance related. It is important to note that 89.3% of his total remuneration is variable and related to performance. This is disclosed in Page 56 of the Corporate Governance Report. Should performance weaken, his remuneration will be lowered accordingly.</p>
	2.	<p>Question</p> <p>Has the Company invested sufficiently in cybersecurity, and have you experienced any attacks?</p>
		<p>Answer</p> <p>The Group treats cybersecurity very seriously and has made significant investment in both hardware and software in recent years. We have seen evidence of unsuccessful attempts, all of which have been negated by our cybersecurity defence and business continuity planning systems. We continue to be vigilant against cybersecurity attacks.</p>

[The rest of this page is intentionally left blank]

PART B : Questions from Shareholders and Proxyholders and Replies from the Company (Cont'd)

Shareholder's/ Proxyholder's Name	No.	Description
Ng Seng Yong	3.	<p>Question</p> <p>In 2022 Annual Report, Pavilion Damansara was disclosed as an Investment Properties Under Construction worth RM 9.1m (refer AR 2022, Pg 119). In Annual Report 2023, Pg 163 the same property is transferred as completed at the cost of RM7.9m. Why is the cost of this property lower? Is this due to impairment?</p> <p>Answer</p> <p>In 2016, we purchased 6 office suites on Level 10 of Tower 2 at Pavilion Damansara Heights for RM9.1 million. In the third quarter of 2023, the developer paid liquidated damages of RM1.2 million due to the late delivery of vacant possession. We treated this cash compensation as a deduction from the carrying amount of these properties. Hence, the carrying value is reduced from RM9.1 million to RM7.9 million and this reduction is not due to impairment.</p>
	4.	<p>Question</p> <p>Page 176 Note 21 indicated an increase in Trade Receivables written off from RM42K in 2022 to RM 762K in 2023. Why is the increase so much? Can you explain?</p> <p>Answer</p> <p>The increase in Trade Receivables Write-off reflected a movement in the Allowance for Expected Credit Loss ("ECL") Account which represented a write-off against a doubtful debt provision accounted for in the previous years. In 2023, the Group initiated an effort to write off the old debts from its Allowance for ECL account. This write-off did not impact the income statement for the year.</p>

[The rest of this page is intentionally left blank]

PART B : Questions from Shareholders and Proxyholders and Replies from the Company (Cont'd)

Shareholder's/ Proxyholder's Name	No.	Description
Ng Seng Yong	5.	Question
		Page 183 Note 30 on Capital Commitment, why is there a spike from RM 14.7m in 2022 to RM 72.5m in 2023?
		Answer
		The spike in capital commitment was mainly due to the outstanding purchase price for acquiring the Panasonic land of RM66.5 million. We made an initial payment of RM6.65 million at the time of signing the Sales and Purchase Agreement (SPA). The remaining balance of RM59.85 million will be paid upon completion. For further details, please refer to page 24 of the Annual Report.
Ng Ah Lek	6.	Question
		"Supported by this increased R&D spend, we seek to capitalize on patent cliffs by quickly bringing to market newly formulated generic options for molecules that are coming close to patent expiry or already off patent." (page 7 of AR 2023)
		(a) Do you begin the R&D and seek relevant approvals years before the patent expiry, in order to launch the generic version as soon as current drugs go off patent? (b) How do you identify which drugs to focus on, and assess the risk that multiple generic drug companies may also have the target and create excessive competition?
		Answer
		(a) Yes, our R&D and regulatory work commence well before the patent expiry of the original drugs. This can be between 5 to 7 years before patent expiry.
		(b) We analyse and evaluate market data, focusing on therapeutic areas with high disease burden where demand is high. This raises our chance of success when we launch the product.

[The rest of this page is intentionally left blank]

PART B : Questions from Shareholders and Proxyholders and Replies from the Company (Cont'd)

Shareholder's/ Proxyholder's Name	No.	Description
Ng Ah Lek (Cont'd)	7.	Question How is the Octantis Quality Control laboratory different from existing laboratory? What does it mean when you said it "doubled our capacity for batch releases"?
		Answer The Octantis Quality Control Laboratory is a chemical laboratory equipped with newer and higher capacity equipment to focus on product testing enabling speedy production batch releases. The quicker we test each production batch, the sooner it is approved and released by Quality Assurance for sale in the market.
	8.	Question Please continue to offer the option of remote AGM participation.
		Answer Thank you for your question. We will take this into consideration when we plan for next year's AGM.
Koh Chooi Peng	9.	Question The Company subscribed 40% equity interest in Zynexis Healthcare Pte. Ltd.. (a) What was the consideration paid for the 40% equity interest? (b) Which international market will Zynexis be focusing on?
		Answer (a) The consideration is S\$1.2 million. (b) Zynexis will be focusing on ASEAN countries.

[The rest of this page is intentionally left blank]

PART B : Questions from Shareholders and Proxyholders and Replies from the Company (Cont'd)

Shareholder's/ Proxyholder's Name	No.	Description
Lau Chee Chung	10.	<p>Question</p> <p>(a) Since Apex Healthcare Berhad has huge pile of cash, any strategic acquisition in plan? Such as acquisition of any local or oversea pharmaceutical company that has good/sustainable patented drug?</p> <p>(b) By the way, we hope to receive other than “We are actively looking for opportunity in making good acquisition” or similar response.</p>
		<p>Answer</p> <p>(a) We have allocated RM162 million to reward our shareholders after this AGM if the proposal for the final and special dividend is approved. Recently, we undertook a major strategic acquisition which cost us RM66.5 million. This was the acquisition of the Panasonic site by Xepa so that we can build advanced pharmaceutical warehousing and also LPP2 as shared earlier.</p> <p>(b) For other acquisitions, we continue to evaluate targets throughout the year. When approved by the Board, we will make the announcement to our shareholders.</p>
Chua Song Yun	11.	<p>Question</p> <p>In FY2023, revenue up 6.7% year-over-year to RM936 million. However, profit exclude divestment gains drop 25% year-over-year. Understand that this is due to geopolitical events leads to increased costs for materials and transportation, and weakening of the ringgit further escalated costs for materials, especially imported ingredients.</p> <p>(a) Do management expect these costs to continue to be elevated in near terms, and margin pressures to continue?</p> <p>(b) Are management able to pass on the rising cost?</p>

[The rest of this page is intentionally left blank]

PART B : Questions from Shareholders and Proxyholders and Replies from the Company (Cont'd)

Shareholder's/ Proxyholder's Name	No.	Description
Chua Song Yun (Cont'd)	11.	<p>Answer</p> <p>(a) There was a non-recurring expense related to the divestment by our associate company which we had to re-classify as other expenses of the Group that brought down the operating profit. If this were adjusted out, recurring Operating Profit from all our subsidiaries rose 11.4% over the previous year.</p> <p>(b) We have already seen price increases in raw materials, finished goods and packaging materials that are higher than pre-pandemic levels. We always attempt to look for cost savings and efficiency in operations and try to source for alternative supplies to bring costs down. Transferring costs to the customers will always be the last resort.</p>
	12.	<p>Question</p> <p>In 2023, XEPA marked a notable breakthrough by obtaining a Halal Certificate of Authentication for 23 products (page 17 of AR 2023).</p> <p>(a) Can Muslim only consume Halal certified medicines?</p> <p>(b) What is the potential of these Halal Certified products? Are these Halal certified products meant to target local Muslim, or export to other Muslim countries?</p>

[The rest of this page is intentionally left blank]

PART B : Questions from Shareholders and Proxyholders and Replies from the Company (Cont'd)

Shareholder's/ Proxyholder's Name	No.	Description
Chua Song Yun (Cont'd)	12.	Answer
		(a) Halal certification is currently used mainly for consumer healthcare products. For life-saving medicines, halal certification status is not a consideration when doctors prescribe medicine.
		(b) Halal certification for consumer healthcare products can become a differentiator as it potentially enables us to secure a larger market share in Muslim majority countries.
	13.	Question
		Understand that from 2024, SAG will start receiving rental income from the lease of its 237,147 square feet campus to Straits Apex Sdn Bhd (SA). What will be the annual rental income from leasing this campus? The lease will be for how long?
		Answer
		This has been shared in the Year in Review. The new rental income is expected to commence in the fourth quarter but will not match the reduction in our share of recurring earnings from our reduced equity. The lease is long term and subject to the long-term lease agreements between SA and SAG.
14.	Question	
		In the future AGM, can the Board and Management please display the reply to MSWG on the screen, instead of just reading it out. Thank you.
		Answer
		Thank you for the suggestion. We will consider this and implement it next year.

[The rest of this page is intentionally left blank]

PART B : Questions from Shareholders and Proxyholders and Replies from the Company (Cont'd)

Shareholder's/ Proxyholder's Name	No.	Description
Loo Yeo Ming	15.	<p>Question</p> <p>There should be succession planning for any directors who is retiring? Shareholders want T20 Directors who will delight shareholders by giving door gift, higher dividends year by year, care, appreciate them etc. as we invest our hard earn wages.</p>
		<p>Answer</p> <p>We have a Board Succession Planning Policy which we review periodically. We have proposed to reward our shareholders at this AGM with the special and final dividend of 22.5 sen, if approved.</p>
Lee Eng Shan	16.	<p>Question</p> <p>Appreciate to hear the R&D budgeting equivalent to 5% manufacturing revenue. Please shed lights on the strategies of the said R&D including direction/segment of the allocation?</p>
		<p>Answer</p> <p>In general, our R&D strategic direction are as below:-</p> <ul style="list-style-type: none"> (a) Off-patent generics; (b) Focus on high disease burden therapeutic areas; and (c) Focus on primary care segment.
	17.	<p>Question</p> <p>How many production lines are installed and operating in SPP Novo currently, and what's the latest utilisation rate based on installed capacity?</p>
		<p>Answer</p> <p>We have built SPP NOVO for 6 production lines. 2 are fully fitted out and the utilization rate currently is about 60%.</p>
	18.	<p>Question</p> <p>Any comments on the recent weight-loss drug phenomena? Are we looking into any similar products?</p>
		<p>Answer</p> <p>Our current portfolio has a weight loss product that is administered orally. We continue to assess new drugs for weight loss and will include them in our development portfolio for future launches if strategic for us.</p>

PART B : Questions from Shareholders and Proxyholders and Replies from the Company (Cont'd)

Shareholder's/ Proxyholder's Name	No.	Description	
Lee Eng Shan (Cont'd)	19.	<p>Question</p> <p>Any comments on Pharmaniaga's recent development? Are we in a position to take-advantage of the situation?</p> <p>Answer</p> <p>We work well with Pharmaniaga and enjoy a strong working relationship. We continue to explore all commercial opportunities that arise in our interaction with Pharmaniaga.</p>	
	20.	<p>Question</p> <p>How's the company's preparation for e-invoicing? Any comments on the effects of the said matter?</p> <p>Answer</p> <p>The implementation is in progress and we have appointed an IT consultant to assist in the deployment of middleware to link our SAP system to Inland Revenue's System.</p>	
	21.	<p>Question</p> <p>There are talks about petrol subsidy cuts. What are the strategies in place to mitigate the impact?</p> <p>Answer</p> <p>We are watching this development and will consider the impact on our operations when more details are available.</p>	
	22.	<p>Question</p> <p>Are they succession plan in place to replace the retire independent directors?</p> <p>Answer</p> <p>We do have a Board Succession Planning Policy which the Board reviews regularly.</p>	
	Ling Chin Huat		

[The rest of this page is intentionally left blank]

PART B : Questions from Shareholders and Proxyholders and Replies from the Company (Cont'd)

Shareholder's/ Proxyholder's Name	No.	Description
Ling Chin Huat (Cont'd)	23.	<p>Question</p> <p>Since the Group making a serious effort in empowering digitalization, what are the budgeted have been allocated and to what extend digitalization has been materialised from the masterplan.</p>
		<p>Answer</p> <p>The allocated budget in 2023 for IT was RM3.3 million. We have shared the various digitalisation initiatives we undertook in 2023, including transitioning our Singapore distribution subsidiary to SAP in line with our Group IT Masterplan.</p>
Lee Kong Meng	24.	<p>Question</p> <p>I would like to know any planning for privatization of Apex Healthcare Berhad? Any planning merger or acquisition any local pharmacy? Thank you.</p>
		<p>Answer</p> <p>The Board has not received or considered any privatisation proposals. As for possible mergers and acquisitions, we are constantly evaluating opportunities.</p>

[The rest of this page is intentionally left blank]

PART C : Repetitive Questions from Shareholders and Proxyholders which are similar to those addressed in the Year of Review 2023 and/or Questions from Minority Shareholders Watch Group

Shareholder's/ Proxyholder's Name	No.	Description
Ng Ah Lek	1.	Question After acquiring the Panasonic land, do you still need the Alor Gajah land for future expansion? If not, will it be sold?
	2.	Question Please send printed annual report.
Loo Yeo Ming	3.	Question Please reconsider to give doorgift as Token of Appreciation for your loyal retired shareholder especially e-wallet due to inflation.
	4.	Question This question is directed to the Chairman of the Remuneration Committee. (a) What is the basis for the huge bonus payout to the Chairman and CEO in FY2023? (b) Is the bonus payment related to the huge gain in divestment of 60% equity interest in Straits Apex Sdn. Bhd.?
Koh Chooi Peng	5.	Question The Group completed the acquisition for the 20.7 acres industrial land at Cheng Industrial Estate. What is the planned capex for this new manufacturing facility and when will expansion expected to be completed together with date of commencement of operations.
	6.	Question We can see a spike in director fees/benefit. why is that so? is it due to disposal of subsidiary?
Lau Chee Chung	7.	Question Pls post me the printed report. Thanks.
Tan Kim Khuat	8.	Question Please send a copy of annual report to me. Please give e-wallets or e-vouchers to those attend this meeting.

[The rest of this page is intentionally left blank]

PART C : Repetitive Questions from Shareholders and Proxyholders which similar to those addressed in the Year of Review 2023 and/or Questions from Minority Shareholders Watch Group (Cont'd)

Shareholder's/ Proxyholder's Name	No.	Description
Lau Chuan Hooi	9.	<p>Question</p> <p>(a) May I know what is the company's future outlook?</p> <p>(b) Will The Board consider giving door gifts such e-voucher or e-wallets for those participating in this Agm as a token of appreciation?"</p>
Chua Song Yun	10.	<p>Question</p> <p>Can management please further elaborate on Octantis Quality Control laboratory, on its significance, and how it can double the batch releases capacity (page 7).</p>

- End -