

INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024
(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	3 MONTHS ENDED		YEAR ENDED	
		31/12/2024	31/12/2023	31/12/2024	31/12/2023
		RM'000	RM'000	RM'000	RM'000
Revenue		237,501	239,997	961,780	936,170
Cost of sales		(180,991)	(188,398)	(736,185)	(721,341)
Gross profit		56,510	51,599	225,595	214,829
Other income		3,043	5,365	15,754	14,591
Selling & marketing expenses		(20,848)	(16,546)	(96,998)	(91,038)
Administrative expenses		(8,751)	(11,832)	(31,259)	(32,820)
Other expenses		(758)	(17,114)	(707)	(18,086)
Operating profit		29,196	11,472	112,385	87,476
Finance costs		(505)	(122)	(1,405)	(563)
Share of results of associated companies		(6,588)	17,286	(9,779)	336,396
Profit before tax		22,103	28,636	101,201	423,309
Income tax expense	A7 B6	(8,642)	(8,575)	(24,657)	(25,320)
Net profit for the year		13,461	20,061	76,544	397,989
Other comprehensive income:					
Exchange differences on translation of foreign operations, net of tax		(38)	(3)	(3,859)	2,762
Total comprehensive income for the year		13,423	20,058	72,685	400,751
Net profit attributable to:					
Equity owners of the parent		13,461	20,061	76,544	397,989
Total comprehensive income attributable to:					
Equity owners of the parent		13,423	20,058	72,685	400,751
Earnings per share attributable to owners of the parent:		Sen	Sen	Sen	Sen
- Basic	B11	1.88	2.81	10.70	55.71
- Diluted	B11	1.88	2.81	10.70	55.68

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to the Interim Financial Statements.

**INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024
(THE FIGURES HAVE NOT BEEN AUDITED)**
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	Note	As at 31/12/2024 RM'000	As at 31/12/2023 RM'000 (Audited)
ASSETS			
Non-Current Assets			
Property, plant and equipment	A12	255,658	199,234
Investment properties		9,070	9,252
Intangible assets	A13	9,144	5,575
Right-of-use assets		9,213	6,396
Investments in associated companies		183,886	193,785
Other Investment		726	1,218
Deferred tax assets		692	1,319
		<u>468,389</u>	<u>416,779</u>
Current Assets			
Inventories		132,353	126,992
Receivables		192,492	194,423
Prepayments		1,544	1,398
Tax recoverable		88	46
Derivative financial instruments	A16 & B12	-	10
Deposits, bank and cash balances		214,020	382,969
		<u>540,497</u>	<u>705,838</u>
TOTAL ASSETS		<u>1,008,886</u>	<u>1,122,617</u>
EQUITY AND LIABILITIES			
Current Liabilities			
Payables		149,295	179,907
Borrowings	B8	7,143	3,643
Lease liabilities		2,089	950
Derivative financial instruments	A16 & B12	6	-
Current tax payable		4,480	6,098
		<u>163,013</u>	<u>190,598</u>
Non-Current Liabilities			
Borrowings	B8	39,881	-
Lease liabilities		7,718	5,938
Deferred tax liabilities		8,654	7,807
		<u>56,253</u>	<u>13,745</u>
TOTAL LIABILITIES		<u>219,266</u>	<u>204,343</u>
NET ASSETS		<u>789,620</u>	<u>918,274</u>
EQUITY			
Equity attributable to owners of the parent			
Share capital		137,137	133,287
Reserves		18,570	22,507
Retained earnings		633,913	762,480
		<u>789,620</u>	<u>918,274</u>
TOTAL EQUITY		<u>789,620</u>	<u>918,274</u>
		RM	RM
Net Assets per share attributable to owners of the parent		<u>1.10</u>	<u>1.29</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached to the Interim Financial Statements.

INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024
(THE FIGURES HAVE NOT BEEN AUDITED)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	← Non-Distributable →			Distributable	Total Equity
		Share Capital	Share option reserve	Foreign currency translation reserve	Retained Earnings	
		RM'000	RM'000	RM'000	RM'000	RM'000
YEAR ENDED 31 DECEMBER 2024						
Balance at 1 January 2024		133,287	1,540	20,967	762,480	918,274
Total comprehensive income		-	-	(3,859)	76,544	72,685
Share options granted		-	875	-	-	875
Share options lapsed		-	(19)	-	19	-
Transfer to share capital for share options exercised		934	(934)	-	-	-
Transaction with owners						
Dividends on ordinary shares	A8	-	-	-	(205,130)	(205,130)
Issuance of ordinary share pursuant to ESOS		2,916	-	-	-	2,916
Total transaction with owners		2,916	-	-	(205,130)	(202,214)
Balance as at 31 December 2024		137,137	1,462	17,108	633,913	789,620
YEAR ENDED 31 DECEMBER 2023						
Balance at 1 January 2023		129,834	1,637	18,205	408,752	558,428
Total comprehensive income		-	-	2,762	397,989	400,751
Share options granted		-	752	-	-	752
Share options lapsed		-	(20)	-	20	-
Transfer to share capital for share options exercised		829	(829)	-	-	-
Transaction with owners						
Dividends on ordinary shares	A8	-	-	-	(44,281)	(44,281)
Issuance of ordinary share pursuant to ESOS		2,624	-	-	-	2,624
Total transaction with owners		2,624	-	-	(44,281)	(41,657)
Balance as at 31 December 2023		133,287	1,540	20,967	762,480	918,274

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to the Interim Financial Statements.

INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024
(THE FIGURES HAVE NOT BEEN AUDITED)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2024

	YEAR ENDED	
	31/12/2024	31/12/2023
	RM'000	RM'000
Operating activities		
Profit before tax	101,201	423,309
Adjustments for:		
Depreciation and amortisation	19,747	17,169
Net profit on disposal of property, plant and equipment	(203)	(281)
Property, plant and equipment written off	-	1
Intangible assets written off	205	-
Share of results of associated companies	9,779	(336,396)
Fair value changes of derivative financial instruments	16	71
Share options granted	875	752
Depreciation of right-of-use assets	2,020	898
Lease interest expense	434	307
Inventories written off/written down net of reversals	(195)	1,575
Impairment on receivables net of reversals	9	657
Interest expense	971	256
Interest income	(7,805)	(6,859)
Net currency translation differences (unrealised)	762	(570)
Operating cash flows before changes in working capital	127,816	100,889
Inventories	(5,166)	(17,116)
Receivables	1,713	(13,023)
Payables	(30,534)	15,583
Cash generated from operations	93,829	86,333
Tax paid	(24,828)	(21,138)
Net cash flows generated from operating activities	69,001	65,195
Investing activities		
Investment in an associated company	-	(3,960)
Investment in trust fund	(114)	(872)
Purchase of property, plant and equipment & intangible assets	(80,967)	(28,236)
Proceeds from disposal of property, plant and equipment	322	352
Proceeds from disposal of investment in trust fund	611	-
Withdrawal from short term deposit	847	7,310
Dividend from associated company	-	217,000
Interest received	7,805	6,859
Net cash flows (used in)/generated from investing activities	(71,496)	198,453
Financing activities		
Proceeds from issuance of shares under ESOS	2,916	2,625
Net drawdown/(repayment) of term loans	43,381	(5,857)
Dividends paid	(205,130)	(44,281)
Interest paid	(971)	(256)
Payment of lease liabilities	(2,353)	(1,142)
Net cash flows used in financing activities	(162,157)	(48,911)
Net (decrease)/increase in cash and cash equivalents	(164,652)	214,737
Cash and cash equivalents at 1 January	380,321	164,513
Effect of exchange rate changes on cash and cash equivalents	(3,450)	1,071
Cash and cash equivalents at the end of the financial year	212,219	380,321

Included in the deposits, bank and cash balances was RM 1,801,000 (31 December 2023: RM 2,648,000) placed with money market fund held for investment purposes and deposits with licensed banks with tenure more than 3 months. Both of these do not form part of cash and cash equivalents.

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the accompanying explanatory notes attached to the Interim Financial Statements.

**INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024
(THE FIGURES HAVE NOT BEEN AUDITED)**

A NOTES PURSUANT TO MFRS 134 FOR THE YEAR ENDED 31 DECEMBER 2024

A1 Basis of preparation

These unaudited condensed consolidated interim financial statements for the year ended 31 December 2024 have been prepared in accordance with MFRS 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. These unaudited condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board. It should be read in conjunction with the Group's most recent audited financial statements for the year ended 31 December 2023.

These unaudited condensed consolidated interim financial statements have been prepared on a historical cost basis except for certain financial assets and liabilities classified as financial assets and liabilities at fair value through profit or loss, other comprehensive income and financial assets designated as available for sale.

A2 Significant accounting policies

The significant accounting policies adopted in preparing these unaudited condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2023 except for the adoption of the following standards, wherever applicable to the Group and Company:

Description	Effective for annual periods beginning on or after
Amendments to MFRS 16: Lease liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Non-current liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The initial application of the abovementioned standards and amendments do not have any material impacts to the current and prior periods financial statements upon their first adoption.

A3 Seasonality or cyclicity of interim operations

The Group's interim operations are not affected materially by any seasonal or cyclical factors.

A4 Unusual items

There were no unusual items that affected the assets, liabilities, equity, net income or cash flows for the year ended 31 December 2024.

A5 Changes in estimates of amounts reported in prior interim periods of the current financial year or in prior financial year

There were no changes in estimates of amounts reported in the prior interim periods of the current financial year or in prior financial year.

A6 Issuances, cancellations, repurchases, resale and repayments of debt and equity securities

There were no issuance and/or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the fourth quarter ended 31 December 2024 except for the issuance of 170,500 new ordinary shares pursuant to the exercise of options under the Executive Share Options Scheme ("ESOS").

A7 Profit before tax

Included in profit before tax are the following items:

	3 MONTHS ENDED		YEAR ENDED	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	RM'000	RM'000	RM'000	RM'000
Interest income	1,205	3,017	7,805	6,859
Other income including investment income	2,092	1,400	7,499	5,898
Interest expense	(413)	(44)	(971)	(256)
Depreciation and amortisation	(5,204)	(4,453)	(19,747)	(17,169)
Depreciation of right-of-use assets	(575)	(262)	(2,020)	(898)
Impairment on receivables net of reversals	(207)	425	(9)	(657)
Inventories written off/written down net of reversals	338	(1,499)	195	(1,575)
Net profit on disposal of property, plant and equipment	(8)	-	203	281
Property, plant and equipment written off	-	-	-	(1)
Intangible assets written off	(205)	-	(205)	-
Fair value changes of derivative financial instruments	(74)	10	(16)	(71)
Foreign exchange (loss)/gain	(629)	919	(1,419)	1,359

INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024
(THE FIGURES HAVE NOT BEEN AUDITED)

A NOTES PURSUANT TO MFRS 134 FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

A8 Dividends paid and declared

The amount of dividends paid during the current and previous years were as follows:

<u>In respect of the financial year ended 31 December</u>	31/12/2024 RM'000	31/12/2023 RM'000
2024: Interim single-tier dividend comprising 3.00 sen per share paid on 20-December-24	21,607	-
2024: Interim single-tier dividend comprising 3.00 sen per share paid on 18-September-24	21,602	-
2023: Final single-tier dividend comprising 2.50 sen per share paid on 29-May-24	17,991	-
2023: Special dividend comprising 20.0 sen per share paid on 29-May-24	143,930	-
2023: Interim single-tier dividend comprising 2.50 sen per share paid on 19-September-23	-	17,954
2022: Final single-tier dividend comprising 3.50 sen per share paid on 16-June-23	-	16,754
2022: Special dividend comprising 2.00 sen per share paid on 16-June-23	-	9,573
	<u>205,130</u>	<u>44,281</u>

A9 Segment Information

The Group is organised into three main business units based on their activities, and has three reportable operating segments as follows:

- (i) Manufacturing of pharmaceutical products ("Manufacturing");
- (ii) Distribution of pharmaceutical and healthcare products ("Distribution"); and
- (iii) Corporate comprising investments, properties and others ("Corporate").

OPERATING SEGMENTS

	Manufacturing RM'000	Distribution RM'000	Corporate RM'000	Adjustments RM'000	GROUP RM'000
YEAR ENDED 31/12/2024					
External Revenue	85,552	875,855	373	-	961,780
Inter-segment revenue	179,936	59	47,471	(227,466)	-
Total Revenue	<u>265,488</u>	<u>875,914</u>	<u>47,844</u>	<u>(227,466)</u>	<u>961,780</u>
Segment Results	75,253	35,097	(5,348)	(2,396)	102,606
Finance costs					(1,405)
Profit before tax					<u>101,201</u>
YEAR ENDED 31/12/2023					
External Revenue	88,789	847,332	49	-	936,170
Inter-segment revenue	175,339	36	75,202	(250,577)	-
Total Revenue	<u>264,128</u>	<u>847,368</u>	<u>75,251</u>	<u>(250,577)</u>	<u>936,170</u>
Segment Results	72,885	37,192	334,295	(20,500)	423,872
Finance costs					(563)
Profit before tax					<u>423,309</u>
Segment assets					
31-Dec-2024	322,229	367,078	327,996	(8,417)	1,008,886
31-Dec-2023	<u>260,029</u>	<u>367,934</u>	<u>502,904</u>	<u>(8,250)</u>	<u>1,122,617</u>
Segment liabilities					
31-Dec-2024	(79,508)	(120,785)	(5,838)	(13,135)	(219,266)
31-Dec-2023	<u>(40,415)</u>	<u>(125,527)</u>	<u>(24,496)</u>	<u>(13,905)</u>	<u>(204,343)</u>

A10 Significant Events After the Reporting Date

There were no significant events that had arisen subsequent to the end of this current year.

A11 Changes in Group Composition

The Group did not undertake any business combinations, acquisitions or disposals of subsidiaries and long-term investments, restructuring or discontinuation of operations during the current year ended 31 December 2024.

A12 Property, plant and equipment

During the current quarter ended 31 December 2024, the capital expenditure paid by the Group was RM 5.9 million (31 December 2023: RM 13.0 million).

There were no material disposal of assets and assets written off in the current quarter and the corresponding quarter in the previous year.

A13 Intangible assets

There were intangible assets related to development costs written off amounting to RM 205,000 in the current quarter (31 December 2023: RM Nil).

INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024
(THE FIGURES HAVE NOT BEEN AUDITED)

A NOTES PURSUANT TO MFRS 134 FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

A14 Capital Commitments

Capital commitments of property, plant and equipment not provided for in the financial statements as at 31 December 2024 are as follows:

	RM'000
Authorised capital expenditure approved and contracted for	6,268
Authorised capital expenditure approved but not contracted for	15,509
	<u>21,777</u>

A15 Related Party Transactions

The Group did not have any significant transactions with related parties during the year ended 31 December 2024 in addition to the related party transactions disclosed in the audited financial statements for the year ended 31 December 2023.

A16 Fair value hierarchy

The Group uses the following level of fair value hierarchy for determining the fair value of its financial instruments carried at fair value.

Financial assets/(liabilities):	31/12/2024	31/12/2023
	RM'000	RM'000
	(Level 2)	
Other investment	726	1,218
Derivatives - Forward currency contracts	(6)	10

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There have been no transfers between the fair value hierarchy during the current interim period and financial year ended 2024 and 2023.

A17 Changes in Contingent liabilities or Contingent assets

There were no contingent liabilities or contingent assets of the Group since the end of the last annual reporting date.

**INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024
(THE FIGURES HAVE NOT BEEN AUDITED)**
B NOTES PURSUANT TO BURSA LISTING REQUIREMENTS: CHAPTER 9, APPENDIX 9B, PART A
B1 Detailed Performance Analysis of Operating Segments of the Group

	Individual Period			Changes	Cumulative Period		Changes
	Current Year	Preceding Year			Current Year	Preceding Year	
	Quarter	Corresponding Quarter			To-date	To-date	
	31/12/2024	31/12/2023			31/12/2024	31/12/2023	
	RM'000	RM'000	(%)	RM'000	RM'000	(%)	
Revenue	237,501	239,997	(1.0%)	961,780	936,170	2.7%	
EBITDA (excluding share of results of associated companies)	33,771	13,169	156.4%	126,347	98,684	28.0%	
Operating Profit	29,196	11,472	154.5%	112,385	87,476	28.5%	
Share of results of associated companies	(6,588)	17,286	(138.1%)	(9,779)	336,396	(102.9%)	
Finance Cost	(505)	(122)	313.9%	(1,405)	(563)	149.6%	
Profit Before Tax	22,103	28,636	(22.8%)	101,201	423,309	(76.1%)	
Profit After Tax	13,461	20,061	(32.9%)	76,544	397,989	(80.8%)	

Review of Current Quarter Performance versus Corresponding Quarter Last Year

In Q4 2024, the Group's operating subsidiaries achieved a consolidated quarterly revenue of RM 237.5 million, maintaining a steady performance close to the RM 240.0 million recorded in Q4 2023 and aligning with Q3 2024. Domestic private sector, international and contract manufacturing sales of pharmaceuticals, consumer healthcare products and medical devices were firm in the fourth quarter. However, revenue growth was tempered by lower orders and supply to Malaysian and Singapore Government tenders in the second half of 2024, especially in the fourth quarter, due to the timing and mix of tenders secured. Revenue from tenders is expected to resume its growth trajectory in 2025.

Notwithstanding, Earnings before Interest, Taxation, Depreciation and Amortization ("EBITDA") reached RM 33.8 million for the quarter, 156.4% higher than RM 13.2 million reported for the same period in 2023, which was lowered by the reclassification of transaction-related expenses ("Reclassified Expenses") totalling RM 14.5 million from the effective divestment of Straits Apex Group Sdn Bhd's ("SAG") 60% equity interest in Straits Apex Sdn Bhd ("SA") to Quadria Capital (the "Straits Divestment"). After removing the impact of the Reclassified Expenses, EBITDA before associates still grew 22.1% over Q4 2023.

In the current quarter, the share of earnings of Penang based associate SAG from business operations at SA improved to RM 2.6 million. However, an option held by SAG in relation to the divestment of its remaining equity in the SA Group is unlikely to be exercised, as performance is not forecasted to reach the required threshold in 2025. The Group's share of the write off for this option is RM 5.4 million. Together with SAG's share of financing costs, amortization of intangible assets, refinancing fee and other expenses related to the Straits Divestment, the Group's total share of SAG's expenses unrelated to the recurring business operations of SA amounted to RM 9.2 million for the quarter. The share of results from associate SAG for the fourth quarter of 2024 is therefore a loss of RM 6.6 million.

Group profit before tax for the fourth quarter is RM 22.1 million, 22.8% lower than the RM 28.6 million achieved in the corresponding period in 2023. This is attributed to the share of loss from associate SAG. Group profit after tax for the quarter is RM 13.5 million, lower than the RM 20.1 million in Q4 2023 for the same reason.

During the quarter, Xepa-Soul Pattinson (Malaysia) Sdn Bhd ("Xepa") filed its first generic pharmaceutical product for regulatory approval in two European Union countries. Retrofitting works for the pharmaceutical warehouse at Cheng 2 is completed and the Certificate of Completion and Compliance received on 22 January 2025. Planning has commenced to relocate non-production departments to Cheng 2 later in 2025 to release space for expanded production activities at the current Cheng 1 site.

The Group's subsidiary in Singapore, Apex Pharma Marketing Pte Ltd ("APS"), launched LactoFit, Korea's leading range of probiotics from Chong Kun Dong Healthcare, Korea. In Malaysia, Apex Pharmacy Marketing Sdn Bhd ("APM") expanded its range of products as distributor for Nestle Health Science with the launch of two new product variants in the Nutren range of nutritional products for diabetes and gut health. As distributor, APM successfully supported the launch of the next generation Ulthera Prime from Merz Pharma, an FDA cleared non-invasive medical device for aesthetic medicine to practitioners in Malaysia.

Ten new Group branded products were brought to the market in the fourth quarter by Xepa and ABio Marketing Sdn Bhd ("ABio"), comprising an even distribution of pharmaceutical and consumer healthcare products. These pharmaceutical products include medicines indicated for cardiovascular, musculoskeletal, and respiratory disorders while the consumer healthcare products encompass preparations for dermatological conditions and health supplements. The total number of Group branded products launched in 2024 is 22, a new high. Notably, 64% of these are consumer healthcare products, in line with the Group's stated intention to grow Consumer Healthcare.

INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024
(THE FIGURES HAVE NOT BEEN AUDITED)

B NOTES PURSUANT TO BURSA LISTING REQUIREMENTS: CHAPTER 9, APPENDIX 9B, PART A (continued)

B1 Detailed Performance Analysis of Operating Segments of the Group (continued)

Review of Year To Date Performance versus Corresponding Last Year

In 2024, the consolidated revenue of the Group's operating subsidiaries reached a record RM 961.8 million, its 24th consecutive year of growth. This represents an increase of 2.7% compared to the RM 936.2 million achieved in 2023. Revenue growth is attributed to continued robust demand for healthcare products and services in our key markets, and effective execution of business strategies. In 2024, the Group delivered its highest number of new products launched under Group brands, good growth in exports and contract manufacturing, as well as strong contributions from existing and recently acquired distribution agencies. Sales to the government sector in both Malaysia and Singapore were 0.7% lower in 2024, due to the timing and mix of tenders secured, and are expected to resume its growth trajectory in 2025.

Expenses generally rose in tandem with higher revenue, with advertising and promotional expenses incurred for brand building rising 61.5% over the previous year. Research and development expenditure to expand the pipeline of new products was 3.9% higher than the previous year. Finance cost incurred for 2024 is 149.6% higher compared to the corresponding period in 2023 as a new term loan was secured to part finance the acquisition of Cheng 2.

After removing the impact of the Reclassified Expenses, EBITDA grew 11.6% over 2023 to reach a new high of RM 126.3 million for financial year 2024, a reflection of the Group's singular focus on developing and growing its core pharmaceutical operations after the completion of the Straits Divestment.

The share of earnings from associate company SAG for the full year is a loss of RM 9.8 million, a decline compared to the gain of RM 336.4 million recorded in 2023. The 2023 earnings were elevated by a one-off gain of RM 321.7 million from the completion of the Straits Divestment. Share of recurring earnings from the business operations of SA amounted to RM 5.1 million in 2024, lower than the RM 17.1 million in 2023 because of the reduction in the Group's effective interest in SA to 16%, lower revenue as customers reduced orders in order to right size their inventory in the post pandemic period and higher expenses with the establishment of a sales team based in the United States of America. Together with SAG's share of financing costs, amortization of intangible assets, refinancing fee and other expenses related to the Straits Divestment, the Group's total share of SAG's expenses unrelated to the recurring business operations of SA amounted to RM 14.9 million for 2024. As a result, the share of results from associate SAG for 2024 is a loss of RM 9.8 million.

Group profit before tax for 2024 is RM 101.2 million, lower than the record RM 423.3 million in 2023, which was helped by a non-recurring gain of RM 321.7 million from the successful completion of the Straits Divestment. Group profit after tax in 2024 is RM 76.5 million, lower than 2023 for the same reason.

The Board of Directors is proposing a final single-tier dividend of 3.0 sen per share (2023: 2.5 sen per share) in respect of financial year ended 31 December 2024 for shareholders' approval at the forthcoming Annual General Meeting. Together with the two interim dividends of 3.0 sen per share each and paid on 18 September 2024 and 20 December 2024, total dividends paid and declared in respect of financial year 2024 is 9.0 sen per share, or 84.7% of profit after tax.

B2 Material Changes in the Profit Before Tax for the Quarter

	Current Quarter	Immediate Preceding Quarter	Changes	
	31/12/2024	30/9/2024	RM'000	(%)
Revenue	237,501	237,366	135	0.1%
EBITDA (excluding share of results of associated companies)	33,771	32,420	1,351	4.2%
Operating Profit	29,196	28,009	1,187	4.2%
Share of results of associated companies	(6,588)	(3,667)	2,921	79.7%
Finance Cost	(505)	(620)	(115)	(18.5%)
Profit Before Tax	22,103	23,722	(1,619)	(6.8%)
Profit After Tax	13,461	18,231	(4,770)	(26.2%)

Group profit before taxation for the current quarter stands at RM 22.1 million, a 6.8% decrease from the RM 23.7 million achieved in the immediate preceding quarter, despite EBITDA growing 4.2% to RM 33.8 million in Q4 2024. This is mainly due to the increased share of loss amounting to RM 6.6 million from associate SAG for the quarter, up from RM 3.7 million in the preceding quarter.

B3 Commentary

a Prospects

In 2024, the Group's core pharmaceutical manufacturing and distribution businesses delivered a sturdy performance, marking the 24th consecutive year of revenue growth with a record RM 961.8 million. After removing the impact of the Reclassified Expenses, EBITDA grew 11.6% over 2023 to reach a new high of RM 126.3 million in 2024. Demand for pharmaceuticals, consumer healthcare products, and medical devices remained robust in both domestic and international markets in 2024 and is projected to continue into 2025. This positive outlook is supported by sustained demand for essential medicines, driven by heightened healthcare needs and demographic factors such as an aging population.

**INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024
(THE FIGURES HAVE NOT BEEN AUDITED)**

B NOTES PURSUANT TO BURSA LISTING REQUIREMENTS: CHAPTER 9, APPENDIX 9B, PART A (continued)

B3 Commentary (continued)

a Prospects (continued)

For 2025, Malaysia's economic growth is expected to maintain a steady trajectory, despite external headwinds such as uncertainties in US tariff policies and its impact on global trade dynamics. The Malaysian Ministry of Health received a significant budget allocation of RM 45.3 billion for 2025, reflecting a substantial 9.9% increase from the previous year. The increased funding will support key initiatives aimed at improving healthcare accessibility and affordability.

To bolster the domestic pharmaceutical and medical device industries, Malaysian Budget 2025 introduces an offtake policy linked to new investments in manufacturing, prioritizing the specific procurement of critical medical supplies including pharmaceutical products and medical devices from local companies to foster economic growth and enhance national self-sufficiency in healthcare. Further, the Ministry of Health advocates a generics first policy to promote the use of affordable generic medicines as part of its objective to reduce healthcare costs. These initiatives further strengthen the already positive outlook for the pharmaceutical sector.

Looking toward 2025 and beyond, the Group aims to strengthen its leadership in domestic markets while evolving into a pharmaceutical company with an expanding global presence. Building on its solid foundations and proven track record, the Group is committed to refining its strategies to drive further growth, including:

- Intensifying investment, effort and quality in the research, development, and swift launch of new pharmaceutical and consumer healthcare products. The Group's new product pipeline includes generics of several globally leading patented drugs in therapeutic areas with high disease burden.
- Deepening sales and marketing prowess by building therapeutic categories-specific and consumer marketing capabilities, and executing sales force effectiveness programs to expand market share for both Group and agency brand products.
- Investing in the opening of new international markets, supported by an expanding pipeline of high demand new generic products, with more formulated to meet global regulatory standards for wider market access in compliance with the Common Technical Document ("CTD") developed by the International Council for Harmonization of Technical Requirements for Pharmaceuticals for Human Use ("ICH").
- Identifying and procuring innovative new products and distribution agency partnerships to meet the evolving demands of the market, particularly in oncology, biosimilars and consumer healthcare.
- Acquiring and renewing globally recognized manufacturing and distribution certifications that are strategic and commercially relevant.
- Accelerating Industry 4.0 adoption and digital transformation across manufacturing and business processes, enabling new levels of integration, innovation and productivity.
- Strengthening our commitment to sustainability by elevating management practices, pursuing ISO 14001:2015 certification for Environmental Management Systems to manage environmental impact, introducing impactful initiatives, and refining reporting mechanisms in line with ISSB's IFRS Sustainability Disclosure Standards.

The Group is well positioned and anticipates another year of satisfactory growth in 2025, barring any unforeseen market changes and unexpected developments. Driven by a strong commitment to its aspirations, the Group is confident in its enduring prospects for sustainable long-term growth.

b Progress to achieve forecast revenue or profit estimate

Not applicable.

B4 Statement by the Board of Directors' opinion on the achievability of forecast revenue or profit estimate

Not applicable.

B5 Profit Forecast /Profit Guarantee

Not applicable.

B6 Income Tax Expense

	3 MONTHS ENDED		YEAR ENDED	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	RM'000	RM'000	RM'000	RM'000
In respect of current period:				
Income tax	7,239	7,262	20,908	21,196
Deferred tax	1,103	820	1,489	1,459
Foreign tax	500	492	2,460	2,664
	<u>8,842</u>	<u>8,574</u>	<u>24,857</u>	<u>25,319</u>
In respect of prior period:				
Income tax	97	114	97	114
Foreign tax	(297)	(113)	(297)	(113)
	<u>8,642</u>	<u>8,575</u>	<u>24,657</u>	<u>25,320</u>

INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024
(THE FIGURES HAVE NOT BEEN AUDITED)

B NOTES PURSUANT TO BURSA LISTING REQUIREMENTS: CHAPTER 9, APPENDIX 9B, PART A (continued)

B6 Income Tax Expense (continued)

The effective tax rate (excluding share of results of associated companies) for current quarter and current year decreased from previous year corresponding quarter due to the utilisation of Reinvestment Allowance and the tax deductibility on reversal of provisions which were previously non tax allowable.

B7 Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 18 February 2025.

B8 Group Borrowings and Debt Securities

	As at 31/12/2024		
	Long Term	Short Term	Total Borrowings
	RM'000	RM'000	RM'000
Secured			
Secured bank loans	39,881	7,143	47,024
	As at 31/12/2023		
	Long Term	Short Term	Total Borrowings
	RM'000	RM'000	RM'000
Secured			
Secured bank loans	-	3,643	3,643

As at 31 December 2024, the Group's total borrowings was RM 47.0 million, an increase of RM 43.4 million compared to the end of the previous financial year ended 31 December 2023. This increase was to part finance the acquisition of Cheng 2 as mentioned in Note B1 above by Xepa-Soul Pattinson (Malaysia) Sdn Bhd, a wholly-owned subsidiary of the Company. The loans are denominated in Ringgit Malaysia and secured by a Corporate Guarantee provided by the Company. The interest rates are tagged to a percentage margin above one-month KLIBOR. Meanwhile, the borrowings used to part finance the construction of the new oral solid dosage plant, SPP NOVO were fully repaid in October 2024.

B9 Material Litigation

There was no pending material litigation at the date of this report.

B10 Dividend Payable

a The Board of Directors is recommending a final single-tier dividend of 3.0 sen per share (2023: 2.50 sen per share) in respect of the financial year ended 31 December 2024 for shareholders' approval at the forthcoming Annual General Meeting.

b The total dividend declared and paid to-date in the current financial year is 28.5 sen per share (2023: Single-tier dividend of 8.0 sen per share).

c Subject to the approval of shareholders at the forthcoming Annual General Meeting of the Company, the final dividend will be paid on 16 June 2025 and the entitlement date is 3 June 2025.

B11 Earnings per share

The following reflect the profit and share data used in the computation of basic and diluted earnings per share:

		3 MONTHS ENDED		YEAR ENDED	
		31/12/2024	31/12/2023	31/12/2024	31/12/2023
<u>Basic Earnings per share</u>					
Profit after tax	RM'000	13,461	20,061	76,544	397,989
Weighted average number of ordinary shares in issue	'000	715,305	714,354	715,305	714,354
Basic earnings per share	sen	1.88	2.81	10.70	55.71
<u>Diluted Earnings per share</u>					
Profit after tax	RM'000	13,461	20,061	76,544	397,989
Weighted average number of ordinary shares in issue	'000	715,305	714,354	715,305	714,354
Effect of dilution-Share options	'000	102	379	102	379
Adjusted weighted average number of ordinary shares in issue	'000	715,407	714,733	715,407	714,733
Diluted earnings per share	sen	1.88	2.81	10.70	55.68

INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024
(THE FIGURES HAVE NOT BEEN AUDITED)

B NOTES PURSUANT TO BURSA LISTING REQUIREMENTS: CHAPTER 9, APPENDIX 9B, PART A (continued)

B12 Derivative Financial Instruments

The Group is exposed to foreign currency exchange risk as a result of foreign currency transactions entered into currencies other than their functional currencies by the subsidiary companies. These companies enter into short-term forward foreign exchange contracts to manage their exposure to fluctuations in foreign currency exchange rates on specific transactions arising from trade receivables and payables.

Type of Derivatives	Contract/ Notional Value	Fair Value
	31/12/2024 RM'000	31/12/2024 RM'000
i) Forward Foreign Currency Contract entered into for the purchase of goods from foreign contract manufacturers or suppliers - Less than 1 year	(440)	(446)
	(440)	(446)

No derivative was entered into by the Company which has not been disclosed in the preceding financial year or any quarters in the current financial year. Since the end of the previous financial year or any quarters in the current financial year, there was no change in any of the information disclosed in respect of the following:

- a The credit risk, market risk and liquidity risks associated with the derivatives;
- b The policies in place for mitigating or controlling the risks associated with these derivatives;
- c The related accounting policies.

The net cash requirements relating to these contracts was RM 440,000.

B13 Fair Value Changes of Financial Assets

As at 31 December 2024, the Group did not have any significant financial assets measured at fair value through profit or loss and other comprehensive income other than the disclosure in note A16.

B14 Auditors' report on preceding annual financial statements

The Auditors' report on the Group's financial statements for the year ended 31 December 2023 was not qualified.

Authorisation for issue

The interim financial statements have been approved for issue in accordance with a resolution of the Board of Directors dated 26 February 2025.