Apex Healthcare

Service • Quality • Integrity

Restoring Health Enhancing Life

ANNUAL REPORT 2024

26th ANNUAL GENERAL MEETING

BUNGA TERATAI ROOM,
7TH FLOOR, DUSIT PRINCESS
MELAKA, JALAN BENDAHARA,
75100 MELAKA, MALAYSIA

WEDNESDAY
21ST MAY 2025
AT 9.30 A.M.

INSIDE THIS REPORT

CORPORATE INFORMATION

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Stock Name : AHEALTH

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Board Charter
Code of Conduct
Sustainability Statement
Whistleblowing Policy & Procedure
Anti-Corruption Policy
Privacy Policy
Corporate Governance Report
Directors' Fit and Proper Policy
Code of Ethics for Directors
Information on the above can be found at
www.apexhealthcare.com.my

GROUP WEBSITES
www.apexhealthcare.com.my
www.xepasp.com
www.apexpharma.com

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Fax : +603 5636 9280
Contact Person : Wong Mei Ling
Email : wongml@apexpharmacy.com

OUR BUSINESS

Through manufacturing and distribution, we make quality pharmaceuticals, consumer healthcare products and medical devices available to our valued customers through our comprehensive supply channels.

Since our establishment in 1962, our business has been focused on making pharmaceuticals, consumer healthcare products and medical devices available to customers in the markets in which we operate, through manufacturing and distribution, and in a manner which fairly rewards all stakeholders. We know our business intimately and have a growing network of loyal customers; this will remain our business for the future. Our confidence in our business stems from a conscious decision to focus resources on our area of expertise, which enables us to increase our capabilities, efficiencies and understanding of underlying trends in the industry.

CORPORATE STRUCTURE

Apex Healthcare Berhad
199801016979 (473108-T)

- 100% **Apex Pharmacy Marketing Sdn Bhd** 197901002462 (46728-V)
- 100% **Apex Pharma Marketing Pte Ltd** 197200937E
- 100% **ABio Marketing Sdn Bhd** 197001000031 (9457-M)
- 100% **Apex Pharmacy Corporate Sdn Bhd** 200301032712 (635133-V)
- 100% **PharmCrest Pte Ltd** 200609933H
- 100% **Apex Retail Sdn Bhd** 201001004043 (888633-D)
- 100% **EpiCrest Sdn Bhd** 201901038423 (1347753-V)
- 100% **Xepa-Soul Pattinson (Malaysia) Sdn Bhd** 196901000419 (8504-M)
  - 100% **Xepa-Soul Pattinson (S) Pte Ltd** 199904303W
- 100% **First SGC Pte Ltd** 200808313G
  - 40% **Zynexis Healthcare Private Ltd** 202245284E
- 40% **Straits Apex Group Sdn Bhd** 201601025580 (1196519-X)
  - 40% **Next Ortho Investment Holdings Pte Ltd** 202243640R
    - 100% **First Ortho Investment Holdings Pte Ltd** 202243654M
      - 100% **Straits Apex Sdn Bhd** 201301004837 (1034680-T)
        - 100% **ABio Orthopaedics Sdn Bhd** 201201042317 (1026793-K)
        - 100% **Straits Orthopaedics (Mfg) Sdn Bhd** 200301003632 (606052-U)

OUR MISSION

Restoring Health, Enhancing Life.

Apex's mission is to bring better health and quality of life to all through its businesses. Healthcare professionals use our medicines and medical devices to treat and manage respiratory, dermatological, cardiovascular, gastrointestinal conditions and more. Consumers use our range of consumer healthcare products to enhance their wellbeing. We take heart in knowing that our products play a role in the restoration of health and enhancement of life in those who use and trust them.

LETTER FROM THE CHAIRMAN

DEAR SHAREHOLDERS

On behalf of the Board of Directors, I am pleased to present the 2024 Annual Report and Audited Financial Statements of Apex Healthcare Berhad ('AHB' or 'the Group'). Despite facing challenges that moderated expansion to our revenue, the Group delivered a sturdy performance while laying solid foundations for sustained growth in 2025 and beyond.

Preserving Our Growth Record

In 2024, the Group's operating subsidiaries delivered consolidated revenue of **RM 961.8 million,** marking our 24th consecutive year of growth, with an increase of **2.7%** over the RM 936.2 million recorded in 2023. Revenue growth was built on sustained demand for healthcare products and services in key markets, supported by increased exports, contract manufacturing, and strong contributions from both existing and newly acquired distribution agencies.

Effective execution of our business strategies played a crucial role in capitalizing on this demand, helped by a record number of new product launches under our brands during the year. However, combined sales to the Malaysian and Singaporean government sectors contracted in 2024 due to the timing and mix of tenders secured. We anticipate resuming growth in these markets in 2025.

While overall results were impacted by the share of results from our associate company Straits Apex Group Sdn Bhd ('SAG'), the effective divestment of SAG's 60% equity interest in Straits Apex Sdn Bhd to Quadria Capital in 2023 (the 'Straits Divestment') has allowed us to concentrate resources on our core pharmaceutical business. Our Earnings Before Interest, Taxes, Depreciation, Amortization ('EBITDA'), excluding share of results of associates, a better indicator of our core financial performance, recorded double-digit growth of 11.6% in 2024 to reach RM 126.3 million, a new high.

Importantly, the Group made significant progress during the year to strengthen both near-term and long-term business expansion prospects, laying the groundwork for exciting growth prospects in the years ahead.

Highlights of the Year

We won The Edge Billion Ringgit Club ('BRC') Corporate Awards 2024 for the 'Highest Return On Equity Over Three Years' in the Healthcare Sector. This award marks our second recognition for outstanding performance by The Edge, having previously won The Edge BRC 'Highest Returns To Shareholders Over Three Years' in the Healthcare Sector in 2019. At The Edge BRC Corporate Awards 2024, we were ranked 2nd for two other awards in the Healthcare Sector, namely the 'Highest Growth In Profit After Tax Over Three Years' and 'Highest Returns To Shareholders Over Three Years'. This is a testament to our unwavering commitment to excellence and sustainable growth in the healthcare sector.

In 2024, the Group achieved significant milestones notably marked by progress on key facility expansions in Singapore and Malaysia. Our wholly owned Singapore subsidiary, Apex Pharma Marketing Pte Ltd ('APS') secured regulatory approval for its newly leased 18,500 sq ft second warehouse, "Techlink", which began operations on 13th August 2024. Concurrently, our wholly owned manufacturing subsidiary, Xepa-Soul Pattinson (Malaysia) Sdn Bhd ('Xepa') completed the acquisition of industrial land and buildings ('Cheng 2') near its existing Cheng facility in July 2024. Retrofitting works to build a pharmaceutical warehouse within Cheng 2 commenced in September 2024 and is on schedule to be ready for operations in Q2 2025. Non-production departments will be relocated to Cheng 2 to release space to accommodate expanded production-related activities at the current Cheng site. Techlink and Cheng 2 will increase the Group's total pallet capacity by 62% to over 11,000 spaces, effectively positioning our facilities to support long-term business growth. The increase in expenses from expanded infrastructure will exert some pressure on near-term earnings, as the economic benefits from these strategic initiatives will require time to fully mature.

In August, Xepa secured the accreditation for ISO 45001:2018 Occupational Health and Safety Management Systems, covering the Manufacturing and Distribution of Pharmaceutical Products and Medical Devices. Xepa's dual certification to ISO 45001:2018, awarded by both the Department of Standards Malaysia and United Kingdom Accreditation Service ('UKAS'), underscores its strong commitment to upholding international standards and supports our global growth ambitions. Further validating our efforts, Xepa was recognized at the Malaysian Organization of Pharmaceutical Industries ('MOPI') Pharma Industry Awards 2024 for the fastest-growing export revenue (2019 to 2023) among member pharmaceutical companies with export revenue exceeding RM 50 million, underscoring the success of our dedicated focus.

Building on this momentum, we filed our first generic pharmaceutical product for regulatory approval in the European Union ('EU') in December. While meeting EU standards entails higher costs for formulation, documentation and testing, this step is pivotal in our broader market expansion strategy. By developing products that comply with stringent EU regulatory requirements, we aim to strengthen our global export capabilities and position the Group for sustained international growth.

Driving Focused Growth within our Core Pharmaceutical Business

As we move forward, our product pipeline and Research & Development ('R&D') activities will remain the central drivers of business growth, with a strong emphasis on developing products that align with market demand.

Reflecting this focus, we achieved a record 22 new Group-branded product launches in 2024, a significant jump from the 12 launched in 2023.

To ensure a targeted approach to portfolio expansion, we will intensify our investment in the development of off-patent generics; a core strategy that has always been our focus. We aim to be among the first few brands to enter the market after patent expiration, provide superior alternatives to existing generics, and target underserved areas with limited generic competition. At the same time, we are selective in the products we develop, emphasizing on our established core therapeutic segments that include respiratory, dermatology, cardiovascular, and alimentary tract and metabolism drugs, while expanding into high-growth areas with significant disease burdens, such as diabetes, ischemic heart disease, stroke and arthritis.

While we have substantially enhanced our internal R&D capabilities in recent years, collaboration with contract development and manufacturing organizations ('CDMOs') will continue to play a vital role in accelerating development and broadening our international reach. Engagement with strategic partners, including collaboration with CDMOs, complements Xepa's existing and ongoing investments in in-house R&D, aiming to enhance the quality and speed of our new product pipeline development.

Additionally, our joint venture with Shanghai Pharmaceuticals Holding Co. Ltd. ('SPH'), namely Zynexis Healthcare Private Ltd ('Zynexis'), will also play a role in strengthening our portfolio. Through Zynexis, we leverage SPH's network in China to secure rights to commercialize selected pharmaceuticals from leading pharmaceutical companies under the Zynexis brand in targeted ASEAN countries and other international markets. So far, submission for regulatory approvals for 9 core products in various dosage forms have been filed in Malaysia and Singapore, targeting high growth therapeutic areas. We anticipate securing the first regulatory approval in late 2026.

Concurrently, we are placing greater emphasis on expanding our consumer healthcare portfolio. This segment currently contributes less than 10% of revenue generated from all Group branded products, and we recognize the need to grow it to 20-25% to balance our portfolio and reduce reliance on prescription medicines. Notably, 64% of the 22 products launched in 2024 were consumer healthcare products. By leveraging our strong relationships with healthcare professionals, we aim to secure endorsements for our consumer brands, translating into stronger sales to consumers.

While 2024 set a record for Group brand product launches, the full impact of our heightened R&D investments is still unfolding. Early results are beginning to surface, but we anticipate 2026 and beyond to bring a consistent stream of off-patent generics under our Group brands, enabling us to penetrate new markets and strengthen our competitive edge.

Driving Enhanced Efficiencies and Management Systems

As we grow, we remain focused on driving efficiencies across the organization to control costs while maintaining the high quality of our products and services.

We are enhancing our digital systems to increase productivity, improve audit trails, and comply with both EU regulatory standards and anticipated local requirements. Building on previous advancements, such as Robotic Process Automation, the Electronic Quality Management System, and the Laboratory Management System, Xepa initiated several new digitalization projects in 2024. These include the Xepa Manufacturing Excellence System, Regulatory Information Management System, and Electronic Batch Manufacturing Record. These initiatives accelerate our adoption of Industry 4.0, with digital transformation across manufacturing and business processes enabling new levels of integration, innovation and productivity.

Our warehouse management capabilities are also being enhanced. Following the integration of SAP-ERP systems across our operations last year, we are implementing a new Warehouse Management System ('WMS') for APS, which is scheduled to go live in 2025. Apex Pharmacy Marketing Sdn Bhd ('APM') is also on track to implement its WMS in the near future, further enhancing operational efficiency and scalability.

Our dedication to efficiency and productivity has been recognized in the industry, attributable to the exceptional efforts of our employees. At the MOPI Pharma Industry Awards 2024, Xepa was named the runner-up for the Most Productive Company 2023 award based on the revenue per employee among member pharmaceutical companies of MOPI.

Upholding Sustainable Development

Driven by our mission statement *'Restoring Health, Enhancing Life'*, we continue to reinforce our sustainability commitments. Xepa's accreditation for ISO 45001:2018 Occupational Health and Safety Management Systems for the Manufacturing and Distribution of Pharmaceutical Products and Medical Devices is testament to our unwavering commitment to maintaining the highest standards of workplace safety and health across our operations.

Our commitment to addressing climate change is exemplified by the successful operationalization of three solar energy projects across the Group—at Xepa in Melaka, APS in

LETTER FROM THE CHAIRMAN
(CONT'D)

Singapore, and APM in Subang Jaya, Malaysia. Together, these projects deliver a total system capacity of 1,352 kWp, underscoring our ongoing efforts to adopt renewable energy where feasible. We will continue to explore further opportunities for solar energy expansion, with Cheng 2 bearing potential for an additional solar installation in future.

In our ongoing commitment to better manage our environmental impact, Xepa is actively pursuing ISO 14001:2015 certification for Environmental Management Systems. This certification will not only enhance Xepa's ability to minimize adverse environmental effects but also demonstrate its dedication to sustainability and environmental stewardship in its operations.

In response to an evolving regulatory landscape, we are also refining our reporting mechanisms to align with the ISSB's IFRS Sustainability Disclosure Standards. These actions collectively ensure we remain resilient, sustainable, and aligned with global best practices.

Sustaining Financial Resilience to Reward Shareholders

The Board of Directors is proposing a final single-tier dividend of 3.0 sen per share for the financial year ended 31st December 2024, subject to shareholders' approval at the upcoming Annual General Meeting. Combined with the two interim dividends of 3.0 sen per share each paid in September and December 2024, the total dividends declared and paid for the year amount to 9.0 sen per share, representing 84.7% of profit after tax.

An Optimistic Outlook

Looking ahead to 2025, we remain optimistic about capitalizing on the sustained demand for pharmaceuticals, consumer healthcare products, and medical devices, driven by increasing healthcare needs and demographic shifts such as an aging population.

Despite external challenges, including uncertainties in US tariff policies and their impact on global trade dynamics, Malaysia's economic growth is expected to remain steady. We are also encouraged by the significant RM 45.3 billion budget allocation for the Malaysian Ministry of Health in 2025, a notable 9.9% increase from the previous year.

The increased funding will support key initiatives to improve healthcare accessibility and affordability while enhancing national self-sufficiency in healthcare. This includes prioritizing the procurement of critical medical supplies, such as pharmaceutical products and medical devices, from local companies.

In addition, the Ministry of Health's advocacy for a generics-first policy to reduce healthcare costs aligns closely with our strategic focus. With a new product pipeline of over 70 products, many targeting high-burden therapeutic areas, our efforts to bring off-patent generics to market are well-positioned to support this initiative.

Our vision for the future remains centered on strengthening our leadership in domestic markets while evolving into a pharmaceutical company with an expanding global footprint. Our strategies provide a robust foundation to achieve these goals and drive long-term growth.

Acknowledgements

In closing, I would like to extend my heartfelt appreciation to all AHB employees. From the factory floor to our corporate offices, our diverse and dedicated workforce is the driving force behind our success. United by a shared mission to restore health and enhance lives, their unwavering commitment continues to impact the geographically diverse communities we serve.

To my fellow Directors, I offer my gratitude for your invaluable insights and guidance. To our shareholders, I thank you for your enduring confidence and trust in AHB and assure you that the best is still to come.

While 2024 presented its share of challenges, it was a year that deepened the groundwork for a promising future. With a strong commitment to our aspirations, the Group remains confident in its ability to achieve sustainable long-term growth.

DR KEE KIRK CHIN
Chairman & CEO

MANAGEMENT DISCUSSION AND ANALYSIS

988
Total Employees

8
Proprietary Brands
- XEPA™
- AVO
- AVEX
- AEVA
- AGNESIA
- HENNSON
- KAPS
- REMECO

8
Warehouses and Depots
- 7 in Malaysia
- 1 in Singapore

ABOUT APEX HEALTHCARE BERHAD

Apex Healthcare Berhad ('AHB' or the 'Company') is the investment holding entity for a group of companies ('the Group') that specialize in the development, manufacturing, wholesaling, marketing and distribution of pharmaceuticals, consumer healthcare products and medical devices.

With ten wholly owned subsidiaries across Malaysia and Singapore, the Group has established a commercial presence in over 20 countries. Our team of 988 employees supports operations at our manufacturing plant in Melaka as well as our network of eight distribution warehouses and depots across Malaysia and Singapore.

We commercialize a broad portfolio of pharmaceuticals, consumer healthcare products, and medical devices under eight proprietary brands — XEPA™, AVO, AVEX, AEVA, AGNESIA, HENNSON, KAPS, and REMECO. Products bearing these brands are available in 18 global markets. Driven by a strategic focus to consistently expand our home-grown portfolio, we launched 22 new products under our proprietary brands during 2024.

In addition to our proprietary range, we provide regulatory, sales, marketing, and distribution services for pharmaceuticals, consumer healthcare products, and medical devices to esteemed partners.

Our proprietary products, along with those from our business partners, are distributed through an extensive network that includes hospitals, clinics and pharmacies. Leveraging these robust distribution channels and efficient logistics, we ensure seamless and timely access to our products for doctors, pharmacists, nutritionists, retailers, and ultimately, patients and consumers.

Our Core Tenets and Purpose

Founded in 1962, AHB is built on three enduring Core Tenets: Service, Quality, and Integrity. These values remain at the heart of everything we do. Driven by our mission to restore health and enhance lives in the regions we serve, we aspire to position AHB as a leading global pharmaceutical healthcare group based in the ASEAN region.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

SERVICE
Putting Customers First

QUALITY
Never Cutting Corners

INTEGRITY
Doing What is Right, Even If Unseen

Our Reporting Segments

The Group's business operations are organized into three segments to enhance reporting clarity: Manufacturing, Distribution, and Corporate. The accompanying table provides an overview of the business operations and key operating companies within each segment.

Reporting Segments	Business Operations	Key Operating Companies
Manufacturing	Manufacturing and Marketing of Pharmaceuticals, Consumer Healthcare Products and Medical Devices	• Xepa-Soul Pattinson (Malaysia) Sdn Bhd • Xepa-Soul Pattinson (S) Pte Ltd *The above two entities are collectively referred to as 'XEPA'*
Distribution	Wholesale, Marketing and Distribution of Pharmaceuticals, Consumer Healthcare Products and Medical Devices	• Apex Pharmacy Marketing Sdn Bhd ('APM') • Apex Pharma Marketing Pte Ltd ('APS') *The above two entities are collectively referred to as 'APEX'* • ABio Marketing Sdn Bhd ('ABIO')
Corporate	Group Properties	• Apex Retail Sdn Bhd
	Contract Manufacturing of Orthopaedic Devices	• Straits Apex Group Sdn Bhd ('SAG')
	Development and registration of pharmaceutical and healthcare products	• Zynexis Healthcare Private Ltd ('Zynexis')

Our Growth Strategies

To meet our business objectives in a dynamic and evolving market, the Group has outlined five key strategies that unite and drive our ambitions across all business entities.

Customer-Centric Approach	We closely monitor evolving customer expectations and industry trends, leveraging the insights we gain to guide the research and development of new products and services. Supported by our strong distribution network, we are able to rapidly bring to market in-demand products that address our customer needs. At the same time, our pricing strategy strikes a balance between delivering value to customers and maintaining sufficient profitability to reward stakeholders and fund ongoing innovation and infrastructure improvements.
Building Robust Business Partnerships	Business partnerships are vital catalysts for the Group's success, and we remain committed to building strong, long-term relationships focused on creating sustainable, mutually beneficial value for all stakeholders. These strategic alliances drive shared benefits, including risk-sharing, collaborative expertise, and resource exchange, empowering all parties to achieve competitive advantages and accelerate market entry.

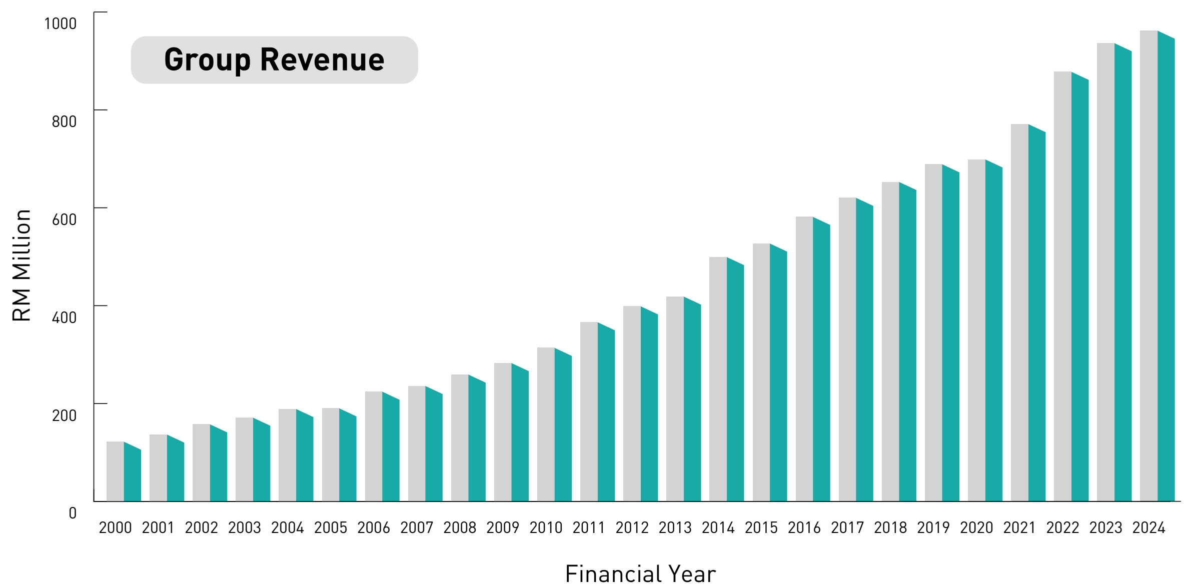
Leveraging Technology	The Group leverages digital technology to enhance customer engagement, foster innovation, streamline operations, and support informed decision-making. Our efforts include harmonizing resource management platforms and systems across the Group to enable seamless integration, efficient reporting, and improved productivity. Aware of rapid digital advancements, we are adopting emerging technologies to maximize the benefits of digitalization while strengthening our cybersecurity measures to safeguard the integrity of our data systems.
Growing Group Brands	We are committed to growing our portfolio of healthcare products under proprietary Group Brands, building on the achievements of our in-house research and development teams to expand our ownership of exclusive trademarks. Group Brands are currently marketed in 18 territories and accounted for 30.9% of the Group's revenue during 2024. To drive strategic innovation aligned with evolving trends and customer expectations, we aim to allocate at least 5% of manufacturing revenue annually to research and development initiatives.
Commitment of a Career	Strategic human capital management is critical to maintaining our competitive edge. Our recruitment strategy focuses on ensuring employees possess the required competencies for their specific roles, while driving the development of a workforce that is adaptable to disruptions and skilled in threat management. Through our Leadership Management Program, we continuously strengthen our leadership pipeline, enhance management capabilities, and instill the agility needed to navigate dynamic business environments. Recognizing training and education as a key sustainability priority, we support this approach with targeted development programs that equip our employees with the knowledge and tools to drive the Group's success.

FINANCIAL REVIEW

Group Revenue

In 2024, the consolidated revenue of the Group's operating subsidiaries reached a record RM 961.8 million, marking our 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, achieved solid growth in exports and contract manufacturing, and saw strong contributions from existing and recently acquired distribution agencies. Sales to the government sector in both Malaysia and Singapore declined slightly by 0.7%, due to the timing and mix of tenders secured, but are expected to return to a growth trajectory in 2025.

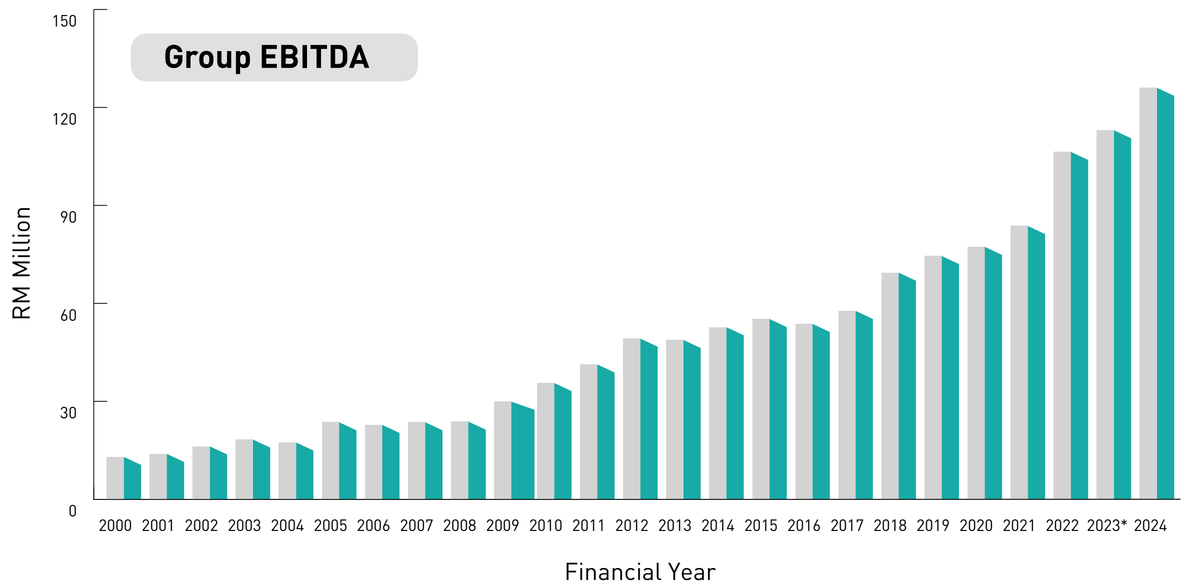
The Group's Malaysian operations accounted for 62.1% of total revenue, with international operations and markets supplying the remainder. Group proprietary brands accounted for 30.9% of total revenue in 2024. The following chart details the Group's revenue performance since 2000:



MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Group Profit

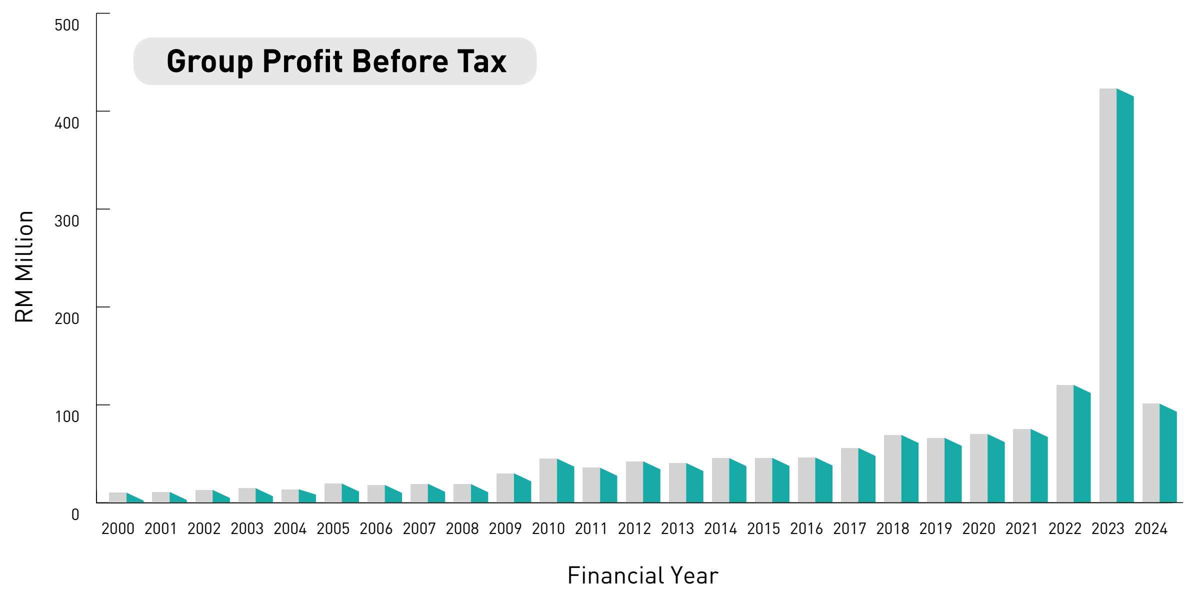
In 2024, Earnings Before Interest, Taxes, Depreciation, Amortization and Share of Results from Associates ('EBITDA') reached a record high of RM 126.3 million. This represents an 11.6% growth over 2023 after excluding the impact of SAG as well as the effective divestment of associate Straits Apex Group Sdn Bhd ('SAG')'s 60% equity interest in Straits Apex Sdn Bhd ('SA') to Quadria Capital (the 'Straits Divestment') alongside with the financing and depreciation costs of our newly acquired assets to support long-term growth. This achievement underscores the Group's singular focus on developing and growing its core pharmaceutical operations after the Straits Divestment. The following chart details the Group's EBITDA performance since 2000:



* EBITDA was adjusted to exclude the impact of Straits Divestment

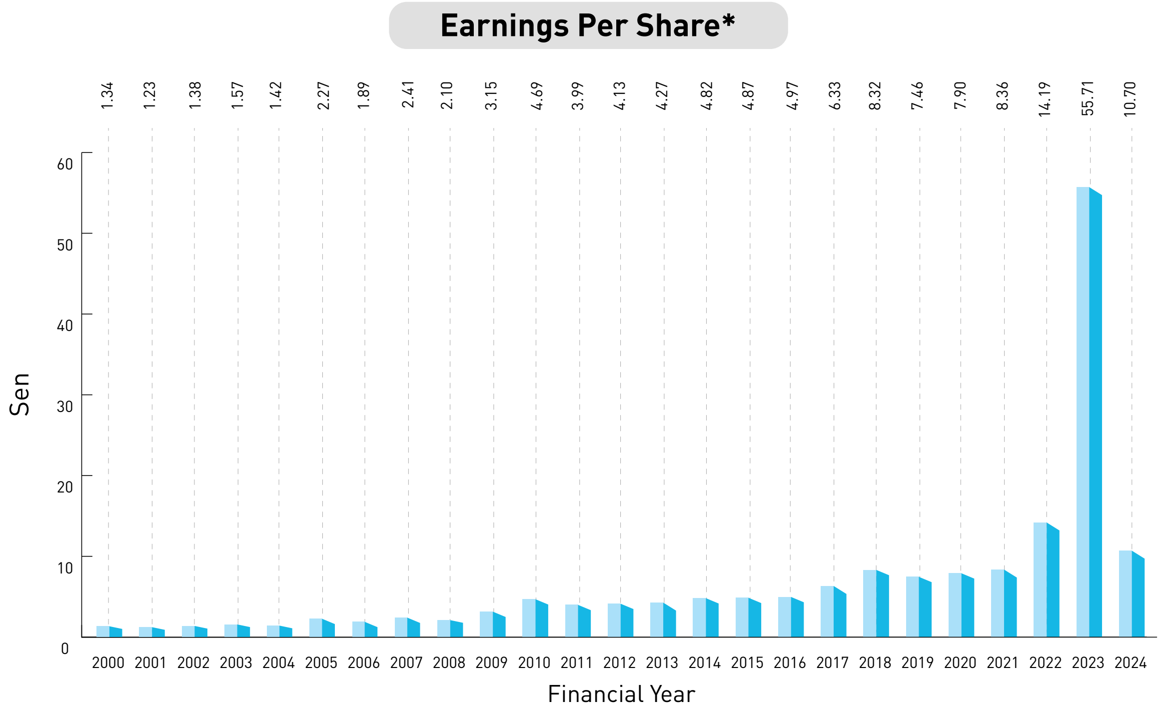
Expenses generally rose in tandem with higher revenue, with advertising and promotional expenses incurred for brand building rising by 61.5% over the previous year. Research and development expenditure to expand the pipeline of new products was 3.9% higher than in the previous year. Finance costs for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

Group profit before tax for 2024 stood at RM 101.2 million, lower than the record RM 423.3 million in 2023, which had benefitted from a non-recurring gain of RM 321.7 million from the successful completion of the Straits Divestment. The following chart illustrates the Group's profit before tax performance since 2000:



Similarly, the Group's profit after tax contracted in 2024 for the same reason, standing at RM 76.5 million.

Earnings Per Share ('EPS') for 2024 was recorded at 10.70 sen, compared to 55.71 sen in 2023, which was elevated by the spike in net profit due to the non-recurring gain of RM 321.7 million arising from the Straits Divestment. The following chart illustrates the Group's EPS since 2000:



* The number of shares has been retrospectively adjusted to reflect the following corporate exercises:

In Year 2003: Bonus issue of 1 new ordinary share for every 2 existing shares.
In Year 2006: Private placement of 6,600,000 new ordinary shares.
In Year 2010: Bonus issue of 1 new ordinary share for every 4 existing shares.
In Year 2014: Bonus issue of 1 new ordinary share for every 4 existing shares.
In Year 2019: Bonus issue of 3 new ordinary shares for every 1 existing share.
In Year 2023: Bonus issue of 1 new ordinary share for every 2 existing shares.

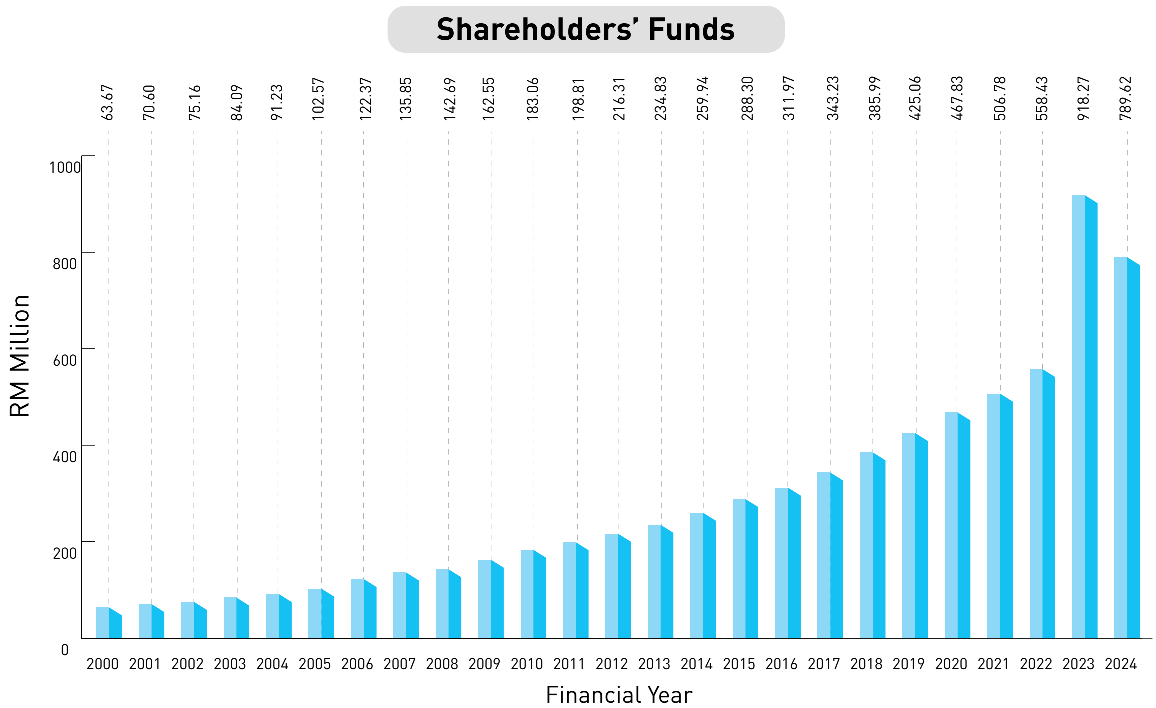
MANAGEMENT DISCUSSION
AND ANALYSIS
(CONT'D)

Financial Position and Liquidity

The Group maintains a healthy financial position with cash reserves standing at RM 214.0 million as at 31st December 2024. Borrowings increased from RM 3.6 million to RM 47.0 million primarily due to a RM 50.0 million drawdown to finance Cheng 2. Meanwhile, borrowings for the construction of SPP NOVO were fully settled in October 2024.

The Group's net cash position declined from RM 379.3 million to RM 167.0 million, primarily due to RM 205.1 million in dividends paid to shareholders during the year. Inventory days remained steady at 50 days, while Trade Receivables improved from 71 days to 69 days, reflecting better collections from key operating subsidiaries. Trade Payables stood at 55 days, which remained within the normal credit terms granted to the Group.

Meanwhile, shareholders' funds declined from RM 918.3 million to RM 789.6 million as at 31st December 2024, once again reflecting the significant dividends paid to the shareholders during the year. The following chart illustrates the Group's Shareholders' Funds since 2000:



Capital Expenditure, Structure and Resources

On 19th July 2024, the Group received the delivery of vacant possession for Cheng 2, an industrial property bearing postal address 16 and 18, Jalan TTC 1, Cheng Industrial Estate, Melaka for a total purchase consideration of RM 66.5 million, marking the successful completion of this acquisition on the same day. Aside from the above and other routine annual capital expenditure, no other major capital expenditure commitments were made in 2024.

Trends and Events

Demand for pharmaceuticals, consumer healthcare products and medical devices remained stable throughout 2024. Notable growth in exports and contract manufacturing, alongside contributions from both existing and newly acquired distribution agencies, bolstered our financial performance. Key factors driving demand include an ageing population with accompanying healthcare needs and a growing number of health-conscious consumers prioritizing their well-being. Further details are furnished in the "Possible Trend, Outlook and Sustainability of Business Segment", section on page 23 of this report.

MANAGEMENT DISCUSSION
AND ANALYSIS
(CONT'D)

REVIEW OF OPERATING ACTIVITIES

Manufacturing Segment

Our Manufacturing reporting segment comprises two wholly owned subsidiaries: Xepa-Soul Pattinson (Malaysia) Sdn Bhd in Malaysia and Xepa-Soul Pattinson (S) Pte Ltd in Singapore, collectively referred to as XEPA. XEPA specializes in manufacturing and marketing XEPA-branded off-patent generic pharmaceuticals, consumer healthcare products, and medical devices, while also providing contract manufacturing services for leading pharmaceutical companies. Both XEPA-branded as well as contract-manufactured products are commercially available in over 20 territories.

This section reviews the manufacturing segment's performance over the past year, covering production activities, enhancements to our quality, regulatory, and research & development frameworks, as well as our sales and marketing efforts.

Production Activities in 2024

All pharmaceutical production is currently conducted by XEPA at a single campus ('Cheng 1') in Cheng Industrial Estate, Melaka. Our XEPA plants are fully EU GMP-certified, with production and laboratory facilities also holding PIC/S, ISO 17025, ISO 9001:2015, EN ISO 13485, and Good Distribution Practice for Medical Devices ('GDPMD') certifications.

During the year, we completed the announced acquisition of a 20.7-acre industrial property at 16 and 18, Jalan TTC 1, Cheng Industrial Estate, Melaka for a total purchase consideration of RM 66.5 million. This 'Cheng 2' site comprises six plots of industrial land and an industrial complex that features two factory buildings and other ancillary structures with a combined built-up gross floor area of about 377,888 sq ft. Acquired for its strategic location, a mere 400 meters from XEPA's existing production facility within the same industrial estate, Cheng 2 offers significant cost and efficiency advantages, supporting both current operations and future expansion initiatives.

Retrofitting and upgrading work is underway at Cheng 2 to establish pharmaceutical warehousing with an initial capacity of 2,850 pallets. Upon completion, scheduled for Q2 2025, XEPA will reduce costs related to the use of external third-party warehouses while further consolidating warehousing activities. Planning has also commenced for non-production services to be relocated to Cheng 2 later in 2025, freeing up space at Cheng 1 for new production related activities and supporting near-term production capacity expansion in a cost-effective manner. This approach optimizes existing infrastructure, eliminating the need for immediate capital investments to upgrade Cheng 2 for production.

Leveraging capacity expansions and installation of new production lines undertaken over the years, we recorded robust solid and liquid production output during 2024. Solid output increased by 5% compared to 2023, with tablet production reaching a record high at 1.176 billion tablets. Meanwhile, our liquid output achieved its second highest level on record, as demand for our leading cough and cold liquid preparations normalized post-pandemic.

Contract manufacturing activities, which recorded 8% growth in 2023, maintained strong momentum with a sturdy 12% increase in revenue in 2024. This sustained growth highlights the value of our industry-leading manufacturing certifications, which continue to attract and strengthen partnerships with global pharmaceutical companies.

MANAGEMENT DISCUSSION
AND ANALYSIS
(CONT'D)

In January 2024, XEPA had the privilege of welcoming the Chief Minister of Melaka and his State Council members to its premises at Cheng 1. During the visit, he expressed his appreciation for the high standards of our working environment at Cheng 1 and took a keen interest in our future plans for the Cheng 2 site.

A key achievement for XEPA in 2024 was securing accreditation for ISO 45001:2018 Occupational Health and Safety Management Systems for the Manufacturing and Distribution of Pharmaceutical Products and Medical Devices. ISO 45001:2018 provides an internationally recognized framework for managing occupational health and safety risks, enabling organizations to systematically assess hazards and implement effective risk control measures. This leads to reduced workplace injuries, illnesses, and incidents. XEPA's dual certification to ISO 45001:2018, awarded by both the Department of Standards Malaysia and the United Kingdom Accreditation Service ('UKAS'), underscores its strong commitment to upholding international standards, further supporting its global growth ambitions.

Quality, Regulatory, Research & Development

XEPA's robust research and development ('R&D') infrastructure, continues to be a key driver of our long-term growth ambitions by enabling the rapid development of new products. In 2024, our R&D expenditure, including capitalized costs, amounted to 3.1% of manufacturing revenue. While investment levels were influenced by the timing and phasing of pipeline projects, our long-term commitment to investing 5% of annual manufacturing revenue into R&D remains unchanged.

A total of 23 XEPA products have obtained the Halal Certificate of Authentication from Jabatan Kemajuan Islam Malaysia ('JAKIM'), affirming their compliance with Islamic law and the Malaysian Halal Standard as defined in MS 2424:2019. In addition, another 13 products were submitted to JAKIM for halal certification at the end of 2024, with certification expected to be granted in 2025.

XEPA is committed to upholding the Malaysian Ministry of Health's safety requirements through a robust pharmacovigilance system to ensure safe use of medicinal products, alongside a stringent Product Complaint Management framework to monitor and address product safety concerns.

XEPA has also advanced its digitalization efforts to streamline processes, foster innovation, and enhance overall efficiency. Building on prior initiatives such as Robotic Process Automation, the Electronic Quality Management System, and the Laboratory Management System, several new digitalization projects were introduced in 2024. These include the XEPA Manufacturing Excellence System and Regulatory Information Management System. Additionally, the implementation of SAP S/4HANA, which went live in early 2024, completed the full integration of SAP Enterprise Resource Planning ('ERP') management systems across all key operating subsidiaries.

These initiatives collectively accelerate our adoption of Industry 4.0, driving increased productivity, innovation, and compliance with both international and local regulatory requirements. Our success in this aspect was validated at the Malaysian Organization of Pharmaceutical Industries ('MOPI') Pharma Industry Awards 2024, where XEPA was named the runner-up for the Most Productive Company 2023 award based on the revenue per employee among member pharmaceutical companies of MOPI.

XEPA filed its first generic pharmaceutical product, an anticoagulant drug, for regulatory approval in two European Union countries in December 2024. This milestone aligns with our broader market expansion strategy to develop products that comply with strict EU regulatory standards, enhancing our export potential in key international markets.

Sales & Marketing

XEPA-branded Dermatologicals, along with those from the Cardiovascular and Alimentary Tract & Metabolism therapeutic classes, posted double-digit growth in revenue. Meanwhile, the Respiratory therapeutic class remained the top revenue contributor.

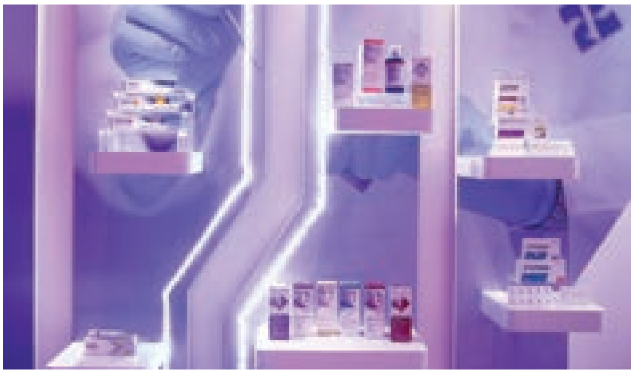
Sales to the private sector in Malaysia and Singapore grew while revenue growth in the government sector was tempered in 2024 due to lower orders and supply to Malaysian and Singaporean government tenders in the second half of the year, particularly in the fourth quarter. As this was primarily due to the timing and mix of tenders secured, we expect tender-based revenue to return to growth in 2025.

Meanwhile, we recorded a robust 10% increase in international export revenue during 2024, supported by increasing distributor networks and new product registrations across our global footprint. Reflecting this achievement, XEPA received the *Fastest Growing Export Revenue (2019 to 2023)* award in the category of export revenue exceeding RM 50 million for member pharmaceutical companies at the MOPI Pharma Industry Awards 2024.

A total of 11 new products were launched under XEPA brands in 2024, strengthening our portfolio across multiple market sectors, with an increasing focus on consumer healthcare.

In the pharmaceutical segment, we introduced *Eqovex Tablet 120 mg* (etoricoxib), a treatment for musculoskeletal disorders, and *Ezede Oral Solution*, an antihistamine designed to relieve symptoms associated with allergic rhinitis and allergic dermatological conditions. Additionally, we launched *Amsolvan Oral Suspension* (ambroxol), a medication indicated for respiratory conditions, and *Xeralix Ointment*, a dermatological formulation containing betamethasone and salicylic acid.

In the consumer healthcare segment, XEPA expanded its portfolio into probiotics with the introduction of the *Giomie* range, consisting of different variants catering to specific needs and market segments. We also strengthened our existing consumer healthcare brands with one new product launch each under *Tymodex*, *Serenaz*, and *O'Cera*, broadening our offerings to cater to evolving demand.



During the year, XEPA strengthened its educational and engagement initiatives through the Supporting Healthcare Improvement & Nurturing Excellence ('SHINE') program, which facilitated educational engagements aimed at sharing knowledge with doctors and pharmacists, supporting their professional development and enhancing therapeutic management.

In collaboration with another pharmaceutical company, XEPA supported the Sunway Medical Centre Velocity

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Neuroscience Symposium which featured lectures and case studies covering a wide range of neuroscience topics. Additionally, XEPA supported four other major symposiums and talks throughout the year, covering essential topics such as Pain Management in Primary Care, Management of Skin Disorders in Children, Obesity & Cardiovascular Risks for Cardio-Metabolic Patients, and 'Halt the Allergic March: Dream or Reality' which included discussions on Chronic Spontaneous Urticaria, Allergic Rhinitis in Paediatric Care, and Atopic Dermatitis Prevention and Treatment.

Beyond physical events, XEPA leveraged digital engagement through webinars conducted via Zoom on the Medical Tweet Malaysia Organization ('MedTweetMY') platform connecting doctors and medical professionals in Malaysia. These webinars covered critical topics including Understanding Hypertension and Dyslipidemia in Cardiovascular Health, Allergic Rhinitis and Bronchial Asthma, GERD and Upper GI Bleed, Hypertension and Pain Management, and 'Empowering Your Journey: Take Control of Your Pain Today'. These targeted initiatives serve to strengthen XEPA's brand presence, expand market reach, and reinforce our position as a trusted partner in the healthcare industry.

Distribution Segment

The Distribution segment comprises two core businesses: APEX and ABIO.

APEX is a brand-neutral market access service provider offering a comprehensive range of services for manufacturers of pharmaceuticals, consumer healthcare products and medical devices. Backed by a strong logistics and distribution network in Malaysia and Singapore, APEX provides pharmaceutical wholesaling, regulatory support, sales, marketing, and distribution services through Apex Pharmacy Marketing Sdn Bhd in Malaysia and Apex Pharma Marketing Pte Ltd in Singapore. Both entities operate through four key divisions: Wholesale, Pharma, Consumer Health, and Distribution.

With a network of 16,904 customer accounts across both countries, APEX has established a broad market presence, facilitating the swift introduction of new products to medical practitioners and consumers. By continuously identifying, sourcing, and supplying high-demand products, APEX strengthens its leadership position and ensures continued relevance in an evolving industry landscape.

ABIO is focused on developing and commercializing a second range of Group-branded pharmaceuticals, consumer healthcare products and medical devices, primarily targeting the primary care segment. A wholly owned Group subsidiary, ABio Marketing Sdn Bhd oversees key Group brands, including AVEX, AVO, and AEVA for pharmaceuticals, as well as AGNESIA, HENNSON, KAPS, and REMECO for consumer healthcare products.

Apex Pharmacy Marketing Sdn Bhd ('APM')

With a comprehensive distribution network spanning 11,158 customer accounts, APM provides reliable market access services to clinics, pharmacies, hospitals, hypermarkets, supermarkets, and general stores across Malaysia. In addition to distributing external agency and general brands, APM manages the distribution of all internal Group Brands under XEPA and ABIO.

APM's Wholesale Division remains Malaysia's largest one-stop pharmaceutical wholesaler, supplying over 3,500 pharmaceuticals and healthcare products to clinics, pharmacies, and hospitals, ensuring convenience and efficiency. In 2024, revenue stood at RM 119.8 million, reflecting the impact of evolving market dynamics and increased competition. The division continues to explore strategic initiatives to enhance its services and offerings to ensure resilience in a competitive landscape.

APM's Pharma Division specializes in sales, marketing, and regulatory services for agency brands of pharmaceuticals and medical devices in Malaysia. Benefiting from a sharp focus on the right principals and product strategies, the division achieved 10.7% revenue growth in 2024, with lozenges remaining the top-selling product category.

In the Consumer Health Division, APM recorded 6.6% revenue growth in 2024, driven by increased contributions from Nestlé Dairy Adult Nutrition, Kino Biotech, Stratpharma's dermatological products, and L'Oréal's skincare brands, La Roche-Posay and CeraVe. The division also expanded its portfolio as a distributor for Nestlé Health Science, introducing two new variants in the Nutren range—Nutren Fibre Chocolate and Nutren Glucobalance Coffee—targeted at diabetes management and gut health.

Sales revenue through APM's Distribution Division grew by 10.1% in 2024. This division 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. In 2024, the division processed an average of 1,521 invoices per working day, amounting to more than 448,482 invoices for the year and involving over 1.18 million line items. All distribution warehouses across Malaysia adhere to Good Distribution Practice ('GDP') and Good Distribution Practice for Medical Devices ('GDPMD'), supported by a fully integrated SAP ERP system.

Apex Pharma Marketing Pte Ltd ('APS')

APS expanded its distribution network by 8.5% in 2024, growing to 5,746 customer accounts and reinforcing its role in providing comprehensive market access services to clinics, pharmacies, hospitals, hypermarkets, supermarkets, and general stores across Singapore. In line with APM's approach, APS distributes both external agency and general brands while also handling all XEPA and ABIO Group-branded products.

During the year, APS secured regulatory approval for its newly leased 18,500 sq ft second warehouse, Techlink, which began operations on 13th August 2024. Located adjacent to our existing APS warehouse, the additional leased warehouse space at Techlink will enable APS to consolidate operations and reduce transport costs as we leverage the additional space to grow our business.

Revenue for APS's Wholesale Division grew by 3.9% to SGD 12.5 million in 2024, with sales through the division's in-house B2B platform (http://online.apexpharma.com.sg) contributing 57% of total wholesale revenue. The platform saw increased adoption, with the proportion of wholesale customers using Apex Online rising from 39% in 2023 to 47% in 2024. Recognizing its potential for further growth, APS will continue enhancing the platform to improve user experience, strengthen customer engagement and ensure long-term scalability.

The Pharma Division, which provides marketing, sales and distribution services for agency principals to ensure effective reach to clinics, pharmacies and hospitals, maintained steady performance in 2024 with a continued focus on strengthening sales force effectiveness. Sales of Douglas Pharmaceuticals, a New Zealand-based pharmaceutical manufacturer, continued its upward trajectory, while the division secured marketing and distribution rights for a new pain and fever product.

The Consumer Health Division recorded 4% revenue growth, driven by a collective 35% increase in e-commerce sales across APS's proprietary B2C platform (https://shop.apexpharma.com.sg) and external e-commerce channels. Consistent marketing initiatives were undertaken to support key agency brands, alongside efforts to enhance merchandising services. Notably, Nizoral grew by 38%, following a collaborative campaign where APS assisted the principal in developing marketing assets and executing promotional activities. The division also expanded its portfolio, launching LactoFit, Korea's leading probiotic range from Chong Kun Dang Healthcare, and acquiring new agency lines such as Herbalceutical's NH Nutri Grains and PopoMama's women's health products.

APS's Distribution Division processed an average of 695 sales orders daily in 2024, translating to more than 175,038 invoices and over 0.39 million line items handled throughout the year. Several new agencies were successfully onboarded, including Waldencast's range of Obagi skincare, Rxilient's ophthalmology, oncology, and dermatology products, and Synmosa's treatment for hyperkalemia.

APS also leveraged its license to conduct secondary assembly, which includes relabeling, re-packaging, or modifying product presentation to meet specific requirements or standards. Currently performing these services for a principal, APS will capitalize on this capability as a growth avenue in line with the additional capacity unlocked by our Techlink expansion.

Following the ISO 9001:2015 certification for the Wholesale and Distribution of Pharmaceutical Products and Medical Devices in 2023, APS's Distribution Division is set to enhance operational efficiencies with the implementation of a new Warehouse Management System ('WMS'), scheduled to go live in 2025.

ABio Marketing Sdn Bhd ('ABIO')

ABIO leverages APEX's extensive distribution network to ensure Group-branded products reach a broad base of primary healthcare practitioners, including general practitioners, pharmacists and nurses, who serve as the first point of consultation for patients.

In 2024, ABIO expanded its portfolio with the launch of 11 new products. For pharmaceuticals, the new products include two strengths of *Alovasc* Tablet (amlodipine), prescribed for hypertension management and angina prevention, as well as *Avomucil* Powder, a mucolytic agent that reduces mucus viscosity, alleviates coughing symptoms, and improves lung function. Under medical devices, ABIO introduced the *Avometer Smart* blood glucose monitoring system, featuring the latest technology to support patient health monitoring.

Propelled by a strategic focus on expanding consumer healthcare offerings, ABIO's consumer healthcare revenue grew by 14%. REMECO, a recently launched consumer healthcare Group Brand by ABIO, recorded the highest growth at 157%, driven by the introduction of *Pepticon*, a product designed to relieve heartburn and indigestion, and *Proladii*, a probiotic that saw the launch of a powder sachet format in 2024 to complement the existing capsule form.

MANAGEMENT DISCUSSION
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(CONT'D)

ABIO also strengthened its presence in the beauty and wellness segment with the launch of three new variants of REMECO *Remmis Gummies*, formulated to support healthy skin and hair with key ingredients such as biotin, collagen and apple cider vinegar. Meanwhile, ABIO's other core consumer brands—AGNESIA, HENNSON and KAPS—also recorded growth during the year.

Corporate Segment

The corporate reporting segment comprises Group properties alongside a 40% interest in our associate Straits Apex Group Sdn Bhd ('SAG'), a company with associates that are engaged in the contract manufacturing of orthopaedic devices for global multinational companies, and a 40% stake in Zynexis Healthcare Private Ltd ('Zynexis'), a company established through our joint venture with Fortune 500 company Shanghai Pharmaceuticals Holding Co. Ltd. ('SPH').

Properties

The Group holds properties surplus to current business operations in its portfolio, which are managed for rental yield and designated for divestment at the appropriate time.

SAG

Following the effective divestment of SAG's 60% interest in Straits Apex Sdn Bhd ('SA') to Singapore-based private equity firm Quadria Capital Investment Management Pte Ltd in May 2023, the Group's effective interest in SA was reduced from 40% to 16%.

In 2024, the share of recurring earnings from SA's business operations amounted to RM 5.1 million, lower than the RM 17.1 million recorded in 2023. This reduction was due to the decrease in the Group's effective interest in SA, lower revenue as customers scaled back purchases in the post-pandemic period, and higher expenses associated with the establishment of a sales team in the United States. Additionally, SAG's share of financing costs, amortization of intangible assets, refinancing fees and other expenses related to the Straits Divestment in 2023 amounted to RM 14.9 million in 2024. As a result, the Group recorded a net loss of RM 9.8 million from its share of SAG's results for the year.

The construction of SAG's new 237,147 sq ft production campus at Batu Kawan Industrial Park was completed in 2024, with all Certificates of Completion and Compliance ('CCC') obtained in Q3 2024. Fit-out works are currently in progress, with completion targeted for Q2 2025. Rental income from the long-term lease of these buildings has commenced in 2025.

Having already made a strong return on its investment in SAG and distributed the gains from the divestment through a special dividend of 20 sen per share in 2024, the Group no longer considers SAG a core component of its future growth plans. Moving forward, strategic initiatives will remain focused on strengthening and expanding our core pharmaceutical operations.

Zynexis

The Group's 40% interest in Zynexis provides a strategic opportunity to expand our pharmaceutical portfolio. Through our partnership with SPH, we are leveraging their extensive network in China to secure commercialization rights for selected pharmaceuticals from leading manufacturers. These products will be marketed under the Zynexis brand in targeted ASEAN countries and other international markets.

Regulatory approval submissions for 9 core products in various dosage forms have been filed in Malaysia and Singapore. These products focus on high-growth therapeutic areas that significantly expand the Group's portfolio with new treatments not currently available in our lineup, including drugs for diabetes, neuropathic pain, and blood clotting disorders. The first regulatory approval is expected in late 2026, paving the way for the launch of our initial Zynexis-branded products shortly thereafter.

Sustainability

The Group remains committed to strengthening sustainability practices to align with regulatory requirements and support the long-term resilience of our business. In 2024, we continued to enhance the comprehensiveness and transparency of our sustainability reporting, ensuring stakeholders remain informed of our progress while positioning ourselves to meet evolving regulatory expectations, including compliance with ISSB's IFRS Sustainability Disclosure Standards.

Environmental sustainability remains a core focus, reinforced by our continued investment in solar energy since 2021. We currently operate solar projects at XEPA (operational since June 2021), APS (operational since October 2023), and APM (operational since January 2024). In 2024, these solar initiatives generated cost savings of RM 602,887 (XEPA and APM) and SGD 54,567 (APS) while achieving a carbon dioxide avoidance of 955.35 tCO_2e. This continued focus on renewable energy deployment underscores our commitment to reducing our carbon footprint while driving operational efficiencies.

Looking ahead, XEPA is actively pursuing ISO 14001:2015 certification for Environmental Management Systems. Achieving this certification will enhance XEPA's ability to mitigate environmental impact, further reinforcing our commitment to sustainability and responsible environmental stewardship across our operations.

Read more on our sustainability efforts in our Sustainability Statement from page 49.

RISKS

AHB remains committed to robust risk management, engaging external consultants annually to conduct comprehensive risk assessments across all business units. This process ensures that known and emerging risks are continuously evaluated and updated to mitigate potential exposures. Since 2020, corruption risks have been incorporated into the annual risk assessment, reinforcing a culture of strong governance and ethical conduct.

Regular reviews of anti-corruption and whistle-blowing policies are regularly undertaken to ensure compliance with Paragraph 15.29 of Bursa Main Market Listing Requirements, which mandates listed issuers and their subsidiaries to assess the effectiveness of these policies and procedures at least once every three years.

As part of the AHB Group Risk Assessment, climate-related risks, including both physical and transition risks, were evaluated and determined to carry a 'Low' risk rating within the broader risk management framework of the Group.

Effective 1st January 2022, the Board of Directors at AHB established a dedicated Risk and Sustainability Committee ('RSC'), separate from the Audit Committee ('AC'), to strengthen oversight of risks, including those related to sustainability. The RSC is regularly updated on risks, associated controls, risk responses and mitigation strategies, and where applicable, cascades its reports to the AC and subsequently to the Board of Directors. The RSC actively monitors the implementation and progress of risk responses, supported by a structured program of internal audits, to safeguard the interests of the Group and its stakeholders.

Through this framework, the Group has identified six key risks that may have a material impact on its operations, performance or financial condition.

Economic Conditions	The Group's financial performance may be affected by both global economic conditions and country-specific economic factors in its operational markets. Heightened geopolitical uncertainty could lead to increased financial market volatility, reduced liquidity and tighter credit conditions. A prolonged economic downturn presents risks such as potential reductions in government healthcare spending and weaker consumer sentiment. Adverse economic developments in key markets may, in turn, impact the Group's financial performance and outlook.

MANAGEMENT DISCUSSION
AND ANALYSIS
(CONT'D)

Foreign Exchange	The Group recognizes the risks associated with the volatility and strength of the Ringgit, which is influenced by uncertainties in the global economic environment. A weaker Ringgit may result in higher costs for raw materials and imported finished goods, potentially impacting profit margins. To mitigate this risk, the Group prioritizes securing competitive pricing from alternative sources, minimizing wastage, improving operational efficiencies and utilizing hedging arrangements through financial instruments to help preserve margins.
Regulatory Compliance	The Group operates in highly regulated markets, where compliance with pharmaceutical regulations is essential for uninterrupted development, manufacturing and distribution. To manage regulatory compliance risks, the Group has established robust procedures and continues to invest in infrastructure upgrades to meet evolving standards. Ongoing efforts are directed at ensuring adherence to current and anticipated regulations, minimizing deficiencies and avoiding associated corrective costs. The attainment of various relevant industry certifications reflect the Group's commitment to mitigating regulatory compliance risks. The Group also recognizes the potential for unforeseen global product safety alerts and recalls, as well as the impact of regulatory changes on pharmaceutical product registration and renewal, which may result in approval delays and increased compliance costs. To navigate these challenges, the Group maintains active engagement with regulatory and governmental authorities and participates in pharmaceutical industry associations. This proactive approach enables the Group to anticipate regulatory shifts and respond effectively, ensuring continued compliance in an evolving regulatory landscape.
Data and ERP Integrity	The Group places emphasis on the secure management of proprietary, personal and confidential data, alongside maintaining the stability and integrity of its ERP systems. The loss or corruption of data or prolonged system failures pose significant risks, potentially leading to a loss of competitiveness, operational disruptions and missed business opportunities. Recognizing that any material failure of ERP systems—whether due to natural disasters, technical malfunctions or security breaches—could severely impact critical business functions, the Group enforces stringent data management controls and maintains robust ERP system oversight. Regular system maintenance, testing and upgrades are carried out to uphold reliability, continuity and stability. As cybersecurity threats escalate, maintaining cyber resilience and fostering stakeholder trust in the Group's data security and privacy practices remain strategic priorities. With the increasing risk of cyber-attacks on critical infrastructure, the Group has reinforced its technological resilience to uphold strong cyber hygiene practices. The Group IT department, in collaboration with Group Human Resource ('Group HR'), provides comprehensive cybersecurity training to employees, equipping them with the knowledge to identify and mitigate potential cyber risks. Additionally, strict data protection protocols are enforced under Group HR's oversight to safeguard proprietary, confidential and personal data, ensuring compliance with regulatory and industry best practices.
Loss of Key Principals	The Group acknowledges the risks associated with significant reliance on revenue contributions from key external principals. The pharmaceutical distribution sector is highly competitive, with ongoing margin pressure from industry players. Additionally, internal reorganization or business restructuring by these principals, along with turnover of key contacts, may impact established relationships. There is also a possibility that external principals may choose not to renew their association with the Group or may revise their business model or product portfolio. This could be due to various factors, including a strategic shift to manage sales and marketing internally or a decision to appoint a different local distributor. To mitigate these risks and safeguard principal retention, the Group maintains strong engagement with its partners, fostering collaborative relationships and ensuring that all deliverables and performance indicators are consistently met or exceeded.
Disease Epidemics	While Covid-19 infections have transitioned into primarily community respiratory illnesses, the Group remains vigilant for the emergence of new viruses with pandemic potential. Ensuring staff safety and maintaining uninterrupted supply chains and business operations remain top priorities. Drawing from lessons learned during the Covid-19 pandemic, the Group has implemented pandemic-specific Business Continuity Plans that address key operational risks, including human resource management, critical processes and business functions, supplier and customer management and stakeholder communication.

FORWARD LOOKING STATEMENTS

Prospects of New Business

Looking ahead to 2025 and beyond, the Group will focus on driving sustainable growth within our core pharmaceutical business, strengthening our leadership in domestic markets while expanding our global footprint. Building on robust fundamentals, broad networks and strong stakeholder relationships, we will utilise focused strategies to drive responsible, long-term value creation.

Our R&D efforts remain a key growth driver, and we aim to intensify investment to enhance the quality and speed of new product launches. In addition to expanding internal R&D capabilities, we will collaborate with contract development and manufacturing organizations ('CDMOs') to accelerate development and broaden our international reach. Our product pipeline has grown to over 70 products, including generics of several globally leading patented drugs in high-disease-burden therapeutic areas.

We will place special focus on expanding our Group-branded consumer healthcare offerings to create a more balanced portfolio. In tandem, we will strengthen sales and marketing efforts to grow market share for both Group and agency brand products. This includes implementing sales force effectiveness programs to ensure our teams are equipped with the expertise to effectively promote product categories that align with our strategic focus areas.

Following the filing of our first generic pharmaceutical product for regulatory approval in the European Union, we will continue investing in the expansion of new international markets. This will be supported by the development of high-demand generic products formulated to meet global regulatory standards, ensuring broader market access and long-term growth opportunities.

Leveraging the additional warehousing space gained through Techlink, we will continue identifying and procuring innovative new products and establishing distribution agency partnerships to meet evolving market demands, with a particular focus on oncology, biosimilars and consumer healthcare.

Looking further ahead, our associate company Zynexis will further strengthen our portfolio as we secure rights to commercialize selected pharmaceuticals from leading pharmaceutical companies in strategic ASEAN countries and other international markets. Submissions for 9 core products have been filed in Malaysia and Singapore, with the first regulatory approval expected in late 2026.

From an operational perspective, we will continue accelerating Industry 4.0 adoption and advancing digital transformation across manufacturing and business processes, unlocking new levels of integration, innovation and productivity. Concurrently, we will prioritize securing and renewing globally recognized manufacturing and distribution certifications that are strategic and commercially relevant.

At the same time, we will further strengthen our commitment to sustainability by enhancing management practices, implementing impactful initiatives and refining reporting mechanisms in alignment with ISSB's IFRS Sustainability Disclosure Standards. XEPA will also intensify efforts to minimize environmental impact across its operations as we actively pursue ISO 14001:2015 certification for Environmental Management Systems, reinforcing our commitment to attaining globally recognized certifications that support long-term sustainability.

Possible Trend, Outlook and Sustainability of Business Segment

Demand for pharmaceuticals, consumer healthcare products and medical devices remained robust both domestically and internationally in 2024, and is expected to continue its upward trajectory into 2025. This positive outlook is largely driven by sustained demand for essential medicines and heightened healthcare needs, supported by demographic factors such as an ageing population.

Despite external headwinds, including uncertainties in US tariff policies and their potential repercussions on global trade, Malaysia's economic growth in 2025 is projected to remain on a steady path. Notably, the Malaysian Ministry of Health has once again received a significantly increased allocation for 2025, rising by 9.9% to RM 45.3 billion. This increase underscores the government's commitment to enhancing healthcare accessibility and affordability.

In addition, Malaysian Budget 2025 introduces an offtake policy tied to new manufacturing investments, prioritising the procurement of critical medical supplies, including pharmaceutical products and medical devices, from local companies. This initiative aims to foster economic growth and bolster national self-sufficiency in healthcare. Furthermore, the Ministry of Health's "generics first" policy, designed to lower healthcare costs by promoting affordable generic medicines, aligns advantageously with our internal emphasis on rapidly developing new off-patent generic medicines.

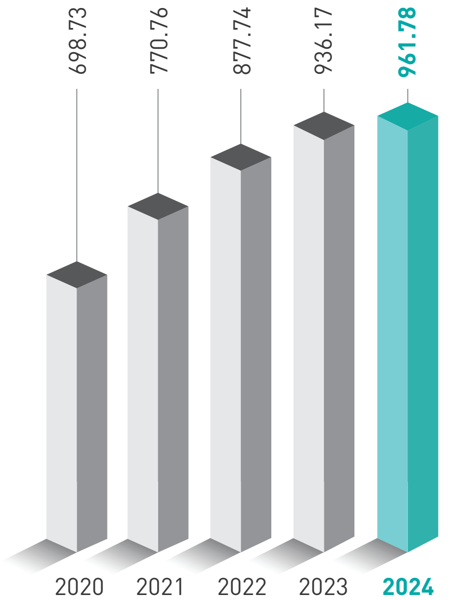
Against this backdrop and in line with the Group's outlined growth strategies, we anticipate to sustain a positive performance in 2025, barring any unforeseen circumstances. With a steadfast commitment to our core aspirations, we remain confident in our capacity for sustainable long-term growth.

Dividends

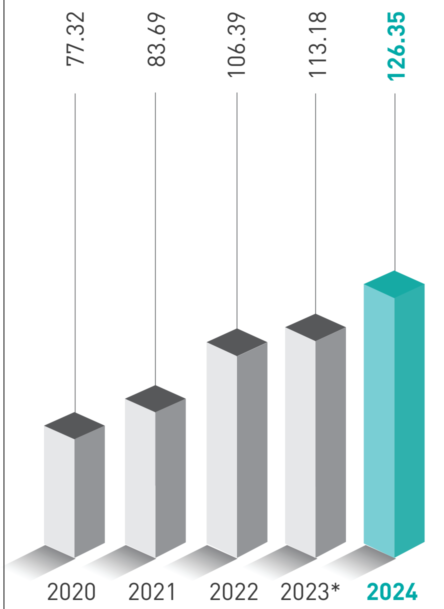
The Board of Directors is proposing a final single-tier dividend of 3.0 sen per share for the financial year ended 31st December 2024, subject to shareholders' approval at the upcoming Annual General Meeting. Combined with the two interim dividends of 3.0 sen per share each paid in September and December 2024, the total dividends declared and paid for the year amount to 9.0 sen per share, representing 84.7% of profit after tax.

FIVE-YEAR FINANCIAL HIGHLIGHTS

REVENUE
(RM Million)

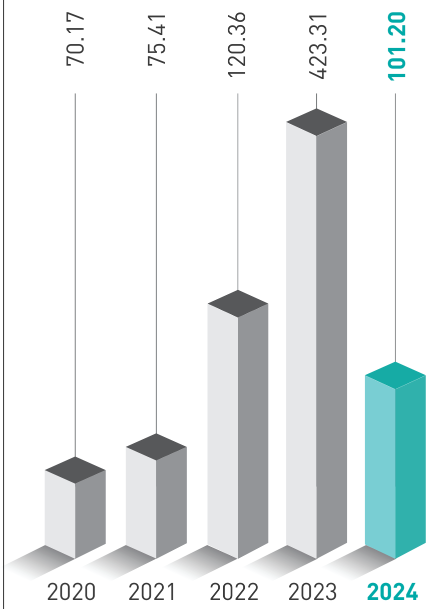


EBITDA
(RM Million)

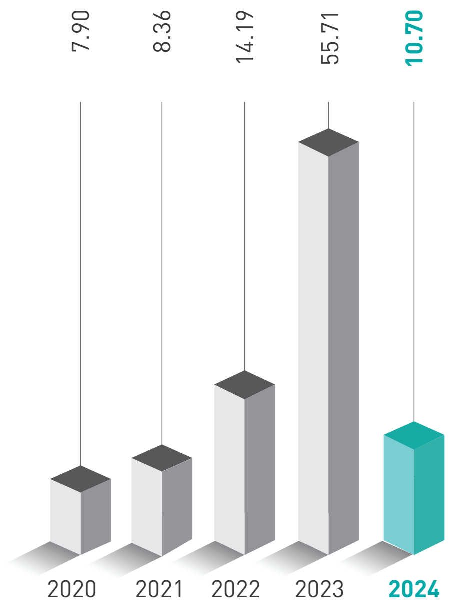


* EBITDA was adjusted to exclude the impact of Straits Divestment.

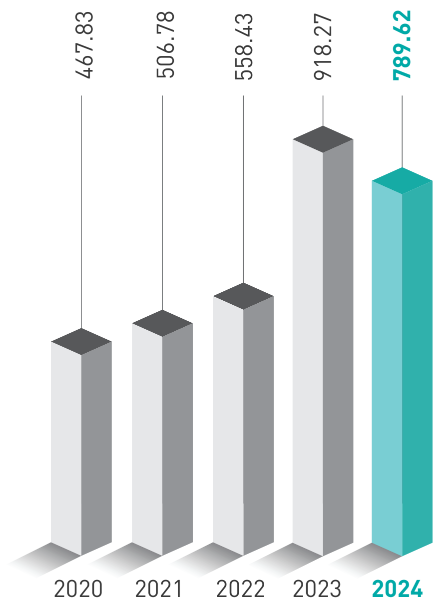
PROFIT BEFORE TAX
(RM Million)



EARNINGS PER SHARE*
(Sen)



SHAREHOLDERS' FUNDS
(RM Million)



* The number of shares has been retrospectively adjusted for the following corporate exercises:

In Year 2003: Bonus issue of 1 new ordinary share for every 2 existing shares.
In Year 2006: Private placement of 6,600,000 new ordinary shares.
In Year 2010: Bonus issue of 1 new ordinary share for every 4 existing shares.
In Year 2014: Bonus issue of 1 new ordinary share for every 4 existing shares.
In Year 2019: Bonus issue of 3 new ordinary shares for every 1 existing share.
In Year 2023: Bonus issue of 1 new ordinary share for every 2 existing shares.

OUR CORE TENETS

Service, Quality and Integrity, Always.

Service is an integral tenet of Apex. From the very first customer in 1962, Apex has striven to provide an efficient, professional and responsive touch in our dealings with suppliers, healthcare professionals, customers and all whom we come across.

The quest to improve Quality is a never-ending journey. We will continually refine our processes and systems in order to secure all commercially relevant global quality certifications.

Integrity is an inescapable part of our business and runs through our value chain from research and development, manufacturing, warehousing, sales and marketing till final delivery. We value honesty in our dealings and there is no compromise.

PROFILE OF DIRECTORS

Dr Kee Kirk Chin
Chairman and CEO

Dr Kee Kirk Chin, 63, male, a Singaporean, was appointed to the Board on 15th February 2000, as the Managing Director of the Company on 3rd March 2000 and became Chairman and Chief Executive Officer on 19th May 2010. He obtained a Bachelor in Arts with Honours in 1985, a Bachelor of Medicine & Bachelor of Surgery in 1987 and a Master of Arts in 1989 from University of Cambridge, UK and a Master of Business Administration (MBA) with distinction in 1993 from University of Hull, UK. He is a registered Medical Practitioner with the Singapore Medical Council and the General Medical Council, UK. He began his career as a House Officer with National University Hospital, later joining United MediCorp Pte Ltd as Director of Business Development in 1990, becoming its Chief Executive Officer in 1996. United MediCorp had interests in several healthcare companies in six Asian countries involved in pharmaceuticals, clinical equipment, hospital support services and private hospitals. He is a member of the Board of Directors of the School of Science and Technology, Singapore. A former Chairman of the Board of the Singapore National Youth Orchestra ('SNYO'), he was awarded the Bintang Bakti Masyarakat (Public Service Star) (BBM) by the President of the Republic of Singapore in 2015 in recognition for his years of service to the SNYO.

He is the brother of Kee Kirk Chuen. He is deemed to be a major shareholder of the Company through his deemed interest in Apex Pharmacy Holdings Sdn Bhd, a major shareholder which holds 39.63% equity in the Company. Save as disclosed, he does not have any other family relationship with any other director and/or major shareholder of the Group nor any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He attended all of the four Board Meetings held in the financial year ended 31st December 2024 and has had no convictions for any offences within the past 5 years, other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

Robert Dobson Millner AO
Non-Independent Non-Executive Director

Robert Dobson Millner AO, 74, male, an Australian, was appointed as a Non-Independent Non-Executive Director of the Company on 23rd February 2000. He is currently a member of the Nomination Committee and Remuneration Committee. He joined the Board of Washington H. Soul Pattinson and Company Limited ('WHSP') in 1984, a company listed on the Australian Stock Exchange. With origins in owning and operating Australian pharmacies, WHSP has evolved into a diversified investment house investing across a range of industries and asset classes, including listed equities, private equity, credit, and property. He was appointed Deputy Chairman of WHSP in 1997, becoming its Chairman in 1998. He is also the Chairman of Brickworks Limited, New Hope Corporation Limited, BKI Investment Company Limited and Director on the Boards of TPG Telecom Limited, Tuas Limited and Aeris Resources Limited, all of which are companies listed on the Australian Stock Exchange. He is a member of the Institute of Company Directors, New South Wales, Australia and a fellow of the Australian Institute of Directors.

He is the Chairman of WHSP, which holds 29.54% equity in the Company. He does not have any family relationship with any other director and/or major shareholder of the Group nor any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He attended all of the four Board Meetings held in the financial year ended 31st December 2024 and has had no convictions for any offences within the past 5 years, other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

Leong Khai Cheong
Senior Independent Non-Executive Director

Leong Khai Cheong, 73, male, a Malaysian, was appointed as an Independent Non-Executive Director of the Company on 18th February 2000 and as Senior Independent Non-Executive Director on 24th August 2005. He retired as a Director of the Company on 23rd May 2019. He was re-appointed as an Independent Non-Executive Director of the Company and a member of the Audit Committee on 2nd August 2021. He was appointed as Chairman of the Risk and Sustainability Committee on 1st January 2022. He ceased from office as a member of the Audit Committee and was appointed as a member of the Nomination Committee on 18th May 2023. On 17th July 2024, he assumed the Chairmanship of the Nomination Committee and was appointed the Senior Independent Non-Executive Director of the Company. He was appointed a member of the Remuneration Committee on 17th July 2024. He is a Chartered Accountant of the Malaysian Institute of Accountants and holds associate membership of the Institute of Chartered Secretaries and Administrators. He worked in professional audit firms in Malaysia and England in the areas of audit and company secretarial services. He held senior positions with experience in corporate planning and financial management in public listed companies in Malaysia and Singapore. He was the Senior Independent Non-Executive Director of Ogawa World Berhad from 2007 to 2013. He currently holds directorships in various private companies in Malaysia.

He does not have any family relationship with any other director and/or major shareholder of the Group nor any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He attended all of the four Board Meetings held in the financial year ended 31st December 2024 and has had no convictions for any offences within the past 5 years, other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

PROFILE OF DIRECTORS (CONT'D)

Datuk Phang Ah Tong
Independent Non-Executive Director

Datuk Phang Ah Tong, 67, male, a Malaysian, was elected as an Independent Non-Executive Director of the Company on 24th May 2018. He was appointed as Chairman of the Remuneration Committee and a member of the Audit Committee on 23rd May 2019. He graduated with a Bachelor of Economics (Honours) from University of Malaya in 1981. He has had a distinguished career in the civil service of Malaysia, spanning 36 years in promoting foreign and domestic investments and assisted in developing the manufacturing and services sectors in Malaysia under the Malaysian Investment Development Authority ('MIDA') where his last held position was the Deputy Chief Executive Officer before his retirement in 2017. He has served in various capacity including being the Assistant Trade Commissioner for MIDA London and Director of MIDA New York. Upon returning to the MIDA headquarters, he was appointed the Director of Foreign Direct Investment ('FDI'), overseeing the promotion of global FDI into Malaysia. He is the Non-Executive Chairman of JF Technology Berhad and an Independent Director of Inari Amertron Berhad and Media Prima Berhad and the Independent Non-Executive Chairperson of Cosmos Technology International Berhad.

He does not have any family relationship with any other director and/or major shareholder of the Group nor any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He attended all of the four Board Meetings held in the financial year ended 31st December 2024 and has had no convictions for any offences within the past 5 years, other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

Yap Seng Chong
Independent Non-Executive Director

Yap Seng Chong, 63, male, a Malaysian, was appointed as an Independent Non-Executive Director of the Company on 18th May 2023. He was appointed as Chairman of the Audit Committee and a member of the Risk and Sustainability Committee on the same day. He graduated with a Bachelor's Degree in Accounting from University Malaya in 1986 and is a member of the Malaysian Institute of Accountants and Malaysian Institute of Certified Public Accountants. He had previously served as Malaysian Institute of Accountants' Council Member, Chairman of the Disciplinary Committee, Member of the Accounting and Auditing Standards Board, Chairman of the Audit and Risk Committee and Member of the Public Practice Committee and was also a member of the Interpretation Committee of the Malaysian Accounting Standards Board. He spent his entire career with Ernst & Young PLT ('EY') which spanned 35 years, two of which were with EY London office. In his career with EY, he had held positions as Assurance Leader, Professional Practice Director and ASEAN Independence Leader. He is the Independent Non-Executive Director of Malaysia Smelting Corporation Berhad, United Plantations Berhad, Hartalega Holdings Berhad and Malayan Cement Berhad. He currently serves on the Board of Trustees of Yayasan Hartalega and Yayasan Nanyang Press.

He does not have any family relationship with any other director and/or major shareholder of the Group nor any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He attended all of the four Board Meetings held in the financial year ended 31st December 2024 and has had no convictions for any offences within the past 5 years, other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

Kee Kirk Chuen
Non-Independent Non-Executive Director

Kee Kirk Chuen, 60, male, a Singaporean, was appointed as a Non-Independent Non-Executive Director of the Company on 18th May 2016. He was appointed as a member of the Risk and Sustainability Committee on 1st January 2022. He obtained a Bachelor of Science (Electrical Engineering) in 1986, a Master of Engineering (M. Eng) in 1989 and a Master of Business Administration (MBA) in 1996 from Cornell University, USA. He was the Executive Director of Apex Pharmacy International Pte Ltd from 1989 to 2004. From 2005 to 2007, he was a Deputy Director at the National Council of Social Service, Singapore and a Director of Apex Holdings Pte Ltd since 2007. He joined Temasek Foundation Cares CLG Limited, a Singapore non-profit philanthropic organisation established to improve the lives of underprivileged individuals, families and communities in Singapore in 2010 and is currently holding the position of Head, Health & Well-being of Temasek Foundation.

He is the brother of Dr Kee Kirk Chin. He is deemed to be a major shareholder of the Company through his deemed interest in Apex Pharmacy Holdings Sdn Bhd, a major shareholder which holds 39.63% equity in the Company. Save as disclosed, he does not have any other family relationship with any other director and/or major shareholder of the Group nor any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He attended all of the four Board Meetings held in the financial year ended 31st December 2024 and has had no convictions for any offences within the past 5 years, other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

PROFILE OF DIRECTORS
(CONT'D)

Le Wat Su
Independent Non-Executive Director

Le Wat Su, 57, female, a Malaysian, was appointed as an Independent Non-Executive Director of the Company on 18th May 2023. She was appointed as a member of the Audit Committee on 18th May 2023. On 17th July 2024, she was appointed a member of the Nomination Committee. She graduated with a LL.B (Honours) from the University of Malaya in 1992 and was called to the Malaysian Bar the following year. She is a Partner of Chee Siah Le Kee & Partners, one of the largest law firms in the southern region of Malaysia. Since 1994, she has been involved and has undertaken various corporate and due diligence assignments for the purpose of merger and acquisition and submission for public listing and flotation of companies on Bursa Malaysia Securities Berhad. Her areas of legal expertise include corporate restructuring, venture capital, and retail and corporate banking law, representing domestic and foreign business clients. She is the Independent Non-Executive Director of Lii Hen Industries Berhad.

She does not have any family relationship with any other director and/or major shareholder of the Group nor any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. She attended all of the four Board Meetings held in the financial year ended 31st December 2024 and has had no convictions for any offences within the past 5 years, other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

PROFILE OF KEY SENIOR MANAGEMENT

Tan Hing Tai
Chief Operating Officer (Distribution Group)

Tan Hing Tai, 64, male, a Malaysian, was appointed as Chief Operating Officer of the Company on 1st January 2015. He is also a Director on the Board of Group subsidiary companies, Apex Pharmacy Marketing Sdn Bhd, ABio Marketing Sdn Bhd and Apex Pharma Marketing Pte Ltd. He was re-designated as Chief Operating Officer (Distribution Group) of the Company on 1st March 2022.

He graduated with a Bachelor of Pharmacy from University Science Malaysia in 1985. He joined the Apex Pharmacy Group as a pharmacist in 1986 and was subsequently promoted as General Manager of Apex Pharmacy Marketing Sdn Bhd in 1998. He was appointed the Executive Director of Apex Pharmacy Marketing Sdn Bhd on 1st September 2003. He is registered with the Pharmacy Board of Malaysia and is also a member of Malaysian Pharmacists Society. In 2002, he obtained his Master of Business Administration (MBA) from University of Technology, Malaysia.

He does not hold any directorship in public companies and listed issuers; and does not have any family relationship with any director and/or major shareholder of the Group. He does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries and has had no convictions for any offences within the past 5 years, other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

Ch'ng Kien Peng
Chief Operating Officer (Manufacturing Group)

Ch'ng Kien Peng, 59, male, a Malaysian, was appointed as Senior Vice President of the Company on 1st January 2015. He is also a Director on the Board of Group subsidiary companies, Xepa-Soul Pattinson (Malaysia) Sdn Bhd and Xepa-Soul Pattinson (S) Pte Ltd. He was re-designated as Chief Operating Officer (Manufacturing Group) of the Company on 1st March 2022.

He graduated with a Bachelor of Pharmacy (Honours) from University Science Malaysia in 1990 and obtained his Master of Business Administration (MBA) from Heriot-Watt University, Edinburgh in 2004. In 2005, he joined Xepa-Soul Pattinson (Malaysia) Sdn Bhd ('Xepa') as the General Manager of Manufacturing and was promoted as the Chief Operating Officer of Xepa in 2012. He was elected the President of Malaysian Organisation of Pharmaceutical Industries ('MOPI') on 27th June 2023 for a two-year term, having served as the Vice President of MOPI from 2011 to 2014 and again in 2021. He is currently a member of the Medicine Advertisements Board appointed by the Minister of Health as provided for under the Medicine Advertisements Board Regulations 1976. He is registered with the Pharmacy Board of Malaysia and is also a member of Malaysian Pharmacists Society. In January 2024, he was appointed Champion of the Pharmaceutical Productivity Nexus, an initiative established by the Malaysia Productivity Corporation, a statutory body under the Ministry of Investment, Trade and Industry, to enhance productivity, foster innovation and pursue growth opportunities within the local pharmaceutical sector.

He does not hold any directorship in public companies and listed issuers; and does not have any family relationship with any director and/or major shareholder of the Group. He does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries and has had no convictions for any offences within the past 5 years, other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

Chiew Woon Wui
Chief Financial Officer

Chiew Woon Wui, 51, female, a Malaysian, was appointed as Financial Controller of the Company on 1st July 2014 and was promoted to Chief Financial Officer of the Company on 1st January 2024. She is one of two Joint Company Secretaries of the Company. She is a member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants. She graduated from the University of Malaya with a Bachelor of Accounting (Hons) and began her career at KPMG, Kuala Lumpur. She joined Apex Healthcare Berhad in 2002 and was holding the position of Senior Group Finance Manager prior to her appointment as Financial Controller.

She does not hold any directorship in public companies and listed issuers; and does not have any family relationship with any director and/or major shareholder of the Group. She does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries and has had no convictions for any offences within the past 5 years, other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ('Board') of Apex Healthcare Berhad ('AHB' or 'the Company') is pleased to present the Corporate Governance Overview Statement ('CG Overview Statement') which has been prepared in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad premised upon the corporate governance Principles as set out in the Malaysian Code on Corporate Governance ('MCCG') issued by the Securities Commission in April 2021. The CG Overview Statement is to be read together with the Corporate Governance Report ('CG Report'). The CG Report which provides the details on how the Company has applied the Practices as set out in the MCCG during the financial year 2024 can be downloaded at the Company's website at **https://apexhealthcare.com.my/corporate-governance/**.

Introduction

The Company subscribes to the ideals of good corporate governance and fair dealing in all its activities with a view to increasing shareholders' value. It recognises that a strong governance framework is necessary for the continuous strengthening of self-discipline and the development of a good corporate governance culture. Since the introduction of the first MCCG in 2000, and its subsequent revisions, the Company has taken conscious steps and made efforts to review, adopt and embrace corporate governance as an essential component in guiding its corporate strategies. With the release of the latest MCCG, the Company remains steadfast in upholding its Principles to achieve the Intended Outcomes through implementation of MCCG Practices in its operations.

At the start of financial year 2024, AHB is not a Large Company as defined in the MCCG and hence the Practices set out in the MCCG which are applicable to Large Companies have not been adopted by the Company. The Board has taken cognizance of Step Up Practices as prescribed in the MCCG in its endeavour to attain higher standards of corporate governance. With regards to Practices that are applicable to AHB, explanations on how the Company has applied the Practices are disclosed in the CG Report. If there is departure from a Practice, explanations for the departure are also provided with disclosure of the alternative practice which AHB has adopted to achieve the Intended Outcome as set out in the MCCG.

This CG Overview Statement provides a summary of the corporate governance practices implemented by AHB during financial year 2024 with reference to the three Principles of MCCG:

Principle A: Board Leadership and Effectiveness

In accordance with Practice 1.4, the Board upholds the Practice of restricting the Chairman of the Board from being a member of the Audit Committee, Nomination Committee or Remuneration Committee. However, the Chairman of the Board by virtue of his concurrent appointment as Chief Executive Officer ('CEO'), may be required to attend the meetings of the Board Committees in his capacity as the CEO by way of invitation from the Chairman of the respective Board Committees. The objectivity and quality of decisions are not impaired as all matters are discussed and deliberated with the active participation of other Board Committee members. The Chairman of the Board also abstains from deliberation on his own remuneration. In view of the explanatory note for Practice 1.4 which considers participation of the Chairman of the Board in such Board Committee meetings by way of invitation as 'Departure" even though he is not a member of these Board Committees, the application of this practice has been disclosed correspondingly in the CG Report.

Save for Practice 1.3, Practice 5.9 and Practice 8.2, the Company has complied with all the other Practices under the Principle of board leadership and effectiveness. In variance from Practice 1.3, the functions of the Chairman and CEO are combined befitting the circumstances of AHB and the explanations for the alternative practice are disclosed in the CG Report.

While the Board of the Company does not comprise at least 30% women Director as recommended by Practice 5.9, the Board acknowledges the benefits of having participation of women on the Board in terms of providing different perspectives and insights for effective decision making and targets to ensure that there is women representation on the Board at any one time. This policy is in line with the amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad which mandates a listed company to have at least one woman Director on its Board with effect from 1st June 2023 for listed companies with market capitalization of less than RM 2 billion. The Company is in compliance with this requirement.

The alternative practice of disclosure of Senior Management's remuneration in relation to Practice 8.2 and the explanation for the departure are also provided. The Board is satisfied that the alternative practices of Practice 1.3, Practice 5.9 and Practice 8.2 achieve the Intended Outcome as set out in the MCCG. Overall, the Board is satisfied that the Company has put in place its corporate governance practices that are effectively led and driven by the Board with support from the Management.

Principle B: Effective Audit and Risk Management

All the prescribed Practices under this Principle are complied with by the Company, and in this regard, the Board is satisfied that an objective and effective audit function and risk management and internal controls are in place in line with the demands of a good and robust corporate governance practices. For the purpose of strengthening risk oversight including sustainability risks, the Board has established a dedicated Board Committee, namely the Risk and Sustainability Committee with effect from 1st January 2022 comprising a majority of Independent Directors. The institution of the Risk and Sustainability Committee to oversee the Company's risk management framework and policies upholds good corporate governance as advocated by Step Up Practice 10.3.

Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

All the prescribed Practices under this Principle are complied with by the Company. The Board ensures there is effective, transparent and regular communication with its stakeholders. Recognizing the significance of Annual General Meeting as a platform for meaningful communication between the Board and the Company's shareholders, the Board secures the required infrastructure and tools to allow shareholders to participate, engage the Board and Senior Management effectively and make informed voting decisions. The Board is satisfied that communication by the Company with its shareholders and other stakeholders through effective and transparent communication is in place.

Looking Ahead

The Board is mindful of the need to continually strengthen its governance practices and processes in identified key focus areas and future priorities as part of its forward-looking strategies. Moving forward, these Practices will be constantly reviewed and strengthened where needed. Key focus areas and future priorities that have been identified include tenure of Independent Directors, reorganisation of Board Committees and Board Succession Planning.

The Group has developed a Board Succession Planning Policy and this is regularly reviewed with the ultimate aim of enhancing Board leadership and effectiveness. In line with the spirit of Practice 5.2 of MCCG, the tenure of Independent Directors has been enshrined as a tenet of the Company's Board Succession Planning Policy in compliance with MMLR and any applicable rules and regulations. To ensure that the decisions of the Board are made objectively in the best interests of the Company, taking into account the evolution and developments in the pharmaceutical industry, the compositions of the Board and Board Committees are constantly assessed. In this regard, reorganisation of Board Committees will be undertaken where necessary, so that the members of each Board Committee have the pertinent skills, expertise and experience in addition to the appropriate character, integrity and competence required of every Director. In terms of Board composition, effort is also directed at widening the identification of candidates suitable as future Board Directors of the Group guided by the Directors' Fit and Proper Policy which has been established and published on the Company's website at **www.apexhealthcare.com.my**.

Conclusion

The Board is cognisant of the importance of the various dimensions of good corporate governance culture and in this regard, strives to ensure equal attention is paid to all Practices of MCCG such that the Intended Outcomes are achieved, taking into account the business environment, culture and needs of AHB. While there is departure of certain Practices of the Company from MCCG, the Board is satisfied that the corporate governance infrastructure of the Company is in line with the Intended Outcome of MCCG. The Board is of the view that the Company has in all material aspects satisfactorily complied with the Principles set out in MCCG and has approved this CG Overview Statement on 26th February 2025.

ADDITIONAL INFORMATION

1. Audit and Non-Audit Fees

The amount of audit and non-audit fees paid and payable to the External Auditors, Ernst & Young PLT, and its affiliated firms by the Company and the Group for the financial year ended 31st December 2024 are as stated in the following table:

Nature of services	Company (RM)	Group (RM)
Audit:		
Statutory audit	125,900	736,178
Review of financial statements of a subsidiary in Singapore	18,500	18,500
Overview of audit of associated company	28,800	28,800
Fair value valuation of Executive Share Option Scheme	12,000	12,000
Others	15,000	15,000
Total Audit Fees	**200,200**	**810,478**
Non-audit:		
Review of the Statement on Risk Management and Internal Control	12,000	12,000
Tax filing	-	101,822
Total Non-audit Fees	**12,000**	**113,822**

2. Material Contracts

There were no material contracts of AHB and its subsidiaries involving any of its Directors and major shareholders.

3. Recurrent Related Party Transactions

There were no recurrent related party transactions during the financial year.

4. Directors' Responsibility for Preparing the Financial Statements

The Directors are required by the Companies Act 2016 to prepare financial statements for each financial year which have been made out in accordance with the applicable approved accounting standards and give a true and fair view of the state of affairs of the Group and Company at the end of the financial year and of the results and cashflows of the Group and Company for the financial year.

In preparing the financial statements, the Directors have:

- Selected suitable accounting policies and applied them consistently;
- Made judgements and estimates that are reasonable and prudent;
- Ensured that all applicable financial reporting standards have been followed; and
- Prepared financial statements on the going concern basis as the Directors have a reasonable expectation, having made enquiries that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Group and Company and which enable them to ensure that the financial statements comply with the Companies Act 2016. The Directors have overall responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the Group to prevent and detect fraud and other irregularities.

5. Contracts Relating to Loans

There were no contracts relating to loans by the Company which involved Directors' and Major Shareholders' interests.

6. Utilization of Proceeds

The Company did not implement any fund raising exercise during the financial year.

7. Executive Share Option Scheme

The Executive Share Option Scheme ('ESOS') approved at the Extraordinary General Meeting held on 18th May 2016 is the only share scheme of the Company in existence as at the financial year ended 31st December 2024.

On 25th June 2019, AHB completed the listing and quotation for 353,343,279 bonus shares on the basis of 3 bonus shares for every 1 existing share held. Subsequently, 239,342,674 new ordinary shares were listed on the basis of 1 bonus share for every 2 existing shares on 12th June 2023. Pursuant to ESOS Bylaws in respect of Alteration of Share Capital During the Option Period, the number of unexercised Option of the Company are to be adjusted accordingly. The number of options for Grant 1 to Grant 7 had been adjusted retrospectively to reflect the effect of bonus issue. Further information on the ESOS is available in the Directors' Report and Notes to the Financial Statements.

ESOS	During the financial year ended 31st December 2024	Since the commencement of the ESOS on 1st July 2016
Total number of options granted	1,351,500	23,058,000
Total number of options lapsed (grant 1 - 9)	120,500	1,944,500
Total number of options exercised (grant 1 - 7)	1,860,000	17,358,000
Total options outstanding	-	3,755,500

In regard to options granted under the scheme to each category of participants, the date of grant and the exercise price are as follow:

Grant No.	Date of Grant	Exercise Price (RM)
1	01.09.2016	0.560*
2	01.09.2017	0.725*
3	01.03.2018	0.790*
4	01.03.2019	1.220*
5	01.03.2020	1.390*
6	01.07.2021	1.810*
7	01.08.2022	1.780*
8	01.07.2023	2.180
9	01.07.2024	2.600

* *The exercise prices have been retrospectively adjusted to reflect the bonus issues: 3 bonus shares for every 1 existing share in 2019 and 1 bonus share for every 2 existing shares in 2023.*

During the financial year ended 31st December 2024, the aggregate options (in number and percentage) and the number of participants are:

		Granted (Grant 9)	Exercised (Grant 3 to 7)
		Aggregate options	Aggregate options
Director	No of participant	1	1
	Number of options	130,000	225,000
	%	9.6%	12.1%
Senior Management	No of participant	14	11
	Number of options	565,000	994,000
	%	41.8%	53.4%
Other Entitled Employees	No of participant	102	47
	Number of options	656,500	641,000
	%	48.6%	34.5%
Total	No of participant	117	59
	Number of options	1,351,500	1,860,000
	%	100%	100%

ESOS	At the beginning of the financial year	At the end of the financial year
Aggregate options outstanding	4,384,500	3,755,500

In regard to options granted to a Director and Senior Management (as determined by the ESOS Committee):

ESOS	During the financial year ended 31st December 2024	Since the commencement of the ESOS on 1st July 2016
Aggregate maximum allocation in percentage	60.0%	60.0%
Actual percentage granted	51.4%	52.0%

No options were offered to and exercised by, or shares granted to and vested in Non-Executive Directors pursuant to the ESOS during the financial year ended 31st December 2024 and since the commencement of the ESOS on 1st July 2016.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors ('the Board') of Apex Healthcare Berhad ('AHB' or 'the Group') is pleased to present its Statement on Risk Management and Internal Control, which has been prepared pursuant to Paragraph 15.26 (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ('Bursa Securities') and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ('the Guidelines'), in this annual report. This statement outlines the nature and state of the risk management and internal controls of the Group during the financial year under review and up to the date of approval of this statement by the Board.

BOARD RESPONSIBILITY

The Board has established an ongoing process for identifying, evaluating and management of significant risks faced by the Group and this is embedded in the Group's risk management and internal control system. The responsibility for reviewing the adequacy and effectiveness of the risk management and internal control system has been delegated by the Board to the Audit Committee. The Audit Committee provides oversight on risk management matters to ensure prudent risk management over the Group's business and operations. With effect from 1st January 2022, the Board has established a dedicated Risk and Sustainability Committee comprising a majority of independent directors to oversee the Group's risk management framework and policies. The Audit Committee with support by the Risk and Sustainability Committee provides guidance to the Management pertaining to the Company's risk management and related policies and framework.

However, as there are inherent limitations in any risk management and internal control systems, such systems put into effect by Management can only reduce but cannot eliminate all risks that may impede the achievement of the Group's business objectives. Therefore, such systems can only provide reasonable and not absolute assurance against any material misstatement or loss.

RISK MANAGEMENT FRAMEWORK

The Board acknowledges that the Group's business activities involve some degree of risk that may affect the achievement of its business objectives and an effective risk management framework is an integral part of the Group's daily operations. Key Management staff and Head of Departments are delegated with the responsibility to manage identified risks within defined parameters and standards. In addition, key risk profiles have been put in place in order to identify, evaluate and manage key risks faced by the Group.

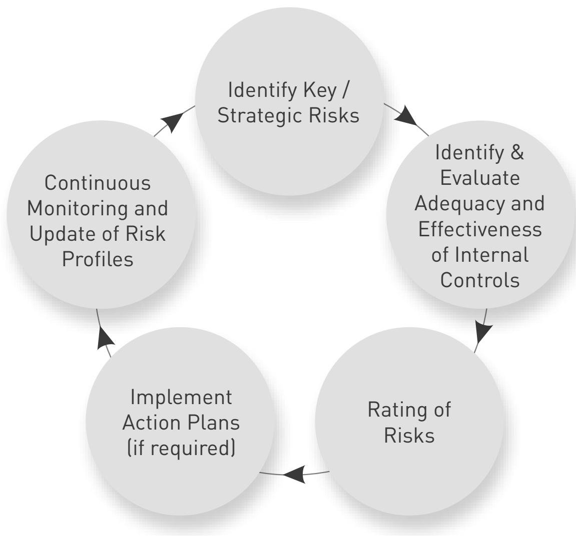
During the financial year under review, Management with the assistance of the external consultants has performed a risk assessment exercise which includes the following:

- Defining a yearly understanding of risk classification tolerance;
- Identifying key risks affecting business objectives and strategic plans;
- Identifying changes to risks or emerging risks and promptly bringing these to the attention of the Board where appropriate;
- Identifying and evaluating existing controls;
- Updating the Group Key Risk Profile; and
- Risk awareness workshop.

Risks are managed in accordance with AHB's Risk Management Framework, modelled largely on ISO 31000:2018 Risk Management - Guidelines, which is implemented across the entire Group.

The results of the above risk assessment exercise were presented to the Risk and Sustainability Committee on 20th August 2024. Thereafter, the results were presented to the Board. Risks identified were prioritized in terms of the possibility of their occurrence and their impact on the Group's business objectives and goals. This allows Management to allocate appropriate resources in the mitigation of such risks identified.

Key aspects of the risk management process is shown in the diagram below:



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

The above-mentioned practices and initiatives by Management serve as an ongoing process to identify, evaluate and manage significant risks from the Group Key Risk Profile during the period under review and up to the date of approval of this statement.

Apex's risk management philosophy is built on a culture where risk exposures are mitigated to acceptable levels by a continuous and iterative process among Management. Risk awareness is enhanced through communication and workshops.

The Group's Risk Management Framework, including the risk management system as well as its processes shall be reviewed periodically with a view to ensure the Group's risk management framework continues to be effectiveness, relevant and adequate in light of the Group's business environment.

Internal controls and risk-related matters which warrant the attention of the Board are recommended by the Audit Committee to the Board for its review and approval, and decisions made by the Audit Committee are escalated to the Board for its notation. The Risk and Sustainability Committee assists and supports the Audit Committee in this regard with effect from 1st January 2022.

The key anticipated and known risks that the Group are exposed to which may have a material effect on the Group's operations, performance, financial condition and liquidity are economic conditions, foreign exchange, regulatory compliance, data and Enterprise Resource Planning ('ERP') integrity, loss of key principals and disease epidemics.

Economic Conditions

The Group's financial performance may be affected by both global economic conditions and country-specific economic factors in its operational markets. Heightened geopolitical uncertainty could lead to increased financial market volatility, reduced liquidity and tighter credit conditions. A prolonged economic downturn presents risks such as potential reductions in government healthcare spending and weaker consumer sentiment. Adverse economic developments in key markets may, in turn, impact the Group's financial performance and outlook.

Foreign Exchange

The Group recognizes the risks associated with the volatility and strength of the Ringgit, which is influenced by uncertainties in the global economic environment. A weaker Ringgit may result in higher costs for raw materials and imported finished goods, potentially impacting profit margins. To mitigate this risk, the Group prioritizes securing competitive pricing from alternative sources, minimizing wastage, improving operational efficiencies and utilizing hedging arrangements through financial instruments to help preserve margins.

Regulatory Compliance

The Group operates in highly regulated markets, where compliance with pharmaceutical regulations is essential for uninterrupted development, manufacturing and distribution. To manage regulatory compliance risks, the Group has established robust procedures and continues to invest in infrastructure upgrades to meet evolving standards. Ongoing efforts are directed at ensuring adherence to current and anticipated regulations, minimizing deficiencies and avoiding associated corrective costs. The attainment of various relevant industry certifications reflect the Group's commitment to mitigating regulatory compliance risks.

The Group also recognizes the potential for unforeseen global product safety alerts and recalls, as well as the impact of regulatory changes on pharmaceutical product registration and renewal, which may result in approval delays and increased compliance costs. To navigate these challenges, the Group maintains active engagement with regulatory and governmental authorities and participates in pharmaceutical industry associations. This proactive approach enables the Group to anticipate regulatory shifts and respond effectively, ensuring continued compliance in an evolving regulatory landscape.

Data and ERP Integrity

The Group places emphasis on the secure management of proprietary, personal and confidential data, alongside maintaining the stability and integrity of its ERP systems. The loss or corruption of data or prolonged system failures pose significant risks, potentially leading to a loss of competitiveness, operational disruptions and missed business opportunities. Recognizing that any material failure of ERP systems—whether due to natural disasters, technical malfunctions or security breaches—could severely impact critical business functions, the Group enforces stringent data management controls and maintains robust ERP system oversight. Regular system maintenance, testing and upgrades are carried out to uphold reliability, continuity and stability.

As cybersecurity threats escalate, maintaining cyber resilience and fostering stakeholder trust in the Group's data security and privacy practices remain strategic priorities. With the increasing risk of cyber-attacks on critical infrastructure, the Group has reinforced its technological resilience to uphold strong cyber hygiene practices. The Group IT department, in collaboration with Group Human Resource ('Group HR'), provides comprehensive cybersecurity training to employees, equipping them with the knowledge to identify and mitigate potential cyber risks. Additionally, strict data protection protocols are enforced under Group HR's oversight to safeguard proprietary, confidential and personal data, ensuring compliance with regulatory and industry best practices.

Loss of Key Principals

The Group acknowledges the risks associated with significant reliance on revenue contributions from key external principals. The pharmaceutical distribution sector is highly competitive, with ongoing margin pressure from industry players. Additionally, internal reorganization or business restructuring by these principals, along with turnover of key contacts, may impact established relationships. There is also a possibility that external principals may choose not to renew their association with the Group or may revise their business model or product portfolio. This could be due to various factors, including a strategic shift to manage sales and marketing internally or a decision to appoint a different local distributor.

To mitigate these risks and safeguard principal retention, the Group maintains strong engagement with its partners, fostering collaborative relationships and ensuring that all deliverables and performance indicators are consistently met or exceeded.

Disease Epidemics

While Covid-19 infections have transitioned into primarily community respiratory illnesses, the Group remains vigilant for the emergence of new viruses with pandemic potential. Ensuring staff safety and maintaining uninterrupted supply chains and business operations remain top priorities. Drawing from lessons learned during the Covid-19 pandemic, the Group has implemented pandemic-specific Business Continuity Plans that address key operational risks, including human resource management, critical processes and business functions, supplier and customer management and stakeholder communication.

INTERNAL AUDIT FUNCTION

The Group's independent internal audit function is outsourced to professional services firms to assist the Board and the Audit Committee in providing an independent assessment of the adequacy, efficiency and effectiveness of the Group's system of internal control.

The internal audit plan entails the audit scope, coverage and frequency based on a risk-based approach and is approved by the Audit Committee.

For the financial year, the outsourced internal audit functions have carried out the following audits based on the internal audit plan approved by the Audit Committee:

- Distribution group in Malaysia business unit: Sales and Marketing, Credit Control & Collection and Inventory Management; and

- Distribution group in Singapore business unit: Business Development, Sales & Marketing, Credit Control & Collection and Supply Chain Management – Delivery & Logistic Operation.

The results of their reviews were reported directly to the Audit Committee which include significant internal audit findings (if any), recommendations for improvements, Management's response and proposed action plans. Follow-up reviews on the implementation of action plans were carried out to ensure that the matters highlighted in the internal audit reports have been adequately addressed.

Based on the internal audit reviews conducted, none of the weaknesses noted has resulted in any material losses, contingencies or uncertainties that would require a separate disclosure in this annual report.

The costs incurred in maintaining the outsourced internal audit function for the financial year ended 31 December 2024 amounted to RM 73,116.

OTHER KEY ELEMENTS OF INTERNAL CONTROL

The other key elements of the Group's system of internal control are:

1. Control Environment

- Policies and Procedures
  Clearly defined policies and procedures are in place and are undergoing constant improvements to ensure that they continue to support the Group's business activities as the Group continues to grow.

- Organization Structure and Authorization Procedures
  The Group maintains a formal organization structure with clear lines of reporting to Board Committees and Senior Management including defined lines of accountability within which Senior Management operates in, such as roles and responsibilities, authority limits, review and approval procedures, etc.

- Whistleblowing Policy & Procedure
  The Group has a Whistleblowing Policy and Procedure to provide an avenue for staff or any external party to report any breach or suspected breach of any laws or regulations and the Groups' policies and procedures, in a safe and confidential manner. The whistleblowing policy is available at **www.apexhealthcare.com.my**.

- Anti-Corruption Framework & Practices
  The Group adopts a zero tolerance policy towards all forms of corruption by its Board of Directors, Management, employees or any parties acting for AHB or on its behalf. The Group has put in place an anti-corruption framework to demonstrate the Group's stance and initiatives on combating corruption. The Group's anti-corruption framework is developed in line with the TRUST framework promulgated by the Prime Minister's Department of Malaysia. Anti-corruption guidelines and practices provided in the Group's anti-corruption framework are constantly monitored via periodic review and assessment so as to ensure its compliance as well as ensuring effectiveness of anti-corruption measures deployed. The Anti-Corruption Policy is available at **www.apexhealthcare.com.my**.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

- Annual Budget
  The Group has a comprehensive budgeting system. The annual business plan and budget are approved by the Board. Budgetary control is in place for every operation of the Group, where actual performance is monitored against budget on a quarterly basis to identify and to address significant variances.

- Human Resource Policy
  Comprehensive and rigorous guidelines on the employment, performance appraisal and training program and retention of employees are in place, to ensure that the Group has a team of employees who are well trained and equipped with all the necessary knowledge, skills and abilities to carry out their responsibility effectively.

- Management Styles
  The Board relies on the experience of the Group Senior Management comprising the Chief Executive Officer ('CEO'), Chief Operating Officers ('COOs') and Chief Financial Officer ('CFO') and the respective business units' Management teams to run and manage the operations and businesses of the Group in an effective and efficient manner.

  The CEO, COOs, CFO and Management adopt a 'hands on' approach in managing the businesses of the Group. This enables the timely identification and resolution of any significant issues arising.

- Quality Control
  Strong emphasis is placed on ensuring the manufacturing process of its pharmaceutical plant adheres strictly to health, safety and environmental regulations as required by the various authorities. The Board has ensured that safety and health regulations, environmental controls and all other legislations in connection with the industry the Group operates in have been complied with during the financial year under review.

- Succession Planning
  Succession planning for Key Management staff of the Group is in place and is reviewed periodically. This is to ensure that business operations and performance will not be adversely affected by the departure of any key personnel.

2. Information and Communication

Pertinent information to meet the Group's business objectives is communicated through established reporting lines across the Group. This is to ensure matters that require the Board and Senior Management's attention are highlighted for review, deliberation and resolution on a timely basis.

3. Review and Monitoring Process

The Group's Management teams carry out monthly monitoring and review of the Group's operations and performance, including financial results and forecasts for all business operations within the Group. In addition to the above, scheduled and ad-hoc meetings are held at operational and management levels to identify, discuss and resolve business and operational issues, as and when necessary.

The Board monitors the Group's performance by reviewing its quarterly results and operations, and examines the Group's announcement to the Bursa Securities. These are reviewed by the Audit Committee before they are tabled to the Board for approval.

ASSURANCE PROVIDED BY THE GROUP SENIOR MANAGEMENT

In line with the Guidelines, the Group Senior Management has provided assurance to the Board that the Group's risk management and internal control systems have operated adequately and effectively, in all material aspects, to meet the Group's objectives during the financial year under review.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have performed limited assurance procedures on this Statement on Risk Management and Internal Control ('the Statement') in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and Audit and Assurance Practice Guide 3 ('AAPG 3'), *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report* issued by the Malaysian Institute of Accountants ('MIA') for inclusion in the Annual Report of the Group for the year ended 31st December 2024, and reported to the Board that nothing has come to their attention that causes them to believe the statement intended to be included in the Annual Report is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Guidelines, nor is the Statement factually inaccurate.

AAPG 3 does not require the External Auditors to consider whether the Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and management thereon. The report from the External Auditors was made solely for, and directed solely to the Board of Directors in connection with their compliance with the listing requirements of Bursa Securities and for no other purposes or parties. The External Auditors do not assume responsibility to any other person in respect of any aspect of this report.

CONCLUSION

The Board is of the view that the risks faced by the Group are within tolerable levels in the context of the business environment the Group operates in and the system of risk management and internal control that existed throughout the year is sound and adequate to safeguard the interest of the Group and to facilitate the evolution of its businesses.

During the year under review, nothing has come to the attention of the Board which would result in any material losses, contingencies or uncertainties that would require a separate disclosure in this Annual Report. Notwithstanding this, the Board will continue to ensure that the Group's system of risk management and internal control continuously evolve to keep up with its dynamic business environment.

The Group's system of risk management and internal control applies principally to the Group and its subsidiaries but do not apply to associated company where the Group does not have full management control nor majority Board representation. Nonetheless, the Group's interests are served through representation on the Board of Directors of the associated company as well as through the review of management accounts received.

The Board has granted its approval on 26th February 2025 that this Statement on Risk Management and Internal Control be included in the Company's Annual Report 2024.

REPORT OF THE AUDIT COMMITTEE

The Board of Directors ('Board') of Apex Healthcare Berhad ('the Company') is pleased to present the report of the Audit Committee for the financial year ended 31st December 2024.

This Audit Committee Report provides insights on how the Audit Committee discharged its functions and duties during the financial year ended 31st December 2024 with the details as follows:

COMPOSITION OF AUDIT COMMITTEE AND ATTENDANCE RECORD

The Audit Committee (hereinafter referred to as the 'AC') currently consists of three members, all of whom are Independent Non-Executive Directors. The Chairman of the AC is a member of the Malaysian Institute of Accountants and Malaysian Institute of Certified Public Accounts. All of the AC members are financially literate and understand matters under the purview of the AC including the financial reporting process to effectively discharge their duties and responsibilities as members of the AC. The AC therefore meets the requirements of Paragraphs 15.09(1)(b) and (c) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad as well as Practice 9.4 of the Malaysian Code on Corporate Governance.

The members of AC and their attendance of the AC meetings held during the financial year ended 31st December 2024 are as follows:

Director	Designation	Attendance					Total
		20th Feb	20th Mar	14th May	20th Aug	27th Nov	
Yap Seng Chong (Chairman of AC)	Independent Non-Executive Director	√	√	√	√	√	5/5
Datuk Phang Ah Tong	Independent Non-Executive Director	√	√	√	√	√	5/5
Le Wat Su	Independent Non-Executive Director	√	√	√	√	√	5/5
Total Attendance		3/3	3/3	3/3	3/3	3/3	

The Terms of Reference of the AC is available on the Company's website: **www.apexhealthcare.com.my** pursuant to Paragraph 15.11 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

ACTIVITIES OF THE AUDIT COMMITTEE

During the financial year ended 31st December 2024, the AC in the discharge of its duties and functions carried out the following activities:

- Evaluated the Audit Plan presented by the External Auditors, Ernst & Young PLT ('EY') including but not limited to the audit analytics used, the assessment of professional independence, the manpower of the audit engagement team, the concept of materiality, the potential areas of audit emphasis, the coordination with the Auditors of the Group Associate, the audit reliance placed with the internal Auditors and the audit timeline for the full audit engagement. Included in this Audit Plan is an annual statement from EY that the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants are complied with;

- Reviewed the Audit Results of the External Auditors, EY which include the audit scope changes, the significant accounting and auditing issues, the qualitative aspect of accounting policies and the summary of audit difference, if any;

- Reviewed the Annual Inspection Report 2023 issued by Securities Commission Malaysia's ('SC') Audit Oversight Board ('AOB') and the Annual Transparency Reporting submitted by EY;

- Reviewed the assistance provided by Management to the External Auditors and Internal Auditors;

- Reviewed the reports of the Internal Auditors on Principal Risks Assessment conducted with Key Management for the Company and Group;

- Reviewed the Internal Audit report on Sales & Marketing, Credit Control & Collection and Inventory Management of Apex Pharmacy Marketing Sdn Bhd Ipoh Branch ('APM IPW');

- Reviewed the Internal Audit report on Business Development, Sales & Marketing, Credit Control & Collection and Supply Chain Management – Delivery & Logistic Operation of Apex Pharma Marketing Pte Ltd ('APS');

- Reviewed the performance of External Auditors and recommended to the Board for re-appointment;
- Reviewed the one year Internal Audit Plan submitted by the Internal Auditors;
- Conducted private sessions with the External and Internal Auditors in the absence of the Management in conjunction with AC Meetings;
- Reviewed the draft Statement on Risk Management and Internal Control for inclusion in the Annual Report 2023;
- Verified the allocation of options pursuant to the Group's Executive Share Option Scheme ('ESOS') at the end of each financial year;
- Reviewed the draft announcement at the end of each quarter prior to approval for release to Bursa Malaysia Securities Berhad by the Board of Directors;
- Reviewed the draft financial statements at the end of financial year;
- Reviewed and monitored all conflict of interest ('COI') situations within AHB Group. The COI review was extended to encompass Directors and Key Senior Management within AHB Group. There were no COI nor potential COI reported in financial year 2024;
- Reviewed and recommended the COI policy to the Board for approval; and
- Reviewed and recommended the draft AC Report to the Board for approval and inclusion in the Company's Annual Report 2023.

Internal Audit Function

Resolve IR Sdn Bhd ('Resolve') has been appointed as the outsourced Internal Auditor ('IA') of the Group effective from January 2021. The cost incurred for Internal Audit Services by the out-sourced IA in respect of 2024 was RM 73,116.

In accordance with the Terms of Reference of the AC, the Internal Auditors report functionally to the Chairman of the AC and administratively to the Chief Executive Officer / Chief Financial Officer.

During the financial year ended 31st December 2024, the Internal Auditors undertook the following activities:

- Attended and reported to the AC at three out of five AC meetings held during the year 2024;
- Conducted a Principal Risks Assessment with Key Management of the Company and Group and reported the findings to the AC;
- Reviewed the Internal Audit report on Sales & Marketing, Credit Control & Collection and Inventory Management of APM IPW;
- Reviewed the Internal Audit report on Business Development, Sales & Marketing, Credit Control & Collection and Supply Chain Management – Delivery & Logistic Operation of APS; and
- Followed up on previous auditable activities of APM Petaling Warehouse, Kota Bharu Warehouse, Johor Bahru Warehouse and APS to ensure compliance of recommendations of Internal Auditors by Management.

REPORT OF THE REMUNERATION COMMITTEE

The Board of Directors ('Board') of Apex Healthcare Berhad ('the Company') is pleased to present the report of the Remuneration Committee for the financial year ended 31st December 2024.

This Remuneration Committee Report provides insights on how the Remuneration Committee discharged its functions and duties during the financial year ended 31st December 2024 with the details as follows:

COMPOSITION OF REMUNERATION COMMITTEE AND ATTENDANCE RECORD

The Remuneration Committee (hereinafter referred to as the "RC") consists of three members, the majority of whom are Independent Non-Executive Directors. The committee was established on 23rd May 2001. During the year under review, the committee met once and the attendance record is tabulated as follows:

Director	Designation	Attendance 20th Feb	Total
Datuk Phang Ah Tong (Chairman of RC)	Independent Non-Executive Director	√	1/1
Robert Dobson Millner AO	Non-Independent Non-Executive Director	√	1/1
Leong Khai Cheong*	Senior Independent Non-Executive Director	-	0/0
Datuk Noharuddin bin Nordin @ Harun**	Senior Independent Non-Executive Director	√	1/1
Total Attendance		3/3	

* *Mr Leong Khai Cheong was appointed as a member of RC on 17th July 2024.*
** *Datuk Noharuddin bin Nordin @ Harun resigned on 17th July 2024.*

The Terms of Reference of the RC is available on the Company's website: **www.apexhealthcare.com.my** pursuant to Practice 7.2 of the Malaysian Code on Corporate Governance issued by the Securities Commission.

ACTIVITIES OF THE REMUNERATION COMMITTEE

During the year under review, the RC in the discharge of its duties carried out the following activities:

- Assessed the performance of the Chief Executive Officer ('CEO') and determined his performance bonus for financial year 2023 and adjustments to salary for financial year 2024;
- Reviewed and approved the recommendations of the CEO in respect of performance bonuses for financial year 2023 and salary adjustments for Senior Management of Apex Healthcare Berhad Group for financial year 2024;
- Reviewed and approved Key Performance Indicators for financial year 2024 for the CEO and Group's Senior Management;
- Reviewed and recommended the Directors' Fees and any benefits payable to Directors for financial year 2023 to be tabled for shareholders' approval in Annual General Meeting in May 2024;
- Recommended the provision of Directors' Fee and any benefits payable to Directors for financial year 2024;
- Reviewed and recommended the draft Annual RC Report to the Board for approval and inclusion in the Company's Annual Report 2023;
- Reviewed and approved the remuneration of Chief Financial Officer; and
- Reviewed and approved the provision of performance bonus to be accrued for in financial year 2024.

REPORT OF THE REMUNERATION COMMITTEE
(CONT'D)

DIRECTORS' REMUNERATION

The detailed disclosure on named basis for the remuneration of individual Directors with remuneration breakdown including fees, salary, bonus, pension costs, benefits-in-kind and other emoluments for the financial year 2024 is as follows:

Company

	Remuneration						
Director	Fees	Salary	Bonus	Pension Costs	Benefits-in-kind	Emoluments	Total
Executive Director							
Dr Kee Kirk Chin	85,000	52,008	73,778	23,899	159,371	-	394,056
Non-Executive Directors							
Robert Dobson Millner AO	-	-	-	-	-	73,435	73,435
Leong Khai Cheong	118,804	-	-	-	-	-	118,804
Datuk Phang Ah Tong	115,000	-	-	-	-	-	115,000
Yap Seng Chong	125,000	-	-	-	-	-	125,000
Kee Kirk Chuen	95,000	-	-	-	-	-	95,000
Le Wat Su	107,590	-	-	-	-	-	107,590
Datuk Noharuddin bin Nordin @ Harun *	62,590	-	-	-	-	-	62,590
Total	**708,984**	**52,008**	**73,778**	**23,899**	**159,371**	**73,435**	**1,091,475**

* *Datuk Noharuddin bin Nordin @ Harun resigned on 17th July 2024.*

Group

	Remuneration						
Director	Fees	Salary	Bonus	Pension Costs	Benefits-in-kind	Emoluments	Total
Executive Director							
Dr Kee Kirk Chin	85,000	1,627,872	2,585,506	96,849	159,371	-	4,554,598
Non-Executive Directors							
Robert Dobson Millner AO	-	-	-	-	-	73,435	73,435
Leong Khai Cheong	118,804	-	-	-	-	-	118,804
Datuk Phang Ah Tong	115,000	-	-	-	-	-	115,000
Yap Seng Chong	125,000	-	-	-	-	-	125,000
Kee Kirk Chuen	95,000	-	-	-	-	-	95,000
Le Wat Su	107,590	-	-	-	-	-	107,590
Datuk Noharuddin bin Nordin @ Harun *	62,590	-	-	-	-	-	62,590
Total	**708,984**	**1,627,872**	**2,585,506**	**96,849**	**159,371**	**73,435**	**5,252,017**

* *Datuk Noharuddin bin Nordin @ Harun resigned on 17th July 2024.*

REPORT OF THE NOMINATION COMMITTEE

The Board of Directors ('Board') of Apex Healthcare Berhad ('the Company') is pleased to present the report of the Nomination Committee for the financial year ended 31st December 2024.

This Nomination Committee Report provides insights on how the Nomination Committee discharged its functions and duties during the financial year ended 31st December 2024 with the details as follows:

COMPOSITION OF NOMINATION COMMITTEE AND ATTENDANCE RECORD

The Nomination Committee (hereinafter referred to as the 'NC') consists of three members, the majority of whom are Independent Non-Executive Directors. The committee was established on 23rd May 2001. During the year under review, the committee met once and the attendance record is tabulated as follows:

Director	Designation	Attendance 21st Feb	Total
Leong Khai Cheong (Chairman of NC)*	Senior Independent Non-Executive Director	√	1/1
Robert Dobson Millner AO	Non-Independent Non-Executive Director	√	1/1
Datuk Noharuddin bin Nordin @ Harun**	Senior Independent Non-Executive Director	√	1/1
Le Wat Su***	Independent Non-Executive Director	-	0/0
Total Attendance		3/3	

* *Mr Leong Khai Cheong was re-designated as the Chairman of NC on 17th July 2024.*
** *Datuk Noharuddin bin Nordin @ Harun resigned as the Chairman of NC on 17th July 2024*
*** *Ms Le Wat Su was appointed as a member of NC on 17th July 2024.*

The Terms of Reference of the NC is available on the Company's website: **www.apexhealthcare.com.my** pursuant to Paragraph 15.08A(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

ACTIVITIES OF THE NOMINATION COMMITTEE

The activities of the NC during the financial year 2024 include:

- Reviewed the composition of the Board and Board Committees with regards to the mix of skills, independence and diversity in accordance with its policy as stated in the Group's Corporate Governance Report to ensure compliance;
- Assessed and reviewed the independence and continuing independence of the Independent Directors and considered and accepted the retirement of long-serving Independent Directors;
- Assessed the effectiveness and performance of the Board, Directors and Board Committees for the financial year 2023. This was carried out through a self-assessment document that was completed by each Director and reviewed by the NC. Assessment criteria include the following:
    - Board composition
    - Board process
    - Performance of Board Committees
    - Information provided to the Board
    - Role of the Board in strategy and planning
    - Risk management framework
    - Accountability and standard of conduct of Directors
- Reviewed and assessed on behalf of the Board the training record and needs of each Director, and proposed training courses to meet any shortfall or gaps in knowledge;
- Determined the Directors to stand for re-election at the 2024 Annual General Meeting on 15th May 2024 through application of the criteria established in the Directors' Fit and Proper Policy of the Company;
- Reviewed the character, experience, integrity and competence of all the Directors, the Chief Executive Officer and Chief Financial Officer and assessed their performance in 2023, paying attention to whether each of the Non-Executive Directors has made available sufficient time to discharge their responsibilities and duties;
- Reviewed the term of office and performance of the Audit Committee ('AC') and each of its members to ascertain that the AC and its members have carried out their duties in accordance with the AC Terms of Reference; and

- Reviewed and recommended the draft Report of the NC to the Board for approval and inclusion in the Company's Annual Report 2023.

Attendance Record at Board Meetings in the financial year 2024:

Director	Designation	Attendance 21st Feb	15th May	21st Aug	27th Nov	Total
Dr Kee Kirk Chin	Chairman & CEO	√	√	√	√	4/4
Robert Dobson Millner AO	Non-Independent Non-Executive Director	√	√	√	√	4/4
Leong Khai Cheong	Senior Independent Non-Executive Director and Chairman of Risk and Sustainability Committee and Nomination Committee	√	√	√	√	4/4
Datuk Phang Ah Tong	Independent Non-Executive Director and Chairman of Remuneration Committee	√	√	√	√	4/4
Yap Seng Chong	Independent Non-Executive Director and Chairman of Audit Committee	√	√	√	√	4/4
Kee Kirk Chuen	Non-Independent Non-Executive Director	√	√	√	√	4/4
Le Wat Su	Independent Non-Executive Director	√	√	√	√	4/4
Datuk Noharuddin bin Nordin @ Harun*	Senior Independent Non-Executive Director and Chairman of Nomination Committee	√	√	-	-	2/2
Total Attendance		8/8	8/8	7/7	7/7	

* *Datuk Noharuddin bin Nordin @ Harun resigned on 17th July 2024*

DIRECTORS' TRAINING

The Directors of the Company had attended the following training programmes/seminars during the financial year ended 31st December 2024:

Director	Date	Subject
Dr Kee Kirk Chin	9th January 2024	2024 National Budget Highlights
	26th June 2024	Introduction to Climate Reporting Workshop
	5th August 2024	Materiality Refreshment Workshop
	3rd September 2024	Knowledge Sharing Session on Climate Reporting
	12th September 2024	Data Collection Workshop: Economic, Social, Governance and Environmental
	24th September 2024	GHG Target Setting Workshop
	24th October 2024	Climate Risks & Opportunities Assessment Workshop
	8th November 2024	Awareness Briefing on Corruption Offence of Commercial Organization (Section 17A)

REPORT OF THE NOMINATION COMMITTEE (CONT'D)

Director	Date	Subject
Robert Dobson Millner AO	6th – 7th March 2024	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
	3rd September 2024	Knowledge Sharing Session on Climate Reporting
Leong Khai Cheong	28th June 2024	Introduction to Climate Reporting Workshop
	3rd September 2024	Knowledge Sharing Session on Climate Reporting
Datuk Phang Ah Tong	6th – 7th March 2024	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
	3rd September 2024	Knowledge Sharing Session on Climate Reporting
Yap Seng Chong	12th January 2024	PwC Global - 2023 year end audit committee webcast
	26th January 2024	PwC Global - 2023 IFRS year end accounting webcast
	29th February 2024	PwC Global - Risk & Responsible Artificial Intelligence Webcast
	19th March 2024	KPMG Global - Navigating the ESG reporting requirements in Asia Pacific
	4th April 2024	PwC Global - Finance transformation - powered by generative Artificial Intelligence
	1st May 2024	PwC Global - 2024 Q1 PwC quarterly accounting webcast
	16th May 2024	PwC Global - Talking ESG: Building effective sustainability reporting governance
	10th Jun 2024	Managing non-financial risks as driver for organisational Performance - by Institute of Enterprise Risk Practitioners
	2nd July 2024	Recent Developments with the Listing Requirements, including Conflict of Interest Amendments
	10th July 2024	Bursa Academy on Conflict of Interest ('COI') and Governance of COI
	17th July 2024	KPMG Malaysia - Navigating capital gains tax
	3rd September 2024	Knowledge Sharing Session on Climate Reporting
	18th October 2024	Geopolitical Economy Report - Goodbye, Dollar dominance: BRICS plans on 'Multi-currency' system to transform global financial order - sponsored by ACCA Global
	7th November 2024	MICPA - Leveraging AI for audit efficiency and quality
	6th December 2024	PwC 2024 Global Q3 Quarterly accounting webcast

REPORT OF THE NOMINATION COMMITTEE (CONT'D)

Director	Date	Subject
Kee Kirk Chuen	3rd September 2024	Knowledge Sharing Session on Climate Reporting
Le Wat Su	29th April 2024	The Extra - Territorial Effect of ESG Legislation from the EU: What Malaysian Lawyers Should Know
	26th August 2024	Corporate Liability for Corruption Offences - A Game Changer
	3rd September 2024	Knowledge Sharing Session on Climate Reporting
Datuk Noharuddin bin Nordin @ Harun*	28th June 2024	Introduction to Climate Reporting Workshop

** Datuk Noharuddin bin Nordin @ Harun resigned on 17th July 2024.*

REPORT OF THE RISK AND SUSTAINABILITY COMMITTEE

The Board of Directors ('Board') of Apex Healthcare Berhad ('the Company') is pleased to present the report of the Risk and Sustainability Committee for the financial year ended 31st December 2024.

This Risk and Sustainability Committee Report provides insights on how the Risk and Sustainability Committee discharged its functions and duties during the financial year ended 31st December 2024 with the details as follows:

COMPOSITION OF RISK AND SUSTAINABILITY COMMITTEE AND ATTENDANCE RECORD

The Risk and Sustainability Committee (hereinafter referred to as the 'RSC') consists of three members, the majority of whom are Independent Non-Executive Directors. The committee was established on 1st January 2022. During the year under review, the committee met twice and the attendance record is tabulated as follows:

		Attendance		
Director	Designation	20th Feb	20th Aug	Total
Leong Khai Cheong (Chairman of RSC)	Senior Independent Non-Executive Director	√	√	2/2
Kee Kirk Chuen	Non-Independent Non-Executive Director	√	√	2/2
Yap Seng Chong	Independent Non-Executive Director	√	√	2/2
Total Attendance		3/3	3/3	

The Terms of Reference of the RSC is available on the Company's website: **www.apexhealthcare.com.my** pursuant to Step Up Practice 10.3 of the Malaysian Code on Corporate Governance issued by the Securities Commission.

ACTIVITIES OF THE RISK AND SUSTAINABILITY COMMITTEE

During the year under review, the RSC in the discharge of its duties carried out the following activities:

- Reviewed the draft Statement on Risk Management and Internal Control in support of the Audit Committee in its recommendation to the Board for inclusion in the Annual Report 2023 of the Company;
- Reviewed with the Internal Auditors the Group's Risk Assessment Report 2024;
- Reviewed and proposed to the Board the Sustainability Statement for inclusion in the Annual Report 2023 of the Company;
- Reviewed and assessed the adequacy of the insurance coverage of Apex Healthcare Berhad Group;
- Reviewed the Group's Cybersecurity status and plans;
- Reviewed and approved the Terms of Reference of the RSC to include climate oversight as a core responsibility of the RSC; and
- Reviewed the update on sustainability reporting of Apex Healthcare Berhad Group and progress of new sustainability initiatives.

Apex Healthcare
Service • Quality • Integrity

ELEVATING SUSTAINABILITY

SUSTAINABILITY STATEMENT 2024

SUSTAINABILITY STATEMENT

ABOUT THIS SUSTAINABILITY STATEMENT

Apex Healthcare Berhad ('AHB' or 'the Company') upholds its mission of *'Restoring Health, Enhancing Life'* with a steadfast commitment to sustainability across all aspects of our operations and strategy. Our Sustainability Statement 2024 highlights our dedication to transparent reporting, offering a comprehensive analysis of our sustainable development approach and value creation for stakeholders. As we progressively adopt International Sustainability Standards Board ('ISSB') IFRS S1 and S2 Sustainability Disclosure Standards over the coming years, we are committed to aligning with the National Sustainability Reporting Framework ('NSRF') and Bursa Malaysia Securities Berhad ('Bursa Malaysia')'s Main Market Listing Requirements ('MMLR'). Looking ahead, we are focused on strengthening our climate-related disclosures and broadening our metrics and indicators to reflect evolving priorities.

This statement outlines our governance, strategies and initiatives for addressing sustainability-related and climate-related risks and opportunities. Our approach to robust sustainability reporting includes stakeholder engagement and materiality assessment, enabling us to identify and address material issues effectively. Guided by the outcomes of these engagements, we have disclosed quantitative data in compliance with Common Sustainability Matters as outlined in Bursa Malaysia's MMLR as well as relevant indicators of Global Reporting Initiative ('GRI') Standards. Spanning the reporting period from 1st January to 31st December 2024, this statement consolidates our sustainability policies, initiatives, performance metrics and outcomes. It serves as an inclusive account of AHB's efforts to enhance transparency and accountability in our sustainability journey.

SCOPE AND BOUNDARY

The scope and boundary of disclosures within this Sustainability Statement encompass the entities under AHB Group ('the Group'). This includes Xepa-Soul Pattinson (Malaysia) Sdn Bhd ('XEPA') and Apex Pharmacy Marketing Sdn Bhd ('APM'), both of which are key subsidiaries of AHB. This statement additionally extends to ABio Marketing Sdn Bhd ('ABIO') and AHB's wholly owned subsidiary based in Singapore, Apex Pharma Marketing Pte Ltd ('APS').

By detailing the sustainability practices of these primary operating entities and key subsidiaries, we ensure a comprehensive examination of the Group's sustainability impacts. This holistic approach provides stakeholders with transparent insights into our initiatives, performance metrics and performance, reinforcing our commitment to responsible corporate citizenship.

Framework and Guidelines

Our disclosures are guided by the elements of Bursa Malaysia's MMLR and leading global sustainability reporting frameworks:

1. Bursa Malaysia Sustainability Reporting Guide (3rd Edition)
2. GRI Standards[1]
3. ISSB Standards[2]
   - IFRS S2 Climate-related Disclosures

Note: [1]This statement is prepared with reference to GRI Standards
Note: [2]The adoption of ISSB Standards, including IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information, will be phased in gradually to ensure a smooth and seamless integration into our reporting practices.

Reporting Principles

The contents of the report have been shaped by reporting principles outlined in Bursa Malaysia's MMLR and leading global sustainability reporting frameworks:

1. Stakeholder Engagement:

We actively engage key stakeholders to understand their expectations, incorporating their insights to evaluate and address significant sustainability issues.

2. Materiality Focus:

Our focus remains on matters deemed material to our business performance and reflective of our impacts across the sustainability spectrum.

3. Comprehensiveness:

We provide an inclusive analysis of our material topics within boundaries that bear substantial impact.

ASSURANCE STATEMENT

The information and data presented in this statement have not undergone an assurance process. However, we are committed to exploring the incorporation of an assurance process in future reports to further enhance transparency and credibility.

OUR COMMITMENT TO SUSTAINABILITY

Sustainability at AHB

BUILDING A SUSTAINABLE PHARMACEUTICAL LEADER

We are a leading pharmaceutical group dedicated to manufacturing and distributing quality pharmaceuticals, consumer healthcare products, and medical devices, ensuring their availability to our valued customers through our extensive supply channels across the markets we serve.

Our success in the dynamic pharmaceutical industry is the result of a deliberate strategy rooted in a deep understanding of our business. With a comprehensive grasp of the complexities of pharmaceutical manufacturing and distribution, we navigate industry challenges with precision and foresight. This expertise, combined with a loyal and expanding customer base, underpins our current achievements and provides the momentum for our continued growth and resilience.

By leveraging on our core strengths, we enhance our capabilities, drive operational efficiencies, and stay attuned to evolving trends shaping the pharmaceutical landscape. This strategic focus empowers us to adapt swiftly to industry changes, positioning us as a proactive leader in innovation and market dynamics.

Looking to the future, we are committed to advancing AHB Group's growth and impact, striving to become a globally recognized pharmaceutical leader based in the ASEAN region, delivering excellence in healthcare and innovation.

DRIVEN BY SUSTAINABLE PRINCIPLES

As a pharmaceutical group, our products profoundly impact the health sector and society at large. Healthcare professionals rely on our medicines and medical devices to treat conditions such as respiratory, dermatological, cardiovascular, and gastrointestinal disorders, while consumers turn to our healthcare products to enhance their well-being.

"We are committed to advancing AHB Group's growth and impact, striving to become a globally recognized pharmaceutical leader based in the ASEAN region, delivering excellence in healthcare and innovation"

The meaningful nature of our business makes it essential to operate sustainably and responsibly. This commitment is embodied in our mission. ***'Restoring Health, Enhancing Life'.*** We take pride in knowing that our products contribute to restoring health and enhancing life—essential drivers for a sustainable future.

Equally, we are dedicated to running our business in a way that fairly rewards all stakeholders. Since our inception in 1962, our operations have been guided by the **Core Tenets** of *Service, Quality,* and *Integrity*. These principles define our priorities and enable us to deliver shared value for our business, stakeholders, and society.

Service

Service excellence has been at the heart of our culture from the outset. We strive to be efficient, professional, and responsive in our interactions with suppliers, healthcare professionals, customers and all stakeholders.

Quality

With a steadfast commitment to quality, we continually refine our processes to deliver superior products ethically and sustainably. Our dedication has secured us globally recognized certifications, enhanced our sustainability credentials and enabled us to attract top industry partners.

Integrity

Integrity is a cornerstone of our operations, embedded across our value chain—from research and development to manufacturing, warehousing, sales, marketing, and delivery. Honesty and transparency underpin everything we do, ensuring we uphold the highest standards without compromise.

EMBEDDING SUSTAINABILITY INTO OUR CORE

Sustainability is deeply embedded in our operations, extending beyond compliance to shape a culture of responsible and conscientious conduct. Guided by robust policies and practices, we prioritize sustainability in every aspect of our business activities.

Sustainability is a dynamic and continuous journey of improvement, not a destination. By recognizing its intrinsic link to profitability, we remain steadfast in harmonizing these priorities to deliver value for our stakeholders and society, with our successes affirming the strength of this approach.

FORMALIZING OUR COMMITMENT THROUGH SUSTAINABILITY POLICY

We uphold a Sustainability Policy that underscores our dedication to addressing material sustainability matters, aligning with evolving stakeholder expectations and meeting stringent regulatory requirements. Our Sustainability Policy establishes a definitive framework for integrating sustainability considerations into our operations and decision-making processes. By implementing this policy, we aim to strengthen stakeholder trust, enhance operational resilience and drive meaningful contributions towards achieving shared sustainability objectives, creating lasting value for all.

Forward-Looking Statement

AHB remains committed to driving sustainability across all facets of its operations, ensuring long-term resilience while addressing global challenges such as climate change, resource efficiency and responsible business practices. As we continue integrating sustainability into our strategic direction, we are enhancing efforts to align with evolving regulatory frameworks, including ISSB's IFRS Sustainability Disclosure Standards.

A key focus moving forward is sustainable innovation. With a growing pipeline of over 100 pharmaceutical and consumer healthcare products, we are intensifying investment in research and development ('R&D') to introduce high-demand, affordable treatments in key therapeutic areas. These efforts align with Malaysian policies that support local pharmaceutical manufacturing and promote cost-effective generic medicines, reinforcing national healthcare self-sufficiency. At the same time, our products will be formulated to meet global regulatory standards, enabling international expansion while maintaining responsible sourcing and sustainable production practices.

We are also accelerating our commitment to environmental stewardship. The pursuit of ISO 14001:2015 certification for Environmental Management Systems is a priority for XEPA, reinforcing its efforts to reduce environmental impact, improve resource efficiency and integrate sustainable practices into our operations. Additionally, the adoption of Industry 4.0 and digital transformation will drive operational efficiency, minimizing waste and energy consumption while enhancing compliance with global sustainability standards.

With 2023 as our baseline year for sustainability reporting, we continue to set clear objectives and measurable targets to track progress and drive continuous improvement. As we look ahead to 2025, we remain focused on strengthening sustainability practices to ensure that growth is achieved responsibly, generating long-term value for both our stakeholders and society.

Foreword from the Chairman

Thank you for taking the time to read our Sustainability Statement. As a pharmaceutical company, sustainability is deeply embedded in our mission *'Restoring Health, Enhancing Life'* and our Core Tenets of Service, Quality and Integrity, reflecting our responsibility to enhance the quality of life for our customers, consumers and communities.

Through our efforts in 2024, we have continued to strengthen our sustainability performance, delivering improvements in key areas while maintaining a strong record of regulatory compliance.

As we grow, we remain mindful of our environmental impact and integrate sustainability considerations into our business decisions. Our Techlink warehouse expansion for APS and XEPA's acquisition of Cheng 2 were both strategically selected for their proximity to our existing operations. This has allowed us to minimize transportation emissions, reduce logistical costs and improve operational efficiency, reinforcing both our environmental and financial sustainability.

Clean and renewable energy remains a key aspect of our sustainability journey. The recent solar installations at APS in Singapore and APM in Subang, which became operational in October 2023 and January 2024 respectively, significantly increased our utilization of solar energy. These two solar energy projects complement XEPA's solar energy project which has been operationalized since late June 2021. Collectively, these three projects enabled a carbon dioxide avoidance of 955 tCO2e in 2024. While our total energy consumption has increased by 8.4% to support business growth, the contribution of renewable energy from our solar energy projects has risen by 75.9%, demonstrating our commitment to reducing our carbon footprint.

To further enhance our environmental stewardship, XEPA is actively pursuing ISO 14001:2015 certification for Environmental Management Systems, which will strengthen its ability to reduce environmental impact and drive sustainable practices.

From a socioeconomic perspective, we continued to prioritize local procurement, directing 85% of our total procurement spending—amounting to RM 578.3 million—toward local suppliers, exceeding our target of 70%. Our commitment to supporting government initiatives in promoting generic medicines also aligns with our mission to make healthcare more affordable, particularly as medical costs continue to rise. At the same time, these efforts reinforce the long-term relevance and competitiveness of our business.

In 2024, XEPA secured accreditation for ISO 45001:2018 Occupational Health and Safety Management Systems for the Manufacturing and Distribution of Pharmaceutical Products and Medical Devices from both the Department of Standards Malaysia and the United Kingdom Accreditation Service (UKAS). ISO 45001:2018 provides an internationally recognized framework for managing occupational safety and health risks, enabling organizations to systematically assess hazards and implement effective risk control measures. This leads to reduced workplace injuries, illnesses, and incidents, underscoring our strong commitment to maintaining a safe and healthy work environment, protecting our employees, and continually improving our occupational health and safety practices. Simultaneously, we enhanced our focus on employee development, increasing training hours by 16% to support both individual growth and the evolving needs of our business.

Beyond our organization, we remained committed to supporting the communities we serve. In 2024, we contributed RM 307,455 to 54 organizations, benefitting an estimated 19,121 individuals. This exceeded our annual commitment of allocating 0.3% of the previous year's profit after tax (excluding one-off gains) toward community initiatives.

As regulatory frameworks evolve, including Bursa Malaysia's adoption of ISSB's IFRS Sustainability Disclosure Standards, we have continued to enhance our sustainability and climate reporting in 2024, working with external consultants to ensure greater transparency, accountability and alignment with global standards.

In 2024, we conducted an assessment of pertinent climate-related risks and opportunities in alignment with ISSB IFRS S2 standard. This effort is aimed at enabling us to embed climate considerations into strategic and operational decision-making. By identifying such risks and opportunities, we aim to mitigate operational disruptions, adapt to evolving regulations and market dynamics, strengthen resilience against risks and capitalize on sustainable market opportunities. Building on this foundation, we plan to advance our climate reporting in greater depth to ensure alignment with ISSB IFRS S1 and S2 Sustainability Disclosure Standards in the years to come.

Through this Sustainability Statement, we hope to provide greater insights into our commitment to responsible and sustainable business practices. By embedding sustainability principles across our operations, we remain firmly positioned to drive long-term growth and reinforce our ambition to be a leading global pharmaceutical healthcare group based in the ASEAN region.

Dr Kee Kirk Chin
Chairman & CEO

OUR APPROACH TO SUSTAINABILITY

Our Sustainability Governance

GOVERNANCE STRUCTURE

Board of Directors

Risk and Sustainability Committee (RSC)

Group Sustainability Management Committee (GSMC)

Group Sustainability Technical Committee [GSTC]

Board of Directors ('the Board')

Our sustainability governance framework is tailored to the unique characteristics of AHB, ensuring a focused approach on matters material to our operations, geographical presence, and industry landscape. As the highest governing body, the Board plays a pivotal role in embedding sustainability into the Group's business strategy. This includes overseeing a rigorous review and approval process for sustainability initiatives, ensuring resource allocation, and implementing robust systems for effective management.

The Board drives strategic alignment by addressing the evolving landscape of sustainability-related and climate-related risks and opportunities across both industry and operational contexts. This involves evaluating the organization's sustainability mindset and readiness to tackle emerging challenges while considering the specific needs of stakeholders and the Group's culture.

Beyond its oversight role, the Board exemplifies leadership by defining AHB's purpose, values, and strategies with sustainability as a core pillar. This commitment ensures that sustainability transcends operational goals, becoming a foundational element of the Group's long-term vision, resilience and success.

Risk and Sustainability Committee ('RSC')

To enhance risk oversight, including sustainability-related and climate-related risks, the Board has established the RSC, effective 1st January 2022. The RSC plays a pivotal role in integrating sustainability-related and climate-related risks and opportunities into the Group's risk management framework. Comprised exclusively of Non-Executive Directors, the majority of whom are independent, the RSC operates under clearly defined duties outlined in its Terms of Reference, available on the Company's website: **www.apexhealthcare.com.my**.

Key responsibilities of the RSC include:

1. **Alignment of Sustainability Efforts:** Ensuring sustainability initiatives align with the Group's long-term business strategy, considering AHB's operating environment and stakeholder interests.
2. **Oversight of Material Matters:** Reviewing and advising the Board on material economic, environmental, climate-related and social matters impacting AHB's principal businesses.
3. **Annual Review and Recommendations:** Conducting an annual review of the Sustainability Statement and recommending its approval and inclusion in the Annual Report to the Board.
4. **Adaptable Responsibilities:** Addressing additional duties assigned by the Board related to sustainability matters, demonstrating responsiveness to evolving needs.

While the RSC provides recommendations and oversees sustainability initiatives, ultimate accountability for decisions rests with the Board. This ensures a unified and cohesive governance approach, reinforcing the Group's ability to achieve its objectives sustainably and responsibly.

Group Sustainability Management Committee ('GSMC')

At the Management level, the GSMC, established in 2018, plays a central role in identifying, evaluating, monitoring, and managing sustainability-related and climate-related risks and opportunities under the oversight of the RSC. Leveraging insights from stakeholder engagements and materiality assessments, the GSMC ensures that significant sustainability matters are effectively addressed across the Group's operations.

The GSMC's responsibilities also extend to preparing sustainability and climate-related disclosures, including the annual Sustainability Statement, in full compliance with legal and regulatory requirements, thereby reinforcing transparency and accountability.

Group Sustainability Technical Committee ('GSTC')

To enhance the implementation of sustainability initiatives and conduct technical studies and assessments, the GSTC was established in April 2022. Comprising key managers from the main subsidiaries, the GSTC operates at the Management level and reports directly to the GSMC.

The GSTC strengthens the Group's sustainability governance by providing specialized technical expertise to support and advance the practical implementation of sustainability initiatives. By bringing specialized technical knowledge to the forefront, the GSTC ensures alignment with best practices while addressing the unique operational needs of the Group.

Stakeholder Engagement

We recognize the critical importance of engaging with our diverse stakeholders to identify, prioritize, and address key sustainability concerns. These regular interactions are integral to our business development and sustainability initiatives, ensuring our efforts align with stakeholder expectations. In 2024, we took proactive steps to reassess and deepen our understanding of stakeholder perspectives, refining our sustainability strategy to meet their evolving needs.

Acknowledging the resource-intensive nature of addressing all stakeholder concerns, the Board adopts a strategic approach by identifying and prioritizing the issues most relevant to each group. Stakeholder groups are evaluated by the GSMC based on their influence on our strategic objectives and their dependence on our operations. This ensures that resources are allocated to the most impactful areas.

Stakeholder Groups	Issues of Interest	Platforms of Engagement
Government and Regulatory Authorities	• Compliance with laws and regulations • Social, health and environmental management of the Group • Community investment	• Dialogues, seminars, and meetings • Memberships in pharmaceutical-related organizations • Website of the Company
Healthcare Professionals	• Product availability and price points • Product quality and efficacy • Delivery service • Competence of manufacturing and sales personnel	• Instant messaging apps e.g. WhatsApp • Social media platforms e.g. Facebook, Instagram • B2B e-commerce websites: **http://online.apexpharma.com.my/** (Malaysia) **http://online.apexpharma.com.sg/** (Singapore) • Meetings with sales personnel (online and/or face-to-face) • Advertisements • Promotional campaigns • Public health talks • Continuing medical education talks for medical professionals • Health screenings • Website of the Company

Stakeholder Groups	Issues of Interest	Platforms of Engagement
Consumers	• Product availability and price points • Product quality and efficacy	• Instant messaging apps e.g. WhatsApp • Social media platforms e.g. Facebook, Instagram • B2C e-commerce websites: **www.apexpharmacy.com.my** (Malaysia) **https://shop.apexpharma.com.sg/** (Singapore) • Advertisements • Promotional campaigns • Public health talks • Health screenings • Website of the Company
Employees	• Training and development • Performance management • Career development • Company policies and procedures • Contribution of company to community	• Training and Development programs • Staff performance appraisals • On-Board Inductions • Circulation of internal policies • Group Corporate Briefings • Community investment programs • CEO Engagement Sessions
Shareholders & Investors	• Group financial performance • Group business strategies • Sustainability policies	• Annual General Meeting • Website of the Company • Annual Report • Quarterly Reports • Analysts' Briefings • Announcements to Bursa Malaysia issued by the Company from time to time
Suppliers and Other Business Partners	• Compliance with laws and regulations • Delivery service • Competence of manufacturing and sales personnel • Ethical business conduct	• Meetings with suppliers (online and/or face-to-face) • Trade exhibitions • Website of the Company
Communities	• Community investment • Social, health and environmental management of the Group • Impact of business operations • Ethical business conduct • Transparency and accountability	• B2C e-commerce websites: **https://www.apexpharmacy.com.my/** (Malaysia) **https://shop.apexpharma.com.sg/** (Singapore) • Community investment programs • Health screenings • Public health talks • Website of the Company • Annual Report • Quarterly Reports • Announcements to Bursa Malaysia issued by the Company from time to time

Industry Associations	• Regulatory updates and guidance
	• Knowledge sharing on industry development
	• Policies and initiatives pertaining to pharmaceutical industry
		• Industry association meetings e.g.
		  • Malaysian Organization of Pharmaceutical Industries ('MOPI') - XEPA is a member company, and AHB's Chief Operating Officer (Manufacturing Group), Mr Ch'ng Kien Peng, currently serves as the President of MOPI.
		  • Malaysian Association of Pharmaceutical Suppliers ('MAPS') - APM is a member company.
		• Industry conferences, dialogues and forums
		• Trade exhibitions

Materiality

AHB's commitment to sustainability is reflected in our meticulous approach to identifying material matters that significantly influence stakeholders. Our materiality assessment follows a structured process aligned with the Bursa Malaysia Sustainability Reporting Guide (3rd Edition) and GRI Standards, and further incorporates benchmarking against industry peers to enhance alignment with stakeholder expectations.

The process begins with identifying actual and potential sustainability impacts from AHB's operations, which are systematically evaluated across the Economic, Environmental, Social, and Governance ('EESG') pillars. These impacts are then prioritized to highlight the most significant issues for reporting.

Engaging key stakeholders throughout the materiality assessment enables us to understand risks and opportunities, anticipate emerging challenges, and align our strategies effectively with the evolving sustainability landscape. This approach ensures we remain relevant and stay ahead of sustainability challenges, addressing material issues that matter most to our stakeholders and the organization.

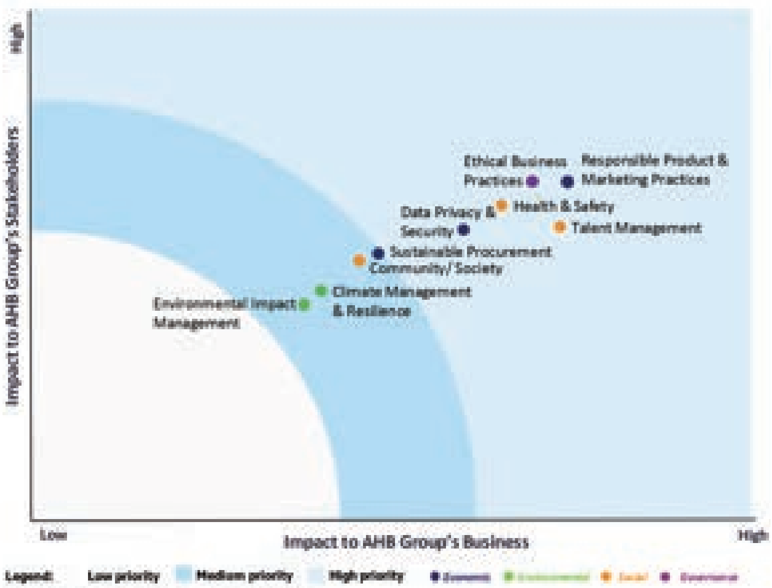
Our Materiality Assessment Process

Our Materiality Assessment Process enables us to stay aligned with the evolving business environment, regulatory requirements and emerging sustainability trends and risks. This approach incorporates an online survey to actively engage internal stakeholders, supported by focus group discussions for deeper insights. Through this process, we prioritize material matters by identifying risks and opportunities that hold significant potential to impact both our business and stakeholders.

Materiality Matrix For Financial Year 2024 ('FY 2024')

In 2024, our Materiality Matrix builds on the comprehensive assessment conducted in 2023, maintaining alignment with current sustainability priorities and stakeholder expectations. While the Materiality Matrix remains largely unchanged, minor adjustments to prioritization rankings demonstrates our focus on addressing material matters effectively, staying attuned to emerging challenges, and driving long-term value for stakeholders.

AHB Group's Materiality Matrix for FY 2024



The process consists of three steps:

Identification

We assessed our materiality matters against the Bursa Malaysia Sustainability Reporting Guide (3rd Edition) and the GRI Standards. Additionally, we conducted a detailed analysis of industry trends, incorporated leading practices from peer benchmarking and considered media reviews. This results in an inventory list of potential sustainability matters.

Prioritization

We circulated an internal survey to our business divisions and subsidiaries for the purpose of shortlisting and prioritizing the AHB's key stakeholder groups and material matters. The material matters were prioritized based on AHB's EESG impacts and each matter's level of influence on the assessments and decisions of stakeholders.

Validation

The findings from the assessment process were plotted on a Materiality Matrix and deliberated on and validated by the GSMC before being presented to the Board for endorsement.

AHB GROUP'S CONSOLIDATED MATERIAL MATTERS FOR FY2024

Economic Pillar:

Responsible Value Creation

Material Matters and Alignment to the United Nations Sustainable Development Goals ('UN SDGs')	Why Is It Material to AHB Group	How We Manage the Matter
Sustainable Procurement	• Responsibly sourcing our products and services helps to minimize our environmental impact and promote socioeconomic responsibility. • Fostering ethical and environmentally conscious supplier relationships strengthens the resilience and integrity of our supply chain.	Please refer to the "Sustainable Procurement" section for more details.
Data Privacy and Security	• Safeguarding data security, including employee and customer information, intellectual property and operational systems, is paramount for maintaining trust, operational resilience, and regulatory compliance.	Please refer to the "Data Privacy and Security" section for more details.
Responsible Product and Marketing Practices	• By prioritizing Responsible Product and Marketing Practices, we align our products, services and promotional strategies with ethical and societal expectations. • Compliance with regulations not only upholds AHB's integrity but also ensures the delivery of safe and effective products that adhere to regulatory standards and safeguard public health.	Please refer to the "Responsible Product and Marketing Practices" section for more details

Environment Pillar:

Advancing Climate Action

Material Matters and Alignment to the United Nations Sustainable Development Goals ('UN SDGs')	Why Is It Material to AHB Group	How We Manage the Matter
Climate Management and Resilience • Emissions Management • Energy Management	• Active emissions and energy management drives our focus on reducing emissions and improving energy efficiency, addressing the growing importance of climate resilience and adaptation strategies. • Our focus on these matters emphasizes our determination in confronting climate-related challenges, aligning with evolving environmental expectations, and fostering a resilient response to a changing climate.	Please refer to the "Climate Management and Resilience" section for more details.
Environmental Impact Management • Waste Management • Water and Effluents • Resources and Materials Management • Pollution Management • Environmental Compliance	• Our responsible management of Waste, Water and Effluents, Resources and Materials, Pollution, and Environmental Compliance demonstrates our holistic commitment to environmental stewardship, regulatory adherence, and sustainable resource management as part of our broader dedication to sustainability.	Please refer to the "Environmental Impact Management" section for more details.

SUSTAINABILITY STATEMENT (CONT'D)

Social Pillar: Delivering Positive Impacts

Material Matters and Alignment to the United Nations Sustainable Development Goals ('UN SDGs')	Why Is It Material to AHB Group	How We Manage the Matter
Health and Safety • Occupational Health and Safety • Customer Health and Safety	• Prioritizing occupational health and safety across all operational aspects is essential to protecting the well-being of our workforce. • Integrating customer health and safety into this focus underscores our commitment to delivering products and services that prioritize safety and well-being. This commitment encompasses product safety, occupational health and safety, compliance with building safety standards, and the overall welfare of customers.	Please refer to the "Health and Safety" section for more details.
Talent Management • Employment • Training and Education • Diversity and Equal Opportunity • Non-Discrimination • Labor Management Relations	• Employment, Training and Education, Diversity and Equal Opportunity, Non-discrimination and Labor Management Relations are integral matters supporting our pledge to uphold organizational excellence and sustainable practices. • By fostering a diverse and inclusive workplace that prioritizes employee well-being, we position the company as a socially responsible and competitive industry player.	Please refer to the "Talent Management" section for more details.
Community/Society	• Active community engagement enables us to contribute towards fostering health and well-being, advancing education and the arts, empowering underserved communities, and creating meaningful positive impacts in the lives of our beneficiaries—all contributing to a sustainable future. This commitment aligns seamlessly with our mission of *'Restoring health, Enhancing Life'*.	Please refer to the "Community/Society" section for more details.

Governance Pillar: Upholding Integrity and Accountability

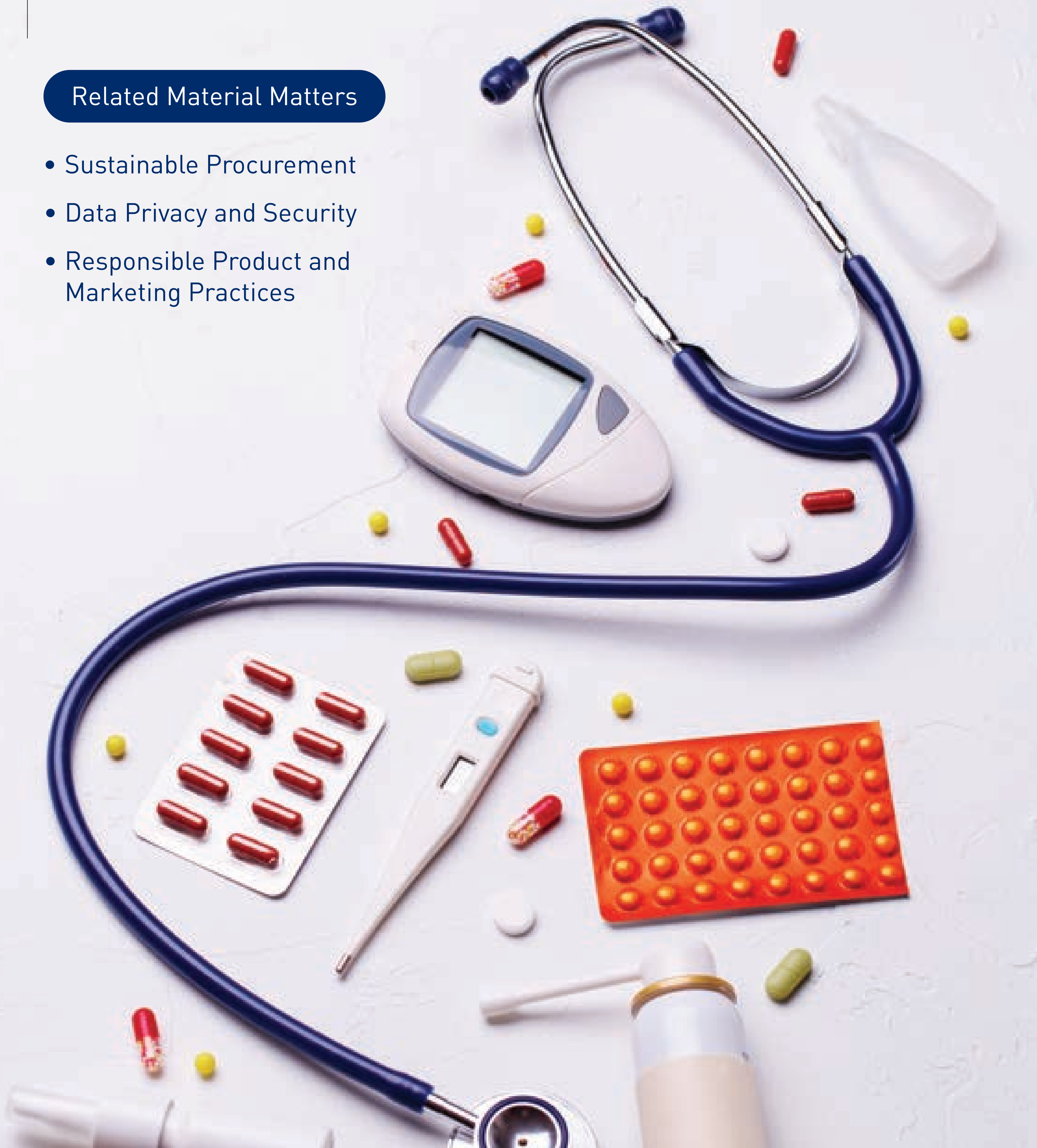
Material Matters and Alignment to the United Nations Sustainable Development Goals ('UN SDGs')	Why Is It Material to AHB Group	How We Manage the Matter
Ethical Business Practices • Anti-corruption • Whistleblowing	• Adopting ethical business practices and anti-corruption controls are foundational to driving integrity, accountability and responsible corporate conduct across the Group. • Our unwavering commitment to regulatory compliance underscores our dedication to ethical standards, reinforcing the long-term sustainability and resilience of our business in a competitive industry landscape.	Please refer to the "Ethical Business Practices" section for more details.

Economic Pillar

RESPONSIBLE VALUE CREATION

Related Material Matters

- Sustainable Procurement
- Data Privacy and Security
- Responsible Product and Marketing Practices



SUSTAINABLE PROCUREMENT

WHY IT MATTERS

Responsible procurement is critical to the sustainability of our operations, ensuring we adopt conscientious practices when sourcing our raw materials, packaging, and other inventory items. In the pharmaceutical industry, where quality and ethics are paramount, responsible sourcing directly contributes to product reliability and business continuity.

Aligned with our Growth Strategy of *Building Robust Business Partnerships*, we prioritize collaborations with partners who demonstrate environmental and social responsibility. We also cultivate meaningful relationships with suppliers to share expertise and drive mutual progress toward long-term objectives. Through this strategic approach, we ensure our procurement practices reflect our Core Tenets and ambitions while addressing the growing importance of sustainability in our industry.

OUR APPROACH

In ensuring sustainable practices, the procurement department adheres to rigorous supplier selection guidelines that align with our corporate objectives and regulatory compliance. This enables us to meet or exceed governing standards, including anti-bribery protocols and pharmaceutical regulations tied to sustainable procurement. At the same time, we mitigate supply chain risks through routine evaluations, strategic diversification and inventory management, while promoting responsible practices across the supply chain to strengthen our foundation for long-term operational sustainability.

Supplier Selection and Evaluation

To ensure alignment with our quality standards and environmental and social priorities, we employ a comprehensive assessment framework for supplier evaluation. This framework assesses key areas critical to maintaining a sustainable and reliable supply chain.

Financial Performance Evaluation	• Conducting thorough financial assessments to ensure suppliers demonstrate financial stability and reliability.
Production Capacity Assessment	• Evaluating production capabilities to confirm suppliers can meet required quantity and quality standards.
Environmental, Social and Governance ('ESG') Considerations	• Assessing suppliers' ESG initiatives to ensure adherence to sustainable practices and ethical standards.
New Product Development Support	• Reviewing suppliers' track records in supporting new product development and R&D efforts. • Evaluating their ability to offer innovative solutions that align with our product expansion goals.

Additionally, we employ comprehensive due diligence protocols to uphold supplier integrity and ensure alignment with our standards. These protocols encompass the verification of supplier credentials and reputation, thorough background checks to identify and mitigate potential risks, and assessments of their compliance with regulatory requirements, particularly concerning technical specifications critical to product registration.

Compliance with Regulations and Ethical Standards

At the core of our procurement practices is a steadfast commitment to regulatory compliance and ethical integrity. We strive to maintain the highest standards throughout our supply chain by implementing robust mechanisms to monitor and verify supplier adherence to these principles. Anti-bribery measures include requiring declarations from external parties and embedding anti-corruption clauses in legal agreements with suppliers and other third parties. Background checks, regular compliance audits and periodic evaluations are also conducted to further reinforce supplier compliance with regulations and statutory requirements.

Building a Resilient Supply Chain

We are committed to building a resilient and adaptive supply chain that ensures uninterrupted material availability, upholds regulatory and ethical standards and safeguards business continuity. By integrating strategic evaluations, alternative sourcing, and advanced planning systems, we maintain exceptional quality and operational efficiency even in the face of unforeseen disruptions.

- **Continuous Material Evaluations**
  We regularly assess the quality, cost efficiency and regulatory compliance of raw materials and packaging to maintain supply chain integrity.
- **Development of Mitigation Strategies**
  We develop contingency plans for high-priority supply chain risks and identify alternative sources for critical materials to reduce dependencies and enhance adaptability.
- **Evaluation of Alternative Suppliers**
  Critical suppliers and categories are identified, and alternative sources from diverse regions and manufacturers are considered to reduce reliance on single suppliers. Potential alternatives undergo comprehensive assessments, factoring in financial stability, production capacity and ESG compliance, to diversify risks effectively.
- **Inventory Management (XEPA)**
  XEPA leverages its in-house developed material planning software to optimize stock levels. Using technology and data analytics, the system incorporates 12 months of historical data and predefined safety stock levels to streamline purchasing decisions and monitor inventory effectively.
- **Performance Monitoring**
  We continuously evaluate supplier performance in areas such as product quality, delivery reliability and adherence to ethical and regulatory standards.

Risk Assessment and Management

To enhance the agility and reliability of our supply chain, we develop and implement risk mitigation strategies informed by evaluations and risk assessments. This proactive approach ensures we are equipped to address potential challenges and uncertainties effectively.

This includes routine evaluations of existing suppliers, focusing on critical factors such as financial stability (for new suppliers), production capacity, service levels, product quality and regulatory compliance. Regular audits are conducted to ensure continued adherence to established standards and best practices. Additionally, comprehensive assessments are carried out for vendors providing services, supporting materials, packaging supplies and delivery logistics, with evaluations performed prior to contract renewals to ensure sustained alignment with our requirements.

85%
of our total procurement spending in 2024 went to local suppliers

RM 578.3 million
contribution to the local economy

Sustainability Across the Value Chain

We are committed to embedding sustainability throughout our value chain by prioritizing local sourcing, recyclability, and responsible disposal practices. By partnering with local suppliers for packaging materials, we minimize transport emissions while contributing to the local economy. In 2024, 85% of our total procurement spending went to local suppliers, contributing RM 578.3 million to the local economy. This exceeds our target of spending at least 70% of our total procurement on local businesses.

Recyclability remains a key priority, and we have established criteria to promote the use of sustainable packaging materials amongst our suppliers. To this end, we regularly collaborate with suppliers to explore and implement eco-friendly packaging solutions. Internally, we promote circularity by recycling pallets and packaging materials, such as carton boxes, and have introduced biodegradable plastic bags for small-load product deliveries to customers.

Additionally, we conduct regular reviews of purchase forecasts to optimize procurement planning and scheduling. This reduces reliance on urgent air freight, thereby reducing associated emissions and aligning our logistics practices with our sustainability goals.

SUSTAINABILITY STATEMENT (CONT'D)

No.	GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY 2023	FY 2024	Targets	Progress for FY 2024
MATERIAL MATTER: SUSTAINABLE PROCUREMENT									
Procurement Practices									
1	GRI 204: Procurement Practices	C7 (a) Supply Chain Management: Proportion of spending on local suppliers	**Procurement**						
			Total procurement spending	Local & Non-Local	Ringgit Malaysia (RM)	668,140,552	677,250,793		
			Total number of suppliers	Local & Non-Local	Count	311	297		
			Local Suppliers						
			Total local suppliers spending	Local	Ringgit Malaysia (RM)	577,766,661	578,316,866	At least 70% of total procurement spending on local suppliers	Exceeded target
			Number of local suppliers	Local	Count	245	229		
			Percentage of spending on local suppliers	Local	Percentage (%)	86%	85%		
			Non-local Suppliers						
			Total non-local suppliers spending	Non-Local	Ringgit Malaysia (RM)	90,373,891	98,933,927		
			Number of non-local suppliers	Non-Local	Count	66	68		
			Percentage of spending on non-local suppliers	Non-Local	Percentage (%)	14%	15%		

DATA PRIVACY AND SECURITY

WHY IT MATTERS

In today's era of advanced technology and evolving cyber threats, safeguarding data privacy and security is a fundamental aspect of sustainability. At AHB, this entails protecting the sensitive and confidential information of our customers and employees while maintaining a robust security framework to mitigate risks such as data breaches and unauthorized access. By managing data and security systems securely and ethically, we uphold compliance with legal obligations, foster stakeholder trust and ensure operational resilience.

Enhancing data privacy and security is also a cornerstone of our Growth Strategy, *Leveraging Technology*. As we navigate an increasingly digital landscape, leveraging advanced technologies to strengthen our systems—combined with continuous workforce training and a steadfast commitment to improvement—positions us for long-term value creation and provides a competitive edge in the market.

OUR APPROACH

Our commitment to data privacy is anchored in full compliance with the Personal Data Protection Act ('PDPA') 2010. This ensures the secure management of customer and employee data, with robust controls safeguarding the privacy of both internal and external stakeholders. To fortify our digital infrastructure, we have deployed a comprehensive Cybersecurity Action Plan that integrates advanced systems and workflows to protect against cyber threats and prevent unauthorized access, ensuring the resilience and security of our operations.

Personal Data Protection Act Compliance

We leverage the seven principles of the PDPA 2010 to guide our approach to managing and processing personal data responsibly and ethically. To foster a culture of responsible data management across the organization, all current employees and prospective candidates are required to review the PDPA Notice and sign both the PDPA Form and Confidentiality Agreement, available in both English and Malay.

The PDPA Notice outlines the purposes for which personal data is collected, how it will be used, and the parties to whom it may be disclosed. Employee data is processed only after consent is explicitly provided via the signed PDPA Form. Additionally, all employees must sign a Confidentiality Agreement, committing to the protection of any confidential data encountered in the course of their duties.

Our stringent approach to data protection has resulted in zero reported complaints of privacy breaches or data loss in 2024. This achievement underscores our dedication to maintaining the highest standards of trust, transparency and compliance in managing personal data.

ZERO
substantiated complaints concerning breaches of customer privacy and losses of customer data were recorded in 2024

Cybersecurity Action Plan

We have established a comprehensive Cybersecurity Action Plan to identify, manage, and mitigate the impact of cybersecurity incidents. Recognizing the critical importance of proactively addressing cybersecurity risks, this plan is designed to minimize potential breaches and safeguard sensitive information.

- **Cybersecurity Threats and Vulnerabilities Assessment**
  A comprehensive evaluation of potential cybersecurity threats and vulnerabilities has been undertaken, tailored to our operational needs. Insights from this assessment form the foundation of our proactive security measures, ensuring a targeted approach to risk mitigation.
- **Cybersecurity Incident Response Plan**
  Clear communication protocols are embedded within the Cybersecurity Incident Response Plan to enable seamless coordination during and after incidents. These protocols ensure the timely and accurate dissemination of information to all relevant stakeholders.

Strengthened Security Measures Against Cyber Threats

We fortify our defenses against cyber threats through continuous monitoring and the adoption of advanced technologies. Our internal IT department conducts regular assessments of emerging cybersecurity technologies to ensure we remain proactive in addressing evolving risks.

Since 2023, we have also subscribed to a Security Operations Centre ('SOC'), which enables early detection of potential threats and identifies possible risks through the analysis of security incident logs. By leveraging SOC insights, we empower our teams to take swift, pre-emptive actions, effectively mitigating potential damage.

SUSTAINABILITY STATEMENT
(CONT'D)

Regulated Internal Access to Customer Data on E-commerce Platform

We maintain strict oversight of internal access to customer data on our E-commerce platform by implementing robust authentication and authorization protocols alongside comprehensive data security measures. These efforts ensure that access is restricted to authorized personnel only, effectively preventing data breaches and unauthorized use of customer information.

Safeguarding Employee Data

To ensure employees' information is secured and used strictly for employment purposes, the Human Resource ('HR') department has established the following strict protocols to store and manage their data responsibly.

- Employee files are classified as private and confidential, and kept in locked cabinets.
- Digital documents are protected with passwords and stored in secured folders requiring authorized access.
- Employees must provide explicit consent for the release of their personal information to external parties.
- The HR department ensures secure storage and proper disposal of outdated or invalid documents.
- Employees are responsible for updating any changes to their personal information directly through the Human Resource Information System ('HRIS'), using their personal login credentials.
- Employees can raise concerns regarding their personal data by contacting a dedicated email address, as outlined in the AHB Group Privacy Policy.

These measures collectively ensure that employee data is handled with the utmost care and security, reinforcing our commitment to safeguarding personal information.

No.	GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY 2023	FY 2024	Targets	Progress for FY 2024
MATERIAL MATTER: DATA PRIVACY AND SECURITY									
Data Privacy & Security Practices									
2	**GRI 418: Customer Privacy**	**C8 (a) Data Privacy & Security: Number of substantiated complaints concerning breaches of customer privacy and losses of customer data**	**Substantiated Complaints**						
			Total number of substantiated complaints concerning breaches of employee privacy and losses of employee data	Complaints related to breaches of employee privacy and losses of employee data	Count	0	0	Zero substantiated complaints concerning breaches of employee privacy and losses of employee data	Achieved
			Total number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Complaints related to breaches of customer privacy and losses of customer data	Count	0	0	Zero substantiated complaints concerning breaches of customer privacy and losses of customer data	Achieved
			Breakdown of Causes						
			Total number of substantiated complaints due to various causes	Data breaches due to cyberattacks	Count	0	0	Zero substantiated complaints concerning breaches of privacy and losses of data	Achieved
				Unauthorized access to data	Count	0	0		
				Data leaks	Count	0	0		
				Losses of data through physical means (e.g., lost devices or paperwork)	Count	0	0		

RESPONSIBLE PRODUCT AND MARKETING PRACTICES

WHY IT MATTERS

In the pharmaceutical industry, where consumer health and safety are of utmost importance, responsible product and marketing practices play a vital role in building trust and loyalty among stakeholders. Our commitment to providing clear and accurate product information through precise labelling and ethical promotional practices defines us as a responsible pharmaceutical leader and directly supports our *Growing Group Brands* strategy.

By embedding these conscientious practices into our operations, we prioritize consumer safety, ensure regulatory compliance and reinforce our standing as a trusted organization that places a premium on safeguarding the health and well-being of customers.

OUR APPROACH

Our comprehensive approach to embedding responsible product and marketing practices into our business strategy ensures that this issue is viewed not merely as a compliance requirement but as a strategic commitment that drives our sustainability and corporate objectives. These efforts are guided by our key focus areas, namely safeguarding regulatory compliance, ensuring accurate labelling and engaging with stakeholders to address their needs effectively.

Our internal Quality Management System ('QMS') provides a structured framework to support these objectives. It offers clear guidance on Standard Operating Procedures ('SOPs') and regulatory principles, ensuring that every stage of our processes—from product design to approval and license renewal—meets the highest standards of quality and compliance.

Regulatory Compliance

To ensure strict adherence to regulatory standards, we prepare and submit accurate product labels, formulations, technical specifications, and relevant information for regulatory review, aligning with both national and international regulations. This meticulous approval process upholds industry standards and ensures the safety, quality and efficacy of our products. The key regulations of the various jurisdictions are shown in the following table:

International Regulations	• **International Council for Harmonization of Technical Requirements for Pharmaceuticals for Human Use ('ICH')** Our pharmaceutical products adhere to ICH Guidelines, particularly those outlined in ICH Quality Chapter 8, which governs product design and quality standards.
Malaysian Regulations	• **Control of Drugs and Cosmetics Regulations ('CDCR') 1984** Governs the manufacture, sale, distribution and importation of drugs and cosmetics. • **Poisons Act 1952 and Regulations** Regulates the handling, sale, and use of substances listed as poisons. • **Medicines (Advertisement and Sale) Act 1956 and Regulations** Prohibits certain medical-related advertisements and regulates the sale of medicines. • **Medical Device Act 2012 and Regulations** Regulates medical devices and its industry and activities.
Singaporean Regulations	• **Health Products Act 2007** Regulates the manufacturing, importing, supplying, presentation and advertising of health products and their active ingredients. • **Poisons Act 1938** Regulates the importation, manufacture, storage and sale of substances defined as poisons.

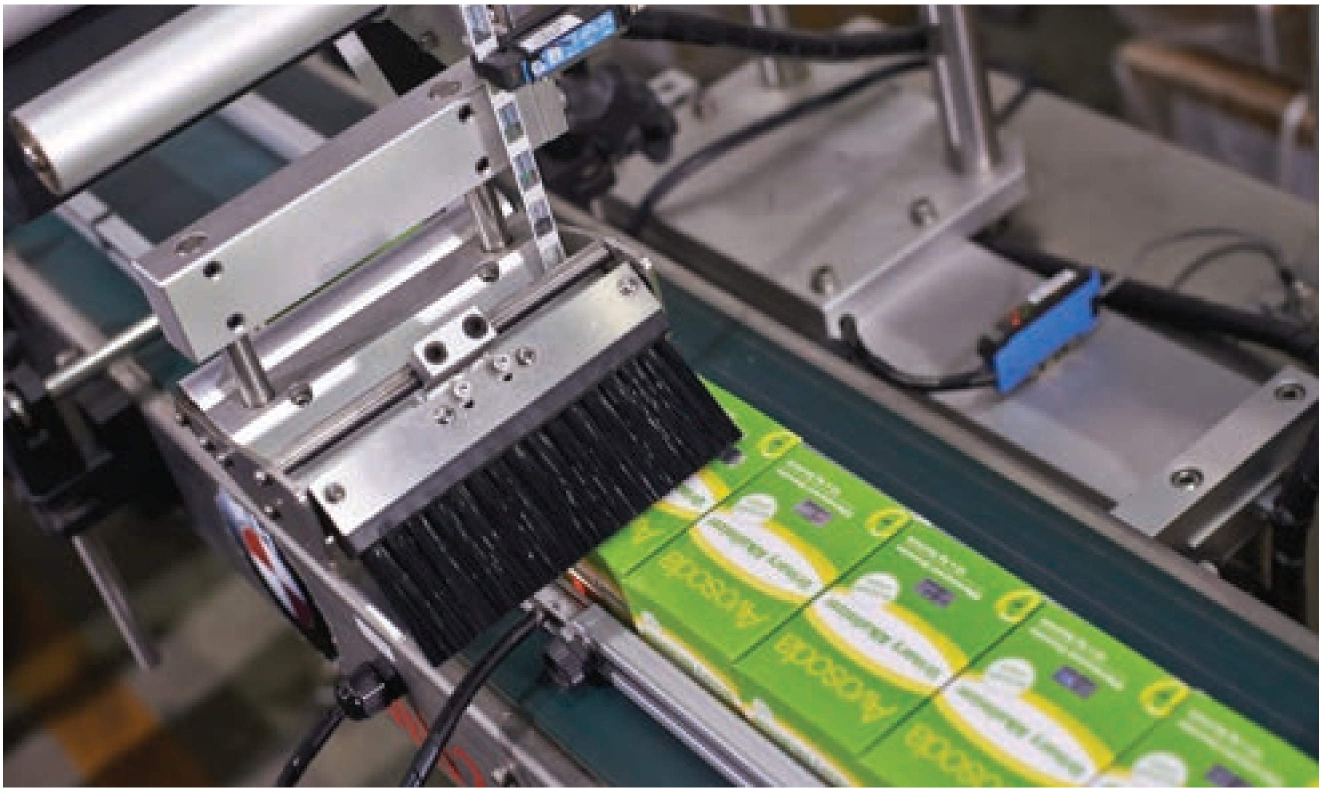
In 2024, we recorded zero incidents of non-compliance with regulations related to product information, labelling, marketing or advertising communication. This achievement underscores our dedication to maintaining the highest regulatory standards and delivering products that consistently meet stakeholder expectations.

ZERO
incidents of non-compliance with regulations related to product information, labelling, marketing or advertising communication

Adapting to Evolving Regulations

In a dynamic regulatory landscape, staying ahead of statutory changes is essential for maintaining compliance and mitigating emerging risks. Our Laboratory Technical Services Taskforce and Regulatory Teams routinely monitor industry publications, regulatory announcements and scientific sources to evaluate the relevance of new regulations and scientific advancements to the organization. This includes assessing the potential impact of risks such as adverse or unintended outcomes associated with molecules and their related regulatory updates.

Leveraging any insights acquired, we develop and implement strategies to address pertinent regulatory changes, integrating them seamlessly into existing processes. This proactive approach ensures we remain ahead of compliance requirements while reinforcing our commitment to operational excellence.



Ensuring Accurate Product Labelling

We are dedicated to ensuring precise and comprehensive product labelling that provides clear and accurate information to consumers. In doing so, we empower consumers and healthcare professionals to make informed decisions while ensuring compliance with all applicable regulatory requirements.

Our approach is anchored in rigorous processes designed to maintain the accuracy and integrity of product labels. All labelling, formulations and product information undergo detailed preparation and review, ensuring alignment with both local and international standards. Additionally, our licensed products are equipped with holograms embedded with security features to enable effective tracking and monitoring. Guided by our internal QMS, we follow well-defined SOPs to ensure regulatory compliance throughout the stages of product design, testing and assessment.

By integrating insights from pharmacovigilance activities and staying responsive to updates from health authorities, we continuously refine our processes to adapt to evolving requirements. Through these initiatives, we aim to set a benchmark for transparency, accountability and excellence in product labelling.

Meaningful Stakeholder Engagement

We actively engage and collaborate with industry associations, healthcare professionals and regulators to gain valuable insights and foster a shared commitment to responsible product development.

XEPA is a member company of the Malaysian Organization of Pharmaceutical Industries ('MOPI'), with Mr Ch'ng Kien Peng, AHB's Chief Operating Officer (Manufacturing Group), currently serving as MOPI's President. Meanwhile, APM is a member company of the Malaysian Association of Pharmaceutical Suppliers ('MAPS'). These memberships enable us to stay informed about industry developments, collaborate with other key players and influence policies and regulations that impact the pharmaceutical sector.

Simultaneously, we engage meaningfully with healthcare professionals to support the development and continuous improvement of our pharmaceutical products, aiming to enhance their efficacy and safety.

Regular interactions with regulatory bodies, including the Malaysian National Pharmaceutical Regulatory Agency ('NPRA'), keep us informed about evolving guidelines, boosting our ability to maintain compliance and adapt to regulatory changes in a timely manner. XEPA actively participates in MOPI-NPRA dialogue sessions, contributing to advancements in pharmaceutical regulation and innovation that drive improvements to public health and social development.

<table>
<tr><th>No.</th><th>GRI</th><th>Bursa Malaysia</th><th>Indicators</th><th>Breakdown</th><th>Units</th><th>FY 2023</th><th>FY 2024</th><th>Targets</th><th>Progress for FY 2024</th></tr>
<tr><td colspan="10">MATERIAL MATTER: RESPONSIBLE PRODUCT AND MARKETING PRACTICES</td></tr>
<tr><td colspan="10">Responsible Product and Marketing Practices</td></tr>
<tr><td rowspan="8">3</td><td rowspan="8">GRI 417: Marketing and Labelling</td><td rowspan="8"></td><td colspan="7">Products and Services Information and Labeling</td></tr>
<tr><td rowspan="2">Total number of incidents of non-compliance with regulations concerning product and service information and labeling</td><td>Incidents of non-compliance with regulations resulting in a fine or penalty</td><td>Count</td><td>0</td><td>0</td><td rowspan="2">Zero incidents of non-compliance resulting in a fine or penalty or warning</td><td rowspan="2">Achieved</td></tr>
<tr><td>Incidents of non-compliance with regulations resulting in a warning</td><td>Count</td><td>0</td><td>0</td></tr>
<tr><td colspan="7">Marketing Communications</td></tr>
<tr><td rowspan="2">Total number of incidents of non-compliance with regulations concerning marketing communications, including advertising, promotion, and sponsorship</td><td>Incidents of non-compliance with regulations resulting in a fine or penalty</td><td>Count</td><td>0</td><td>0</td><td rowspan="2">Zero incidents of non-compliance resulting in a fine or penalty or warning</td><td rowspan="2">Achieved</td></tr>
<tr><td>Incidents of non-compliance with regulations resulting in a warning</td><td>Count</td><td>0</td><td>0</td></tr>
</table>

Environmental Pillar

ADVANCING CLIMATE ACTION

Related Material Matters

- Climate Management and Resilience
- Environmental Impact Management

SUSTAINABILITY STATEMENT (CONT'D)

CLIMATE MANAGEMENT AND RESILIENCE

WHY IT MATTERS

Effective emissions and energy management are integral to our sustainability goals and reflect our dedication to addressing both stakeholder expectations and global environmental challenges. Our focus on climate resilience and emissions reduction demonstrates proactive risk management, regulatory compliance and environmental stewardship, while supporting national policies such as the National Energy Transition Roadmap ('NETR').

Responsible energy management not only mitigates climate risks but also enhances operational efficiency, reduces costs and contributes to broader environmental and societal benefits. By embracing these priorities, we reinforce our reputation as a responsible corporate citizen and drive the adoption of sustainable practices that positively impact both the environment and our communities.

While our energy consumption has increased by 8.4% to support business growth, the renewable energy contributions from our three solar projects rose by 75.9%, underscoring our commitment to reducing our carbon footprint.

While our energy consumption has increased by **8.4%** to support business growth, the renewable energy contributions from our three solar projects rose by **75.9%**, underscoring our commitment to reducing our carbon footprint.

OUR APPROACH

Resilience to climate change lies at the heart of our business strategy, driving our long-term sustainability and adaptation to evolving regulations and stakeholder demands. To this end, we have implemented a robust governance structure that drives impactful actions while continuously enhancing our framework for managing emissions and energy across all operations.

A Strong Governance Framework

We have established a clear governance structure to oversee our climate-related efforts and ensure alignment with corporate objectives and strategic priorities. At the management level, the GSMC and GSTC play pivotal roles in advancing sustainability-related and climate-related initiatives. The GSTC, composed of key personnel from our main subsidiaries, supports the GSMC by conducting risk assessments and developing emissions reduction and energy conservation strategies across subsidiaries.

The GSMC reports to the RSC, which provides strategic oversight, ensuring all climate-related actions reflect the Board's vision and are integrated into the Group's long-term strategy. This multi-tiered governance structure facilitates systematic and effective management of climate-related challenges.

Emissions Management

Effective management of our Greenhouse Gas ('GHG') emissions is vital to supporting global efforts in reducing carbon emissions and combating climate change. To achieve this, we have implemented comprehensive strategies to measure, mitigate and reduce our carbon footprint while ensuring regulatory compliance and operational sustainability.

Setting Emissions Reduction Goals	Reducing energy consumption and closely monitoring emissions are central to achieving our sustainability milestones. As part of this commitment, our data collection exercise in 2023 established a baseline for GHG emissions. Building on this foundation, continuous efforts are underway to collect and analyze relevant data. This ongoing process is essential for setting realistic and actionable emission reduction targets in the future.	
Transition to Renewable Energy Sources	Our commitment to reducing Scope 2 carbon emissions has driven investments in renewable energy, particularly for solar energy projects. Solar installations at our premises in Melaka, Singapore and Subang have been successfully operationalized, reflecting significant milestones in our journey toward renewable energy adoption. Additionally, we have conducted an assessment of the Green Electricity Tariff ('GET'). However, upon evaluation, we currently have no plans to subscribe. In 2024, the Group's solar renewable energy project delivered a total of 1,690,828 kWh of solar power, providing benefits in the form of: • Cost savings of RM 602,887 (XEPA and APM) and SGD 54,567 (APS). • An aggregate carbon dioxide avoidance of 955.35 tCO2e. • The carbon dioxide avoidance translates to fossil fuel avoidance of 145.39 tons equivalent, which corresponds to the impact of planting 23,884 trees.	**Our Completed Solar Energy Projects** **XEPA (Melaka)** Operationalized in June 2021. **APS (Singapore)** Operationalized in October 2023. **APM (Subang)** Operationalized in January 2024.
Fugitive GHG Emission Reporting	In alignment with the GHG Protocol, we aim to incorporate fugitive GHG emissions reporting by establishing a baseline and developing a robust methodology to accurately quantify emissions from refrigerant gases.	
Optimized Product Distribution	As part of our Scope 2 emissions reduction efforts, we have implemented optimized route planning and drop consolidation strategies to enhance delivery efficiency. These efforts have improved transportation logistics, resulting in reduced energy consumption and minimized emissions from distribution activities.	

No.	GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY 2023	FY 2024	Targets	Progress for FY 2024
MATERIAL MATTER: CLIMATE MANAGEMENT AND RESILIENCE									
Emissions									
1	**GRI 305: Emissions**	**C11 (a) Emissions Management: Scope 1 emissions in tonnes of CO2e**	**Direct (Scope 1) GHG emissions**						
			Total Scope 1 GHG emissions	**Mobile Combustion Emissions:** Emissions from owned or leased mobile sources (both on-road and non-road vehicles) that are within the company's boundaries, including company vehicles and commercial vehicles such as cars, trucks and vans					
				Petrol	Metric tons of CO2e (tCO2e)	73.1	61.3		
				Diesel	Metric tons of CO2e (tCO2e)	17.8	20.7		
				Total Mobile Combustion Emissions:		90.9	82.0		
				Total Scope 1:		90.9	82.0		
		C11 (b) Emissions Management: Scope 2 emissions in tonnes of CO2e	**Energy Indirect (Scope 2) GHG Emissions**						
			Total Scope 2 GHG emissions	**Emissions from Purchased Energy:** Indirect emissions generated from purchased energy					
				Electricity purchased from TNB	Metric tons of CO2e (tCO2e)	9,761.1	10,128.6		
				Total Scope 2:		9,761.1	10,128.6		

SUSTAINABILITY STATEMENT (CONT'D)

No.	GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY 2023	FY 2024	Targets	Progress for FY 2024
MATERIAL MATTER: CLIMATE MANAGEMENT AND RESILIENCE									
Emissions									
			Others Indirect (Scope 3) GHG Emissions						
		C11 (c) Emissions Management: Scope 3 emissions in tonnes of CO2e	**Total Scope 3 GHG emissions**	**Employee Commuting**					
				Transportation of employees between their homes and their worksites (in vehicles not owned or operated by the reporting company)	Metric tons of CO2e (tCO2e)	793.9	865.1		
				Business Travel					
				Transportation of employees for business-related activities (in vehicles not owned or operated by the reporting company)	Metric tons of CO2e (tCO2e)	1,007.7	1,237.8		
				Total Scope 3:		1,801.6	2,102.9		
				Overall Total Scope 1, Scope 2 and Scope 3:		11,653.6	12,313.5		
			Emissions Intensity						
			GHG emissions intensity (Scope 1)	GHG emissions (Scope 1) related to financial performance measured in terms of revenue	tCO2e per RM million of revenue	0.1	0.1		
			GHG emissions intensity (Scope 2)	GHG emissions (Scope 2) related to financial performance measured in terms of revenue	tCO2e per RM million of revenue	10.4	10.5		
			GHG emissions intensity (Scope 3)	GHG emissions (Scope 3) related to financial performance measured in terms of revenue	tCO2e per RM million of revenue	1.9	2.2		
			Total GHG emissions intensity (Scope 1, 2 and 3)	GHG emissions (Scope 1, 2 and 3) related to financial performance measured in terms of revenue	tCO2e per RM million of revenue	12.4	12.8		

Energy Management

Energy efficiency initiatives are a core element of our strategy to reduce emissions and strengthen climate change resilience. Our continued efforts to responsibly manage energy resources not only address stakeholder concerns but also serve to improve operational performance and cost efficiency.

Conducting Energy Audits	Having conducted an Energy Audit under the RMK-12 Energy Audit Conditional Grant ('EACG') in August 2022, we have continued to perform periodic assessments to identify and capitalize on opportunities for improving energy performance across our operations.
Upgrading Equipment for Optimal Efficiency	We have strategically invested in equipment upgrades to enhance energy efficiency. Most recently, the installation of a water-cooled chiller was completed in Q3 2024 as part of our energy conservation efforts.
Implementation of Energy-Efficient Technologies	We have continued to expand the adoption of LED lighting and motion sensors to minimize energy consumption. • At XEPA, the installation of LED lights and motion sensors at the warehouse and carpark have been completed in December 2024. • At APS, 95% of warehouse lights have been converted to LED, while toilets and stairs have been equipped with motion sensors. • At APM, all warehouse lights have been converted to LED, while office lights are being progressively replaced as they become faulty. XEPA has introduced a boiler usage schedule to enhance energy efficiency during operations, ensuring energy resources are utilized effectively.

Compliance With Energy Regulations

Our energy management practices fully comply with regulatory standards, including the Efficient Management of Electrical Energy Regulations 2008 under the Electricity Supply Act 1990. To ensure compliance and drive continuous improvement, XEPA has appointed a certified Registered Electrical Energy Manager responsible for monitoring and analyzing energy consumption, identifying inefficiencies and overseeing targeted energy efficiency programs. Additionally, reports are submitted twice a year to the Energy Commission ('EC'), demonstrating our adherence to regulatory requirements.

No.	GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY 2023	FY 2024	Targets	Progress for FY 2024
MATERIAL MATTER: CLIMATE MANAGEMENT AND RESILIENCE									
Energy									
2	**GRI 302: Energy**	**C4 (a) Energy Management**	**Energy Consumption**						
			Total energy consumption	**Non-Renewable Energy**					
				Company facilities/buildings					
				Electricity	Gigajoules ("GJ")	60,031.0	62,905.1		
				Total energy for company facilities:		60,031.0	62,905.1		
				Company Vehicles					
				Petrol	Gigajoules ("GJ")	1,037.8	907.0		
				Diesel	Gigajoules ("GJ")	241.6	311.0		
				Total energy for company vehicles:		1,279.4	1,218.0		
				Total Non-Renewable Energy:		61,310.4	64,123.1		
				Renewable Energy					
				Solar	Gigajoules ("GJ")	3,461.0	6,087.0		
				Total Renewable Energy:		3,461.0	6,087.0		
				Overall Total Energy Consumption:		64,771.4	70,210.1		
			Energy Intensity						
			Total energy intensity	Energy consumption related to financial performance measured in terms of revenue	GJ per RM million of revenue	69.2	73.0		

CLIMATE-RELATED DISCLOSURE

Climate change poses significant challenges and opportunities for businesses worldwide, and the pharmaceutical industry is no exception. This makes addressing climate change not only a matter of environmental responsibility but also a strategic business imperative. The physical and transitional impacts of climate change, such as extreme weather events and regulatory shifts, can disrupt operations, supply chains and market dynamics. At the same time, the growing demand for sustainable products and services presents avenues for innovation and growth.

By proactively assessing and addressing climate-related risks and opportunities ('R&Os'), we position ourselves as a resilient and forward-thinking leader in the healthcare sector, committed to delivering long-term value to stakeholders while supporting global efforts to combat climate change. In alignment with global climate frameworks, our climate strategy spans across the 4 themes of Governance, Strategy, Risk Management and Metrics and Targets.

Governance

Our sustainability governance framework ensures the integration of climate-related considerations into all levels of decision-making. The Board drives strategic alignment, embedding sustainability into the Group's core purpose and long-term vision while overseeing the approval and monitoring of initiatives. The RSC enhances governance by addressing climate-related R&Os and ensuring alignment with stakeholder priorities. At the management level, the GSMC identifies and manages climate-related R&Os, while the GSTC provides specialized expertise to advance practical implementation.

Risk Management

We employ a structured approach to manage climate-related R&Os by incorporating them into our enterprise risk management framework. This approach includes assessment of physical and transition risks to prioritize mitigation efforts, collaborating with stakeholders to address supply chain vulnerabilities, and implementing robust business continuity plans to ensure resilience against potential climate-related disruptions.

Strategy

We have integrated climate considerations into our strategic planning to enhance resilience and capitalize on emerging opportunities. Key initiatives include conducting a climate R&Os assessment to identify material risks and opportunities, expanding into sustainable markets, investing in green technologies to reduce our operational carbon footprint, and enhancing supply chain resilience. Moving forward, we are committed to developing comprehensive climate mitigation and adaptation strategies to address the challenges of climate change effectively.

Metrics and Targets

To measure progress and demonstrate accountability, we actively monitor and report GHG emissions across Scope 1, Scope 2 and Scope 3. Our decarbonization efforts include reducing GHG emissions by transitioning to renewable energy sources and improving energy efficiency, reducing water usage across operations to address water stress, and adopting sustainable packaging and recycling practices to minimize waste. In the near future, we aim to establish clear metrics and targets related to our environmental footprint, specifically on emissions, energy, waste, water and effluents, and material management.

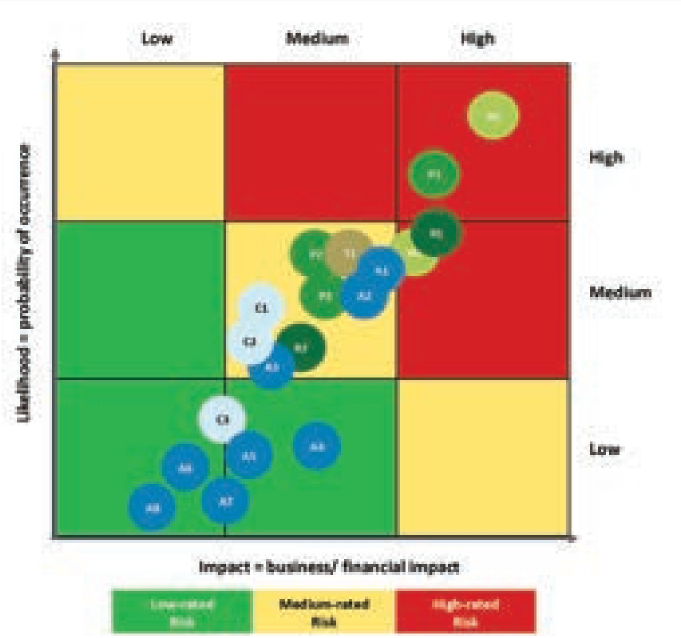
Climate-related Risks and Opportunities Assessment

In 2024, we initiated our climate reporting journey by conducting a thorough assessment of climate R&Os in alignment with the ISSB IFRS S2 standard. This effort is aimed at enabling us to embed climate considerations into strategic and operational decision-making. By identifying these climate-related R&Os, we aim to mitigate operational disruptions, adapt to evolving regulations and market dynamics, strengthen resilience against risks and capitalize on sustainable market opportunities.

To further strengthen our assessment procedure, we have implemented a structured prioritization framework. Climate-related risks are ranked based on likelihood (probability of occurrence) and potential business or financial impacts, while climate-related opportunities are evaluated across Desirability, Occurrence, Technical Feasibility and Resource Feasibility factors. This structured approach enables us to focus on the most material risks and the highest-value opportunities, driving informed decision-making and targeted action.

Building on this foundation, we plan to advance our climate reporting through quantitative financial impact assessments, scenario analyses and the development of mitigation and adaptation strategies, ensuring overall alignment with ISSB IFRS S1 and S2 standards, as well as Malaysia's NSRF requirements.

Climate-related Risks

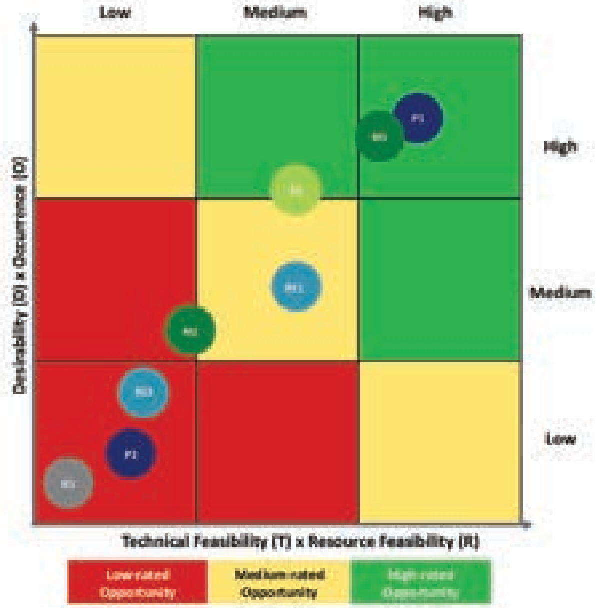


Climate-related Risks Heatmap

Rank	Physical Risks		
	Identified Risks		Impacts to AHB Group
#1	A1	**Acute:** Flood (e.g., coastal, river, urban)	Flooding can disrupt manufacturing and distribution processes, leading to delays in product delivery.
#2	A2	**Acute:** Water stress	Pharmaceutical manufacturing requires substantial water use. Limited availability of clean water can increase production costs and impact operational efficiency.
#3	C1	**Chronic:** Rising mean temperature	High temperatures can compromise the storage and transport of temperature-sensitive products, necessitating enhanced refrigeration measures.
#4	C2	**Chronic:** Change in precipitation	Erratic rainfall can disrupt supply chains, leading to increased procurement costs and potential production delays.
#5	A3	**Acute:** Extreme heat	Prolonged heat waves can strain energy systems, increase operational cooling costs and reduce energy efficiency, impacting overall productivity.
#6	A4	**Acute:** Cyclone	Strong winds and storms can damage facilities, leading to costly repairs and operational disruptions.
#7	C3	**Chronic:** Sea level rise	Facilities located in coastal areas face long-term risks of flooding and erosion, necessitating costly investments in protective infrastructure and relocation planning.
#8	A5	**Acute:** Wildfire	Wildfires near key operational sites or supply chain routes can disrupt logistics, pose safety risks to workers, and lead to temporary shutdowns.
#9	A6	**Acute:** Landslide	Particularly relevant in regions with hilly terrain, landslides can block transportation routes, delaying supply chains.
#10	A7	**Acute:** Earthquake	While rare, seismic activity can cause significant structural damage to facilities and disrupt operations.
#11	A8	**Acute:** Tsunami	Operations near coastal areas are at risk of extensive damage from tsunamis, which can result in prolonged operational disruptions.
Rank	**Transition Risks**		
	Identified Risks		**Impacts to AHB Group**
#1	M1	**Market:** Rising Raw Material Costs	Raw material costs are likely to rise due to increased demand for eco-friendly materials and stricter sourcing requirements. This can result in higher production costs and pricing pressures.
#2	P1	**Policy & Legal:** New Sustainability Reporting Requirements	Adapting our reporting processes to ensure compliance with NSRF involves investing in data collection systems and capacity building. Non-compliance could result in penalties or reputational damage.
#3	R1	**Reputation:** Changes in Consumer Preferences	Aligning product offerings and practices with evolving consumer preferences is required to maintain brand loyalty and market share. Failure to do so could lead to reputational risks and loss of competitiveness.
#4	M2	**Market:** Shifting Customer Behaviour	Customers, including healthcare providers and pharmaceutical distributors, are prioritizing suppliers with strong ESG credentials. Meeting these expectations is crucial to secure contracts and sustain revenue streams.
#5	T1	**Technology:** Transitioning to Low-emission Technologies	Adoption of low-emission technologies is critical to reducing our carbon footprint. This transition involves significant capital expenditure and potential operational disruptions during implementation.
#6	P2	**Policy & Legal:** Carbon Tax	The introduction of carbon taxes could increase operational costs, particularly for energy-intensive activities. Expanding energy efficiency measures and renewable energy sources may be necessary to mitigate potential financial impact.
#7	P3	**Policy & Legal:** Exposure to Litigation	Potential litigation risks for non-compliance with environmental regulations or failure to meet sustainability commitments are increasing. Proactive risk management is essential to mitigate this exposure.
#8	R2	**Reputation:** Greenwashing	Misrepresentation of sustainability initiatives and disclosure could lead to allegations of greenwashing, damaging AHB's reputation and eroding stakeholder trust.

SUSTAINABILITY STATEMENT (CONT'D)

Climate-related Opportunities



Climate-related Opportunities Heatmap

Rank	Opportunities		
	Identified Opportunities		Impacts to AHB Group
#1	P1	**Products & Services:** Increased demand for healthcare products	Climate change can exacerbate health issues such as heat-related, vector-borne and waterborne diseases, driving greater demand for healthcare products. AHB is well-positioned to capitalize on this demand, leveraging our established reputation and operational capabilities to meet emerging healthcare needs in affected regions.
#2	M1	**Market:** Expansion into new market	Sustainability trends create opportunities to enter markets prioritizing eco-friendly medical products and services, allowing AHB to grow its presence and diversify revenue streams.
#3	E1	**Energy Sources:** Use of lower emission sources of energy	Transitioning to renewable energy, such as solar helps reduce carbon emissions and operational costs, while also addressing regulatory pressures and carbon tax exposure.
#4	RE1	**Resource Efficiency:** Sustainable packaging and waste reduction	Using eco-friendly packaging materials and reducing waste can lower environmental impact, appeal to eco-conscious consumers and improve compliance with regulations.
#5	M2	**Market:** Sustainable supply chain	Developing a sustainable supply chain enhances resilience to disruptions, supports regulatory compliance and strengthens relationships with eco-conscious external stakeholders.
#6	RE2	**Resource Efficiency:** Improving energy and operation efficiency	Adopting energy-efficient technologies and streamlining processes can cut costs and reduce emissions, supporting AHB's competitiveness while advancing sustainability goals.
#7	P2	**Products & Services:** Green pharmaceuticals	Developing and marketing environmentally friendly pharmaceutical products provides AHB with a competitive edge in a market increasingly driven by sustainability values.
#8	R1	**Resilience:** Improvements to the Business Continuity Planning ('BCP')	Strengthening BCP by integrating proactive measures such as climate scenario planning and risk mitigation strategies will enhance protection against supply chain interruptions, extreme weather events and other climate-driven challenges.

ENVIRONMENTAL IMPACT MANAGEMENT

WHY IT MATTERS

In addressing our environmental impact, we take a proactive and comprehensive approach focused on four key areas: waste management, water and effluents, resources and materials, and environmental compliance. These efforts ensure we meet or exceed regulatory requirements while strengthening our reputation for responsibility and accountability among our stakeholders.

Beyond compliance, our environmental stewardship initiatives drive operational efficiency, optimize processes and contribute to the preservation of natural resources. These efforts not only protect the environment for future generations but also align with stakeholder expectations and support our organizational vision of sustainable growth.

OUR APPROACH

Waste Management

Our waste management approach delivers dual benefits by advancing our sustainability objectives while supporting corporate goals. Through initiatives focused on waste reduction, regulatory compliance and recycling practices, we effectively mitigate risks linked to improper waste management, while enhancing operational and cost efficiencies. Additionally, responsible waste practices protect the environment, minimize public health risks from hazardous materials, and promote cleaner environments that benefit society as a whole.

Our waste management initiatives, as detailed below, features practices designed to minimize waste generation during the manufacturing process, strengthen recycling efforts across our operations, ensure full regulatory compliance, and contribute to the reduction of pharmaceutical waste.

Our Waste Management Initiatives

Initiative	Practices
Waste Categorization and Effective Inventory Planning	• **Waste Categorization Procedures:** Our waste categorization processes efficiently differentiate between scheduled and non-scheduled waste. • **Effective Inventory Planning:** System technologies are used to streamline inventory planning, preventing excessive stock and minimizing write-offs.
Reject Management and Variance Analysis	• **Reject Management and Approval Process:** We systematically manage and record rejections during production and Quality Control ('QC') phases. • **Variance Analysis:** Production variances are thoroughly analyzed to identify improvement opportunities and minimize waste during the manufacturing process.
Regulatory Framework Adherence and eSWIS Implementation	• **Regulatory Compliance:** We strictly adhere to frameworks such as the Environmental Quality Act ('EQA') 1974 and Environmental Quality (Scheduled Wastes) Regulations 2005. • **Electronic Schedule Waste Information System ('eSWIS'):** The implementation of eSWIS ensures accurate segregation, handling and reporting of hazardous waste.
Recycling Practices for Sustainable Operations	• **Manufacturing Site Recycling:** We prioritize recycling plastic materials and packaging, including wooden pallets. • **Tracking and Monitoring:** Recycling efforts are tracked, materials quantified, and detailed records maintained. • **Distribution Site Recycling:** Recycling practices are integrated into delivery processes, focusing on materials like paper, plastic and metal. • Total Waste Diverted from Disposal in 2024: 126.2 metric tons or 56% of total waste.
Regular Waste Audits for Continuous Improvement	• **Waste Monitoring:** Specific targets and thresholds are set to address deviations proactively. • **Annual Review:** Yearly evaluations of waste management practices help identify improvements and set future targets. • **ISO 14001:2015 Standards:** Efforts are underway to secure ISO 14001:2015 Environmental Management Systems by 2025. • In 2024, we reduced the total amount of waste generated by 27.4 metric tons, representing an 11% reduction.

Initiative	Practices
Industry Collaboration	• **Partnerships:** We collaborate with Kualiti Alam Sdn Bhd for pharmaceutical waste incineration and landfill management. • **Certification:** We are actively working to achieve full compliance with the EQA by certifying competent personnel under the Environmental Professional Certification Program by the Department of Environment ('DOE').
Responding to Incidents and Disposal of Expired Drugs	• **Incident Response:** Robust processes ensure quick identification and resolution of incidents such as spills or violations. In 2024, no such incidents were recorded. • **Safe Disposal of Expired Drugs:** Partnering with certified contractors ensures responsible disposal of expired drugs, supporting regulatory compliance and preventing potential environmental harm or misuse of expired drugs.

No.	GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY 2023	FY 2024	Targets	Progress for FY 2024
MATERIAL MATTER: ENVIRONMENTAL IMPACT MANAGEMENT									
Waste									
3	**GRI 306: Waste**	**C10 (a) Waste Management: Total waste generated**	**Waste Generated**						
			Total weight of waste generated	Scheduled and non-scheduled waste	Metric Tonnes (t)	251.0	223.6		
			Waste Diverted from Disposal						
			Total weight of waste diverted from disposal	**Non-Scheduled Waste**					
				Paper Waste	Metric Tonnes (t)	106.0	83.5		
				Plastic Waste		27.0	24.2		
				Plastic Drum		20.7	18.5		
				Metal Waste		0.03	0.00		
				Total Non-Scheduled Waste:		153.7	126.2		
			Waste Directed to Disposal						
			Total weight of waste directed to disposal	**Scheduled Waste**					
				Electronic waste	Metric Tonnes (t)	0.4	0.9		
				Dry sludge		30.3	41.0		
				Oil & sludge		6.9	7.5		
				Discarded drugs (on-site)		55.1	9.1		
				Discarded drugs (off-site)			33.9		
				Used activated carbon		0.4	0.0		
				Used ink/toner cartridges		0.1	0.2		
				Used lab chemical		4.0	4.8		
				Total Scheduled Waste:		97.2	97.4		
			Waste Disposal Method						
			Total weight of waste disposed using the following disposal methods	**Non-Scheduled Waste**					
				Recycling	Metric Tonnes (t)	153.7	126.2		
				Total Non-Scheduled Waste:		153.7	126.2		
				Scheduled Waste					
				Incineration	Metric Tonnes (t)	97.2	97.4		
				Landfill					
				Total Scheduled Waste:		97.2	97.4		

Water and Effluents Management

As a vital resource in our manufacturing processes, we recognize that responsible sourcing, consumption, treatment, and discharge of water and effluents are matters of crucial importance. These practices go beyond mere compliance, playing a key role in enhancing operational efficiency, reducing costs, mitigating risks and optimizing resources. Additionally, responsible water management benefits society by supporting environmental sustainability, safeguarding public health and preserving water resources for future generations.

We are committed to continually expanding our initiatives in water and effluent management, improving our practices annually and collaborating with stakeholders to promote sustainable water stewardship. A summary of our ongoing initiatives is provided below.

Our Water and Effluent Management Initiatives

Water Consumption Monitoring and Efficiency	• **Establishment of Key Performance Indicators ('KPIs'):** We have developed KPIs aimed at improving water efficiency, with clear targets designed to drive collective action across the organization. • **Monitoring and Reviews:** Regular monitoring of water usage and periodic reviews of collected data enable us to refine our water management strategies. This iterative approach ensures continuous improvement in water efficiency practices.
Effluent Quality Assurance	• **Weekly Monitoring Checks:** XEPA's in-house technician conducts weekly checks to monitor critical effluent quality parameters, ensuring consistent compliance with environmental regulations and standards. The results are submitted via the DOE's Online Environmental Reporting application. • **In-House Lab Enhancement:** We continue to invest in enhancing our in-house laboratory capabilities for effluent quality analysis. This enables precise monitoring of key parameters and allows for swift corrective actions in the event of any deviations. • **External Sampling Audits:** Through collaboration with an external contractor, we conduct monthly sampling audits to independently assess effluent quality, ensuring adherence to environmental standards.
Water Recycling	• **Diverting Water Discharge to HVAC Cooling Tower:** During our year-end maintenance shutdown, we implemented a system to redirect concentrate water discharge from the purified water system to the HVAC cooling tower. This initiative reduces water consumption, while effectively increasing the percentage of water recycled within our operations.

SUSTAINABILITY STATEMENT (CONT'D)

No.	GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY 2023	FY 2024	Targets	Progress for FY 2024
MATERIAL MATTER: ENVIRONMENTAL IMPACT MANAGEMENT									
Water and Effluents									
4	**GRI 303: Water and Effluents**	**C9(a) Water: Total volume of water used**	**Water Consumption**						
			Total volume of water consumption broken down by property	XEPA	Megaliters (ML)	103.2	136.3		
				APS		0.9	0.9		
				APM/ABIO		5.5	5.6		
				Total Water Consumption:		109.6	142.8		
			Water Withdrawal						
			Total volume of water withdrawal broken down by source	Municipal water	Megaliters (ML)	109.6	142.8		
				Total Water Withdrawal:		109.6	142.8		
			Water Intensity						
			Total volume of water withdrawal intensity	Water withdrawal related to financial performance measured in terms of revenue	ML per RM million of revenue	0.1	0.1		
		S8 (a) Effluents: Total volume of water (effluent) discharge over the reporting period	**Water (Effluents) Discharge**						
			Total volume of wastewater/ effluents discharge	Waste water / effluents discharged into treatment facilities	Megaliters (ML)	9.7	12.2		
				Total Water (Effluents) Discharge:		9.7	12.2		

Resources and Materials Management

In driving responsible utilization of materials, we focus on the sustainable procurement and sourcing of essential raw materials for our business, including Active Pharmaceutical Ingredients ('APIs'), Non-Active Pharmaceutical Ingredients (Excipients) and packaging materials. These materials are crucial to the quality, reliability and sustainability of our products. We remain committed to addressing stakeholder concerns around ethical sourcing, environmental impact and supply chain sustainability.

Our rigorous supplier approval processes ensure that only reliable, quality-focused suppliers are selected. We further support the continuous improvement of their practices through collaborative learning initiatives. Alongside this, we prioritize yield monitoring, recall analysis and waste reduction to promote efficient resource use and minimize our environmental footprint. Our key efforts in optimizing the management of materials are listed below.

Sustainable Sourcing and Efficient Resource Management

Consistently Advancing Sustainable Sourcing Practices	• **Regular Assessments of Industry Best Practices:** We stay updated on industry trends and periodically evaluate how other organizations in the industry approach sustainable raw material sourcing, enabling us to stay at the forefront of developments. This practice helps us identify and adopt innovative and effective strategies to enhance our sourcing practices.
Alternative Material Evaluation	• **Active Evaluation of Alternative Materials:** Our procurement team conducts ongoing assessments to identify and evaluate alternative materials. These efforts prioritize sustainable sources that align with environmental and ethical standards. • **Engagement with Suppliers Offering Eco-friendly Raw Materials:** We are exploring engagements with new and existing suppliers who provide eco-friendly and sustainably sourced raw materials, forging partnerships to promote sustainable practices and achieve top environmental standards. • **Integration of Sustainable Sources into the Supply Chain:** We endeavor to integrate sustainable sources into our raw material supply chain. By doing so, we aim to enhance and diversify our procurement processes, ultimately supporting our long-term sustainability goals.

Aligning Market Demand, Production Planning and Product Expiry	• **Market Demand Coordination:** We regularly assess market demand for our products and collaborate closely with sales and marketing teams to gather accurate and up-to-date demand forecasts. Additionally, we utilize historical data and market trends to effectively project future demand. • **Production Planning Alignment:** We coordinate with the production department to align manufacturing schedules with market demand. By adjusting production quantities based on forecasted demand, we prevent overproduction while prioritizing the production of high-demand items, ensuring that resources are used efficiently. • **Expiry Date Prioritization:** We implement the First Expired First Out ('FEFO') concept in our distribution process to ensure the timely shipment of products based on their expiry dates. This approach optimizes the utilization of our products and reduces pharmaceutical waste. • **Efficient Inventory Management:** We manage inventory levels to prevent excess stock accumulation and minimize the risk of stock obsolescence. By leveraging market demand insights, we adjust inventory levels to avoid wastage.
Production Yield Monitoring	• **Emphasizing Yield Monitoring in Production:** To promote resource conservation and minimize waste, we prioritize rigorous yield monitoring throughout our production processes to ensure production batches consistently meet efficiency standards. When yields fall outside specified parameters, incidents are thoroughly analyzed, and corrective actions are implemented to optimize production efficiency.

No.	GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY 2023	FY 2024	Targets	Progress for FY 2024
MATERIAL MATTER: ENVIRONMENTAL IMPACT MANAGEMENT									
Materials									
			Materials Used (by weight or volume)						
5	**GRI 301: Materials**	**S5 (a) Materials: Total weight or volume of materials that are used to produce and package products and services**	**Total weight or volume of materials that are used to produce and package products and services**	Weight of raw materials used	kilograms (kg)	-	1,345,403		
				Weight of packaging materials used	kilograms (kg)	-	1,397,076		
				Total Weight of Materials Used:		-	2,742,479		

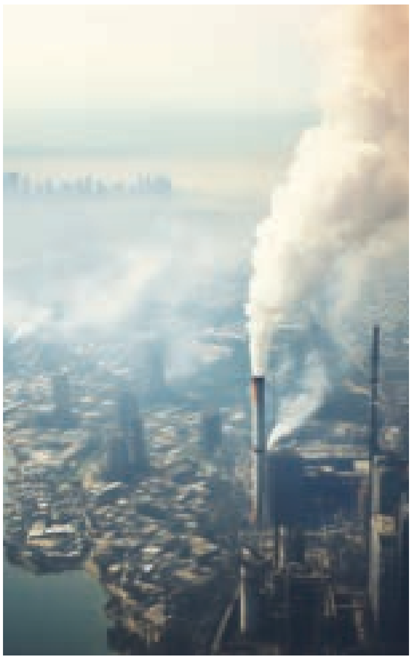
Note: - denotes that data was not tracked or disclosed in FY 2023

Pollution Management

We are dedicated to managing pollution in all its forms to minimize our environmental impact while ensuring compliance with all regulatory requirements. In terms of liquid pollutants, effluent water discharge from our Industrial Effluent Treatment System ('IETS') is rigorously analyzed, monitored, and reported to the DOE via the Online Environmental Reporting System. This process includes maintaining detailed internal measurement records and conducting external laboratory analyses, with robust audit trails to ensure no harmful substances are released into the environment. For more information, please refer to the *Water and Effluents Management* section.

Solid pollutants, such as expired drugs, discarded pharmaceutical products and dry sludge from the IETS, are responsibly managed through collaboration with licensed vendors in Malaysia and Singapore. These scheduled wastes are disposed of through incineration or landfill, depending on their classification, ensuring compliance with environmental regulations and preventing adverse impacts. Please refer to the *Waste Management* section for further details.

Our operations are free from gas pollutants, as our manufacturing processes are smoke-free and do not generate any gaseous byproducts. Our responsible approach to effectively managing pollution underscores our commitment to protecting air quality and maintaining environmentally sustainable practices across our operations.



Environmental Compliance

We are dedicated to achieving environmental compliance and promoting sustainability across all aspects of our operations, from manufacturing to distribution. By adhering to regulatory frameworks designed to protect the environment and advance sustainable practices, we safeguard natural resources and contribute to societal and economic well-being. Notably, in 2024, we recorded zero incidents of non-compliance with environmental regulations, underscoring the effectiveness of our efforts.

Our commitment to environmental compliance is reflected in the involvement of skilled personnel and the implementation of initiatives to ensure continuous monitoring and adherence to regulations. XEPA's pursuit of ISO 14001:2015 Environmental Management Systems ('EMS') certification further underscores our dedication to meeting international standards and enhancing our environmental performance.

Driving Environmental Compliance

Pursuit of ISO 14001:2015 EMS certification	• **Achieving ISO 14001:2015 certification by 2025:** As the internationally recognized standard for EMS, ISO 14001:2015 will provide us with a framework for managing and improving our environmental performance. From resource usage and waste management to monitoring environmental performance and stakeholder engagement, ISO 14001:2015 ensures we take proactive steps to minimize our environmental footprint while ensuring legal compliance and the achievement of our environmental objectives. XEPA is actively pursuing the achievement of ISO 14001:2015 certification by 2025.
Ongoing Compliance Tracking	• **Internal Assessment Protocols:** Following ISO 14001:2015 certification, we will implement systematic processes to continuously monitor and track environmental compliance throughout our operations. These protocols will include tracking key environmental indicators, setting criteria for evaluating adherence to regulatory standards and identifying opportunities for continuous improvement.

Social Pillar:

DELIVERING POSITIVE IMPACTS

Related Material Matters

- Health and Safety
- Talent Management
- Community/Society

HEALTH AND SAFETY

WHY IT MATTERS

Health and safety are fundamental principles that align closely with our mission, *'Restoring Health, Enhancing Life'*. As a pharmaceutical organization, we understand the profound significance of ensuring the well-being of our workforce while also acknowledging the responsibility we bear for those who entrust their health to our products.

Through our prioritization of safety and health within our organization and beyond, we enhance the security and productivity of our workforce, strengthen our reputation as a trusted corporate entity among stakeholders, and contribute to the overall well-being of the communities we serve.

OUR APPROACH

Diverse workforce of **988** employees

OCCUPATIONAL SAFETY AND HEALTH ('OSH')

Upholding robust occupational safety and health amongst our diverse workforce of 988 employees is vital for fostering a positive and productive work environment. By enforcing stringent workplace safety protocols and complying with relevant safety and health laws, we enhance employee morale and productivity. A safe work environment reduces the risk of work-related injuries, providing employees with peace of mind while minimizing downtime caused by illness or accidents. This, in turn, diminishes disruptions to our operations and improves business efficiency.

Our commitment spans every aspect of workplace safety, from ensuring legal compliance and maintaining top industry standards to effective risk identification, comprehensive training and robust employee support systems. We leave no stone unturned in our pursuit of creating safe and healthy working conditions across all our operations.

Fostering a Robust OSH Culture

Our commitment to fostering a safety-centric culture is aimed at embedding a strong focus on health and safety across our organization, ensuring compliance with safety regulations to prevent accidents, injuries and health hazards. Our practices include the proper use of protective equipment, regular maintenance of machinery to avoid malfunctions, maintaining cleanliness and providing proper ventilation, lighting and ergonomic furniture to prevent strain and injury. We have also implemented comprehensive fire safety measures, including accessible extinguishers, functional alarms and well-practiced evacuation plans.

We provide regular safety training to equip employees with the knowledge and skills needed to operate equipment safely, identify hazards and respond to emergencies, alongside offering relevant information, instruction and supervision to ensure safe work practices. In support of mental health, our wellness initiatives provide resources such as counselling and wellness programs to help employees manage stress and maintain their overall well-being.

Additionally, we actively encourage employee participation in health and safety activities, inviting them to contribute ideas, assist in hazard identification and propose innovative solutions. This inclusive approach values workforce contributions, ensuring continuous improvement in safety standards and reinforcing a strong OSH culture. In 2024, we achieved our target of zero fatalities, while recording a Lost Time Incident Rate ('LTIR') of 0.5, well below our target of 1.

Upholding Compliance

The implementation of a wide range of initiatives, as outlined below, ensures continuous compliance with all relevant safety and health regulations:

- **Medical Surveillance Program:** We periodically track employees' health to detect potential work-related illnesses or exposure to hazardous substances during their duties, ensuring a proactive approach to upholding a safe workplace environment.

- **Hazard Identification, Risk Assessment and Risk Control ('HIRARC'):** Our approach to HIRARC fosters collaboration between employers and employees to jointly identify and assess workplace health and safety risks, driving the effective implementation of mitigation measures. Our robust HIRARC framework includes:

  - Reviewing and updating safety policies and procedures;
  - Monitoring regulatory compliance across operations;
  - Promoting safety awareness through targeted training programs;
  - Conducting investigations and reporting of workplace accidents;
  - Recommending and implementing safety improvements;
  - Enhancing emergency preparedness and response mechanisms; and
  - Routine health monitoring and medical surveillance.

- **Permit to Work for Contractors:** We issue permits to contractors before they begin work to control and monitor safety-related activities. This formal process ensures contractors follow internal safety guidelines and address health and safety concerns during their tasks.

- **Meeting New Regulations:** In line with the Occupational Safety and Health (Plants Requiring Certificate of Fitness) Regulations 2024, we ensure all applicable equipment, such as electric boilers, air receiver tanks, autoclaves and lifts, meet certification requirements.

- **Fire Safety:** We maintain our Fire Certificate, which is renewed annually as required by the Fire Services Act 1988. Additionally, we conduct regular fire drills to ensure employees remain informed and prepared for emergencies.

- **OSH Coordinator:** In addition to XEPA's Safety and Health Officer, we have appointed OSH Coordinators at APM and ABIO to monitor safety and health performance while implementing initiatives to enhance existing practices and ensure continuous improvement.

ISO 45001:2018 Occupational Health and Safety Management Systems Certification for XEPA

We are proud to announce that in 2024, XEPA successfully secured accreditation for ISO 45001:2018 Occupational Health and Safety Management Systems for the Manufacturing and Distribution of Pharmaceutical Products and Medical Devices from both the Department of Standards Malaysia and the United Kingdom Accreditation Service (UKAS). ISO 45001:2018 provides an internationally recognized framework for managing occupational health and safety risks, enabling organizations to systematically assess hazards and implement effective risk control measures. This leads to reduced workplace injuries, illnesses, and incidents, underscoring our strong commitment to maintaining a safe and healthy work environment, protecting our employees, and continually improving our occupational health and safety practices.

As we continuously enhance our safety and health policies and practices, we remain dedicated to upholding this prestigious certification by meeting the requirements of mandatory annual surveillance and full compliance audits every three years.

Health and Safety Teams

To strengthen the leadership, management and oversight of health and safety matters, we have instituted various committees and teams to address key challenges and drive continuous improvements.

- **XEPA Safety and Health Committee:** Chaired by the Executive Director of XEPA, this committee comprises the Safety and Health Officer, along with employer and employee representatives to ensure balanced representation. The committee is tasked with addressing workplace health and safety issues, ensuring compliance with regulations and developing strategies to mitigate hazards and risks effectively.

- **Emergency Response Team ('ERT'):** XEPA's ERT is led by the Safety and Health Officer, who serves as the Incident Commander. The team comprises members from various departments, each adequately trained on topics such as objectives, structure, duties, competencies, communication protocols and resource management. This comprehensive training equips ERT members to handle roles such as Firefighter, Fire Rescuer, First Aider, Evacuation Coordinator and Traffic Controller, ensuring preparedness for emergencies.

- **Occupational Health and Safety Management Systems ('OHSMS') Committee:** Following the achievement of ISO 45001:2018 OHSMS certification, XEPA has established the OHSMS Committee to oversee the documentation, implementation, and maintenance of health and safety management systems in alignment with ISO 45001:2018 standards.

SUSTAINABILITY STATEMENT (CONT'D)

Training, Education and Awareness

Our commitment to workplace safety begins with ensuring that all employees are well-informed, competent and prepared to uphold health and safety standards. New hires participate in comprehensive safety briefings as part of their induction, while periodic refresher training keeps existing employees updated on policies, protocols and the consequences of non-compliance. In 2024, a total of 986 employees underwent health and safety training, denoting an impressive participation rate of 99.8%. This high level of engagement reflects our dedication to fostering a strong safety culture and ensuring a well-prepared workforce.

To support employee well-being, we regularly organize health and wellness talks. In 2024, two notable sessions were held: *Fatty Liver – The Silent Epidemic* by Dr Mohd Hanizam from Oriental Medical Centre on 3rd August 2024, and *Back Pain and How to Manage It* by Encik Muhammad Shahril from Mahkota Medical Centre on 3rd October 2024.

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986 employees
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99.8%

We also prioritize competency certifications for selected employees, ensuring they possess the skills and qualifications necessary to perform specific tasks safely and effectively. These certifications are earned through structured training programs, assessments, and adherence to regulatory or industry benchmarks. Key certifications within our workforce include:

- Safety and Health Officer Certification
- Registered Electrical Energy Manager
- Certified Environmental Professional in Scheduled Waste Management

To further enhance employee awareness, we held our Annual Safety, Health and Environment Week from 5th to 9th August 2024. This event featured a range of engaging activities, including health talks, insurance briefings and general safety awareness sessions. Highlights included a special briefing on occupational health and safety and a presentation on the *Contribution Obligations & Benefits of PERKESO*.

No.	GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY 2023	FY 2024	Targets	Progress for FY 2024
MATERIAL MATTER: HEALTH AND SAFETY									
Occupational Health and Safety									
1	**GRI 403: Occupational Health and Safety**	**C5 (a) Health and Safety: Number of work-related fatalities**	**Work-related Fatalities**						
			Total number of work-related fatalities	Total number of hours worked	Hours	1,836,384	2,271,285	Zero work-related fatalities	Achieved
				Number of fatalities	Count	0	0		
				Rate of fatalities	Rate per 200,000 hours	0	0		
		C5 (b) Health and Safety: Lost time incident rate	**Lost Time Incident Rate**						
			Lost time incident rate	Lost Time Incident Rate (LTIR)	Rate per 200,000 hours	0	0.5	LTIR not exceeding 1	Achieved
		C5 (c) Health and Safety: Employees trained on health and safety standards	**Employees Trained on Health and Safety Standards**						
			Total number of employees trained on health and safety standards	Total number of employees	Count	841	986	100% of employees trained on health and safety standards	We achieved participation rate of 99.8% in 2024. Measures are being implemented to ensure full participation in future training sessions.

CUSTOMER HEALTH AND SAFETY

With our business focused on delivering pharmaceuticals, consumer healthcare products and medical devices, ensuring customer health and safety is a top priority for building trust and loyalty, meeting regulatory standards and addressing stakeholder expectations. In line with the Group's Growth Strategy of adopting a *Customer-Centric Approach*, we actively monitor evolving customer needs to develop innovative solutions that meet their health and safety expectations.

Our commitment is underpinned by robust policies, stringent processes and continuous vigilance in product safety. Central to this effort is our Electronic Quality Management System ('EQMS'), which streamlines and enhances our quality and safety protocols. This comprehensive approach ensures business continuity, mitigates compliance and reputational risks, and reinforces our reputation as a responsible and trusted pharmaceutical organization.

Product Quality Assurance

Our dedication to product quality is woven into every stage of the product lifecycle, from design and development to manufacturing, storage and transportation. We conduct comprehensive evaluations of design and development processes to ensure alignment with pharmaceutical quality systems, International Council for Harmonization of Technical Requirements for Pharmaceuticals for Human Use ('ICH'), and Pharmaceutical Inspection Co-operation Scheme ('PIC/S') requirements. These evaluations also support the implementation of continuous improvement strategies.

Throughout manufacturing, stringent quality checks are conducted at every stage. These include laboratory-based QC testing of raw materials and packaging components based on health authority-approved specifications, independent checks by the in-process quality assurance team, as well as in-house testing. The culmination of these processes results in the creation of a Certificate of Analysis ('COA'). Our quality assurance team only releases products that comply with specifications in line with Good Manufacturing Practice ('GMP') standards.

Beyond manufacturing, SOPs have been implemented to uphold quality during product storage and transportation, safeguarding the integrity of pharmaceuticals during delivery to customers across hospitals, clinics and pharmacies. By integrating pharmaceutical quality systems and adhering to ICH guidelines and PIC/S requirements, we maintain the highest standards of quality, ensuring our products meet or exceed regulatory requirements.

Supply Chain Safety

Ensuring safety across the entire supply chain is a critical priority, and we have implemented a range of measures to achieve this objective. A key initiative is the introduction of tamper-evident packaging for pharmaceutical products. This packaging provides a clear visual indication if the product has been compromised or tampered with, protecting the safety and integrity of the medication and instilling confidence in our customers and consumers.

To maintain the highest standards of product quality, we have established SOPs to outline recommended storage conditions for pharmaceutical products. These SOPs act as reference guides for external parties, enabling them to maintain optimal storage conditions and preserve the quality of medicines during storage. Complementing this, we have developed and implemented SOPs for environmental monitoring in storage and distribution areas, controlling factors such as temperature and humidity. These measures ensure product stability and minimize contamination risks throughout the supply chain.

SUSTAINABILITY STATEMENT
(CONT'D)

Our unwavering commitment to supply chain safety is further emphasized by strict adherence to pertinent standards and guidelines, including Good Distribution Practice ('GDP') and Good Distribution Practice for Medical Devices ('GDPMD'). These internationally recognized standards guarantee the quality, safety and efficacy of our products at every stage of the supply chain, from manufacturing to delivery to hospitals, clinics, and pharmacies.

Customer Education

At the core of our commitment to customer well-being is ensuring that customers fully understand the safe and effective use of our pharmaceutical products. To achieve this, we provide comprehensive product information through pack inserts or leaflets, explicitly detailing indications and usage instructions. Additionally, our brand websites act as accessible resources, offering guidance on product use and safety.

A robust governance and oversight framework underpins the development of promotional materials, ensuring accuracy, transparency, and strict compliance with regulatory standards. Regulatory personnel meticulously review marketing materials for alignment with guidelines, with final approval granted by our key regulatory personnel and the head of commercial divisions. This multi-layered review process ensures the integrity and reliability of communications.

To enhance internal capabilities, we conduct continuous training for our sales team, focusing on critical topics such as product safety, pharmacovigilance, complaint handling and regulatory updates. These sessions empower our team to effectively communicate product benefits and safety measures to customers.

Our commitment extends to healthcare professionals, to whom we facilitate knowledge-sharing through webinars, seminars, and expert-led educational programs. These initiatives, especially during new product launches, provide valuable insights into product applications and disease state management, reinforcing our role as a trusted partner in the healthcare industry.

Product Recall Protocols

Safeguarding consumer health and safety is paramount, which is why we have implemented comprehensive product recall protocols designed to address potential health risks while maintaining strict compliance with relevant laws and regulations. These protocols, which outline clear procedures tailored to the severity of potential health impacts, are developed in alignment with various regulatory frameworks, including the Drug Registration Guidance Document issued by Malaysia's NPRA. Regular reviews of regulatory requirements ensure our recall procedures remain aligned with industry standards and best practices.

To maintain operational readiness, we conduct periodic mock recall exercises that simulate diverse scenarios, training our teams to respond swiftly and effectively during actual recalls. These exercises are regularly evaluated to identify areas for improvement, ensuring our processes remain robust and adaptable to evolving challenges.

In 2024, there were **ZERO** incidents of regulatory non-compliance related to customer health and safety that resulted in a fine, penalty or warning.

In 2024, there were zero incidents of regulatory non-compliance related to customer health and safety that resulted in a fine, penalty or warning. The 14 products recalled in 2024 involved non-Group branded items that we distribute on behalf of external suppliers. These recalls were initiated by the suppliers. Our distribution business segment renders full support to our suppliers and, through close collaboration, we are able to respond effectively to safeguard customer health and safety.

Electronic Quality Management System ('EQMS')

Since its introduction in 2020, our EQMS has been pivotal in driving operational efficiency, streamlining quality management processes and ensuring compliance with health and safety standards.

A standout feature of the EQMS is the digitalization of change control processes. This enables a systematic approach to assessing, approving and implementing changes, ensuring alignment with pertinent aspects of GMP and GDP to safeguard product quality. Additionally, this process facilitates transparent communication to relevant stakeholders, reinforcing accountability and trust.

The EQMS also incorporates a digitalized incident reporting system, providing a standardized platform for logging quality, manufacturing and distribution-related incidents. This system enables efficient root cause analysis and the implementation of corrective actions, ensuring timely and effective responses that reinforce our commitment to the highest regulatory and quality standards.

While the EQMS has been implemented at XEPA, efforts are underway to expand its deployment to other subsidiaries, including APS. This expansion reflects our dedication to strengthening quality management systems across the Group, ensuring consistent application of best practices and further bolstering customer safety and confidence in our operations.

Our Pharmacovigilance System

In line with our strong commitment to customer health and safety, we have implemented a comprehensive pharmacovigilance system designed to capture, investigate and manage safety-related issues promptly. Crafted in strict compliance with regulatory requirements, the system integrates seamlessly with our feedback channels, ensuring accessibility and responsiveness to safety concerns.

Our pharmacovigilance team undergoes rigorous and ongoing training focused on proper handling and interpretation of safety data, with an emphasis on accurate documentation and reporting. Annual training sessions incorporate the latest regulations and industry best practices, with additional learning resources provided to ensure the team remains updated and capable of handling emerging challenges.

To enhance monitoring and responsiveness, we have developed a streamlined mechanism for receiving feedback on pharmaceutical products. Procedures are established to assess the urgency of feedback, with prioritization based on the severity of reported adverse events in accordance with health authority guidelines. This ensures timely acknowledgement and swift response to safety concerns.

We have established SOPs for adverse event reporting, along with KPIs to monitor compliance and ensure effective handling of safety data and record-keeping. Regular evaluations of the team's performance against these KPIs drive continuous improvement and ensure alignment with regulatory standards.

No.	GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY 2023	FY 2024	Targets	Progress for FY 2024
MATERIAL MATTER: HEALTH AND SAFETY									
Customer Health and Safety									
2	**GRI 416: Customer Health and Safety**	**S3 (a) Customer Health & Safety / Product Responsibility**	**Product Assessed for Health and Safety Impacts**						
			Total number of products assessed for health and safety impacts	Products for which health and safety impacts are assessed for improvement	Count	123	123		
		S3 (b) Customer Health & Safety / Product Responsibility	**Non-Compliance Incidents**						
			Total number of incidents of non-compliance concerning the health and safety impacts of products and services	Incidents of non-compliance with regulations resulting in a fine or penalty	Count	0	0	Zero incidents of non-compliance resulting in a fine or penalty or warning	Achieved
				Incidents of non-compliance with regulations resulting in a warning		0	0		
		S3 (c) Customer Health & Safety / Product Responsibility	**Product Recalls**						
			Total number of products that have been recalled for health and safety reasons	Group-branded products	Count	13	0	Zero product recalls for Group-branded products	Achieved
				Non-Group branded products			14		
				Total:		13	14		

TALENT MANAGEMENT

WHY IT MATTERS

By fostering a high-performing and satisfied team, we not only sustain our operational excellence but also equip our business with the collective capabilities to achieve long-term growth and performance objectives. Recognizing the pivotal role employees play in driving progress, we have embedded this matter within the *'Commitment of a Career'* element of the Group's Growth Strategies, emphasizing the development of a competent and agile workforce fortified with the right talent for a future-ready organization.

Our approach to talent management prioritizes employee engagement, training and education, diversity and inclusion and safeguarding employee rights. These holistic efforts ensure our alignment with relevant labor regulations and the growing expectations of our diverse stakeholders, fostering a work environment where employees thrive, and the organization continues to grow.

OUR APPROACH

EMPLOYMENT

At the core of our employment strategy is the commitment to attracting, empowering and retaining the right talent to drive our organizational goals. We focus on a structured recruitment, development and retention process to ensure that we not only fill vacancies but do so with highly qualified candidates that may contribute to the success of the business. Our efforts in talent retention have yielded positive results, with our 2024 employee turnover rate of 16.5%, reflecting the successful achievement of our target to maintain annual turnover below 20%.

In tandem with recruitment efforts, we implement various development programs and initiatives to nurture talent and align their competencies with our organization's strategic goals. These include internships, management trainee programs and cross-functional/job rotation schemes, which broaden employees' skills, foster growth and prepare them to meet the organization's evolving needs.

Our efforts in talent retention have yielded positive results, with a 2024 employee turnover rate of **16.5%**, achieving our target of maintaining annual turnover below **20%**

ZERO complaints concerning human rights violations, demonstrating our strong commitment to fair labor practices, employee well-being and compliance with ethical standards

Ethical Employment Practices

Our commitment to ethical employment is embedded in our Human Resource Employment Policy, which defines clear and transparent employment terms in compliance with all applicable laws and regulations. These terms cover key aspects such as contract types, minimum wage requirements, remuneration, working hours, probation periods and procedures for resignation or termination. The policy guides the provision of fair and timely compensation, with employees offered competitive wages and benefits such as overtime pay, allowances, health insurance, retirement contributions and paid leave.

We maintain a zero-tolerance approach to child and forced labor, strictly prohibiting the employment of individuals under the age of 18. Compliance is rigorously enforced through verification of valid documentation, ensuring that all employment contracts are willingly entered into without coercion or the withholding of personal identification documents. Additionally, we uphold clearly defined job scopes and safeguard employees' rights, including their freedom of movement and protection from unfair labor practices.

In 2024, we recorded zero complaints concerning human rights violations, demonstrating our strong commitment to fair labor practices, employee well-being and compliance with ethical standards.

Recruitment Practices

Our recruitment process is structured to identify and hire the best candidate for each job opening while leveraging diverse channels to attract a wide pool of qualified applicants. These channels include our Staff Referral Scheme, participation in career fairs, online job search platforms and the engagement of recruitment consultants.

While we prioritize promoting or internally transferring existing employees based on their qualifications, experience, potential and track record, all internal candidates undergo the same interview process as external applicants. This ensures our recruitment practices remain impartial, effective and aligned with our organizational objectives.

XEPA's Pharmacist Recruitment Program

In line with our commitment to social responsibility and talent development, XEPA offers a comprehensive Pharmacist Recruitment Program for Provisionally Registered Pharmacists ('PRPs'). Recognized by the Pharmacy Board Malaysia as a designated Training Premise for PRPs, this initiative provides pharmacy graduates with hands-on work experience over a structured two-year contract.

The program immerses PRPs in both manufacturing and commercial settings, equipping them with a well-rounded understanding of the pharmaceutical business and preparing them for potential permanent roles within the company. Participants rotate across key departments, including Production, Quality and Regulatory Affairs, Research & Development, Sales & Marketing, Supply Chain and Logistics.

At the end of the program, a performance review evaluates participants' suitability for available roles at XEPA. High-performing candidates are offered permanent employment, ensuring a seamless transition into the organization and enriching the talent pool at XEPA. Currently, the program accepts four PRPs annually.

Management Trainee and Internship Programs

APM's Management Trainee Program is a comprehensive two-year initiative aimed at nurturing and developing young talents and fresh graduates by offering a holistic understanding of the business. Participants gain practical experience through rotations across key departments, including Sales and Marketing, Distribution and Logistics, HR, IT, and Finance. Each department's manager leverages defined competencies to identify areas for improvement and growth, setting performance expectations and creating tailored development plans that support both personal and professional development.

We also offer an Internship Program for degree or diploma undergraduates, providing 3 to 6 months of hands-on experience in specific departments aligned with their field of study. This program equips students with valuable workplace exposure, preparing them for future careers in the business.

Upon completion of both the Management Trainee and Internship Programs, participants undergo a thorough review process to assess their performance, acquired skills and overall suitability for permanent roles within the company. These initiatives play a crucial role in building a robust pipeline of talented individuals, strengthening the foundation of our workforce.

Cross-Functional Posting and Job Rotation

Our Cross-Functional Posting and Job Rotation program is designed to broaden employees' skill sets and enhance their versatility for future placements within the organization. This initiative allows employees to gain valuable experience in different roles or departments through attachments lasting between 6 to 12 months.

Participation is based on mutual agreement between the employee and their superior, ensuring alignment with career goals and organizational needs. By fostering adaptability and expanding expertise, this program supports the development of a versatile workforce, preparing employees for dynamic roles and future opportunities within the company.

SYNERGIZING WELL-BEING AND PRODUCTIVITY

Enhancing Health and Well-Being

We are deeply committed to promoting the well-being of our employees and cultivating a healthy workplace culture. Through a variety of health talks and engaging recreational activities, we enhance the overall employee experience while fostering a strong sense of community within the organization.

Regular health talks on topics, including mental health, provide valuable insights and resources, helping our employees stay informed on health awareness and preventive measures. We also provide periodic health screenings, easing the financial burden of routine check-ups and ensuring early detection of health concerns.

In addition to health-focused initiatives, we organize recreational and social activities such as sports, team-building exercises, festive celebrations and an annual dinner to further strengthen team camaraderie and promote work-life balance.

Elevating Workplace Facilities for Enhanced Productivity

Recognizing the importance of a conducive work environment, we introduced two employee-focused facilities at XEPA in 2023. The Xphilia Café offers a welcoming canteen space filled with natural light, comfortable seating and outdoor areas, fostering a positive and collaborative atmosphere for our growing team.

Meanwhile, the Conoscenz Office is a purpose-built space designed to support teams in Innovation & Development, Regulatory Affairs, Business Pipeline and Quality Assurance. This office is designed to inspire collaboration and creative problem-solving, driving progress and innovation for the organization. We also prioritize upgrading workplace facilities, ensuring that our physical spaces and amenities meet the evolving needs of our workforce and contribute to a comfortable and productive environment. In 2024, the Conoscenz Office was expanded to accommodate additional workstations, facilitating improved collaboration and productivity.

Bolstering Employee Engagement and Satisfaction

Our commitment to fostering a positive workplace culture is evident in the continuous initiatives we undertake to enhance employee engagement and satisfaction. These include regular surveys, team huddles, learning lunches, staff gatherings, games and competitions, sports tournaments, training sessions, and reward and recognition programs. These activities serve to motivate employees and inspire dedication to organizational success.

No.	GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY 2023	FY 2024	Targets	Progress for FY 2024
MATERIAL MATTER: TALENT MANAGEMENT									
Employment									
3	**GRI 401: Employment**		**Employee Distribution by Gender**						
			Total number of employees broken down by gender	Female	Count	523	540		
				Male		453	448		
					Total:	976	988		
			Percentage of employees broken down by gender	Female	Percentage (%)	54%	55%		
				Male		46%	45%		
					Total:	100%	100%		
			Employee Distribution by Age						
			Total number of employees broken down by age	Under 20-29 years old	Count	341	320		
				30 - 39 years old		299	327		
				40 - 49 years old		203	204		
				50 - 59 years old		107	105		
				Above 60 years old		26	32		
					Total:	976	988		
			Percentage of employees broken down by age	Under 20-29 years old	Percentage (%)	35%	32%		
				30 - 39 years old		30%	33%		
				40 - 49 years old		21%	21%		
				50 - 59 years old		11%	11%		
				Above 60 years old		3%	3%		
					Total:	100%	100%		

No.	GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY 2023	FY 2024	Targets	Progress for FY 2024
MATERIAL MATTER: TALENT MANAGEMENT									
Employment									
			Employee Distribution by Category						
			Total number of employees broken down by employee category	Manager	Count	93	99		
				Executive		220	248		
				Non-executive		663	641		
					Total:	976	988		
			Percentage of employees broken down by employee category	Manager	Percentage (%)	10%	10%		
				Executive		22%	25%		
				Non-executive		68%	65%		
					Total:	100%	100%		
		C6 (b) Labor Practices & Standards: Percentage of employees that are contractors or temporary staff	Employee Distribution by Type						
			Total number of employees broken down by type	Contract/ temporary staff	Count	59	40		
				Permanent staff		917	948		
					Total:	976	988		
			Percentage of employees broken down by type	Contract/ temporary staff	Percentage (%)	6%	4%		
				Permanent staff		94%	96%		
					Total:	100%	100%		
			Employee Distribution by Ethnicity						
			Total number of employees broken down by ethnicity	Malay	Count	471	492		
				Chinese		439	429		
				Indian		30	33		
				Others		36	34		
					Total:	976	988		
			Percentage of employees broken down by ethnicity	Malay	Percentage (%)	48%	50%		
				Chinese		45%	43%		
				Indian		3%	3%		
				Others		4%	4%		
					Total:	100%	100%		
			Employee Distribution by Nationality						
			Total number of employees broken down by nationality	Malaysia	Count	904	915		
				Singapore		71	70		
				Others		1	3		
					Total:	976	988		
			Percentage of employees broken down by nationality	Malaysia	Percentage (%)	93%	93%		
				Singapore		7%	7%		
				Others		0%	0%		
					Total:	100%	100%		

SUSTAINABILITY STATEMENT (CONT'D)

No.	GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY 2023	FY 2024	Targets	Progress for FY 2024
MATERIAL MATTER: TALENT MANAGEMENT									
Employment									
			New Hires						
			Total number of new hires broken down by gender	Female	Count	117	105		
				Male		113	79		
					Total:	230	184		
			Percentage of new hires broken down by gender	Female	Percentage (%)	51%	57%		
				Male		49%	43%		
					Total:	100%	100%		
			Total number of new hires broken down by age	Under 20 - 29 years old	Count	151	98		
				30 - 39 years old		44	51		
				40 - 49 years old		22	21		
				50 - 59 years old		8	6		
				Above 60 years old		5	8		
					Total:	230	184		
			Percentage of new hires broken down by age	Under 20 - 29 years old	Percentage (%)	66%	53%		
				30 - 39 years old		19%	28%		
				40 - 49 years old		10%	12%		
				50 - 59 years old		3%	3%		
				Above 60 years old		2%	4%		
					Total:	100%	100%		
		C6 (c) Labor Practices & Standards: Total number of employee turnover by employee category	**Employee Turnover**						
			Employee turnover rate	Employee turnover rate	Percentage (%)	17.5%	16.5%	Not more than 20% annually	Achieved
			Total employee turnover broken down by gender	Female	Count	82	79		
				Male		89	84		
					Total:	171	163		
			Percentage of employee turnover broken down by gender	Female	Percentage (%)	48%	48%		
				Male		52%	52%		
					Total:	100%	100%		
			Total number of employee turnover broken down by age	Under 20 - 29 years old	Count	89	78		
				30 - 39 years old		46	41		
				40 - 49 years old		22	26		
				50 - 59 years old		7	11		
				Above 60 years old		7	7		
					Total:	171	163		
			Percentage of employee turnover broken down by age	Under 20 - 29 years old	Percentage (%)	52%	48%		
				30 - 39 years old		27%	25%		
				40 - 49 years old		13%	16%		
				50 - 59 years old		4%	7%		
				Above 60 years old		4%	4%		
					Total:	100%	100%		

No.	GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY 2023	FY 2024	Targets	Progress for FY 2024
MATERIAL MATTER: TALENT MANAGEMENT									
Employment									
			Total number of employee turnover broken down by employee category	Manager	Count	13	12		
				Executive		34	41		
				Non-executive		124	110		
				Total:		171	163		
			Percentage of employee turnover broken down by employee category	Manager	Percentage (%)	8%	7%		
				Executive		20%	25%		
				Non-executive		72%	68%		
				Total:		100%	100%		
		C6 (d) Labor Practices & Standards: Number of substantiated complaints concerning human rights violations	Human Rights Violations						
			Total number of substantiated complaints concerning human rights violations	Number of substantiated complaints concerning human rights violations	Count	0	0	Zero complaints concerning human rights violations	Achieved

TRAINING AND EDUCATION

Training and education are essential to maintaining our competitive edge in the industry, ensuring our workforce remains skilled, knowledgeable, and competitive. We recognize the importance of upskilling and reskilling employees to bridge skill gaps, improve performance and boost overall productivity. This, in turn, enhances morale and supports talent retention.

Our approach involves assessing employees' aptitudes and career goals to align their development with the company's strategic objectives, providing opportunities for meaningful contributions and advancement. By fostering a culture of continuous learning, we build a workforce that is adaptable to evolving industry demands, while supporting key corporate objectives such as innovation, operational efficiency and employee satisfaction.

Enhancing Skills and Professional Development

We take a comprehensive approach to enhancing employee skills and functional professional development, ensuring continuous growth throughout their journey with AHB Group. Our structured training and development plan encompasses a broad range of focus areas, from compliance-based topics to leadership development, with a strong emphasis on practical application and the value of soft skills in fostering well-rounded employee growth.

Training programs are guided by training needs analysis, annual performance appraisals and evolving requirements to ensure our workforce possesses the skills needed to excel in their current roles and adapt to future challenges. These initiatives incorporate a variety of programs aimed at enhancing employees' skills, knowledge and competencies, including:

- **External and Internal Training:** Providing access to external and internal training opportunities to develop expertise and stay aligned with industry advancements.
- **On-the-Job Training:** Learning through hands-on tasks under the supervision of experienced workers or trainers.
- **Technical and Hard Skills Training:** Focusing on specific technical skills required for particular roles or tasks.
- **Soft Skills Training:** Enhancing personal and interpersonal skills such as communication, teamwork, leadership and problem-solving.
- **Compliance Training:** Ensuring adherence to industry regulations, laws and company policies, including topics such as anti-corruption and cybersecurity.

SUSTAINABILITY STATEMENT (CONT'D)

- **Safety Training:** Promoting workplace health and hazard response awareness.
- **Management and Leadership Training:** Preparing employees for leadership roles and strengthening management capabilities.
- **Cross-Training and Job Rotation:** Providing exposure to various roles within or across departments to foster versatility and broaden skills.
- **E-Learning and Online Training:** Interactive online platforms such as LinkedIn enable flexible learning.
- **Induction Training:** Onboarding program designed to integrate new employees into the organization's culture.
- **Team Building:** Group activities that strengthen team cohesion, collaboration and group dynamics.
- **Chemistry Think Tank:** Driving innovation and enhancing problem-solving in pharmaceutical processes.
- **Welfare Talks:** Addressing safety, health, financial planning and staff welfare topics, including sexual harassment awareness.

We recorded a total of 52,624 training hours in 2024, marking an increase of 16% from 2023.

XEPA's Certification Programs and Compliance-Based Training

XEPA ensures that employees appointed to highly regulated responsibilities are equipped with the necessary competencies and qualifications, meeting standards set by authorities such as the DOE, EC and Department of Occupational Safety and Health ('DOSH').

Our programs also focus on supporting employees in obtaining key certifications, including:

- Safety and Health Officer Certification
- Registered Electrical Energy Manager Certification
- Certified Environmental Professional in Scheduled Waste Management
- Confined Space Certification
- Chargeman Certification

We recorded a total of **52,624** training hours in 2024, marking an increase of **16%** from 2023.

XEPA's Mentee-Mentorship Program

The Mentee-Mentorship Program fosters professional and personal development by building supportive, collaborative relationships between executive and manager-level employees. Mentors focus on areas such as personal growth, confidence building, leadership development and increased engagement through regular meetings and structured interactions.

Local Industry Visits and Overseas Exposure

Local and overseas engagements provide our executive and manager-level employees with practical insights into industry operations and global perspectives, complementing their theoretical knowledge. These experiences enhance networking, drive innovation, cultivate cultural competency and support personal and professional growth through participation in conferences, expos and manufacturing plant visits.

No.	GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY 2023	FY 2024	Targets	Progress for FY 2024
MATERIAL MATTER: TALENT MANAGEMENT									
Training and Education									
4	GRI 404: Training and Education	C6 (a) Labor Practices & Standards: Total hours of training by employee category	Training Hours						
			Total training hours	Training hours	Hours	45,520	52,624		
			Average training hours per employee	Training hours	Hours	47	53	40 training hours per employee	Exceeded target
			Total Training Hours by Gender						
			Total training hours by gender	Female	Hours	-	29,722		
				Male		-	22,902		
			Total Training Hours by Employee Category						
			Total training hours by employee category	Manager	Hours	6,636	7,745		
				Executive		15,620	18,590		
				Non-executive		23,264	26,289		
			Average Training Hours by Gender						
			Average training hours by gender	Female	Hours	-	55		
				Male		-	51		
			Average Training Hours by Employee Category						
			Average training hours by employee category	Manager	Hours	76	78		
				Executive		71	75		
				Non-executive		35	41		
			Performance and Career Development Reviews						
			Percentage of employees receiving regular performance and career development reviews	Percentage of employees receiving regular performance and career development reviews (permanent employees)	Percentage (%)	-	100%	100% of employees to receive performance and career development reviews (permanent employees)	Achieved

Note: - denotes that data was not tracked or disclosed in FY 2023

DIVERSITY AND EQUAL OPPORTUNITY

Our commitment to diversity and equal opportunity encompasses leadership and employee diversity, with a strong emphasis on impartiality and strict non-discriminatory practices. Our initiatives foster an inclusive workplace culture that ensures equity and aligns with stakeholder expectations for ethical and progressive business practices.

This commitment drives our business forward by harnessing diverse talents to encourage innovation and fresh perspectives, while broadening the pool of candidates for roles critical to business growth. Moreover, fair and inclusive treatment enhances employee morale and productivity, improves retention, ensures regulatory compliance and strengthens our reputation among future industry talent.

Diversity in Board Leadership

The AHB Board embraces diversity among its members, ensuring a well-rounded representation of relevant skills, knowledge and experience for the effective discharge of its duties. Its diversity policy adopts a non-discriminatory stance, prioritizing qualifications, ability and commitment while disregarding gender, race or religion when proposing candidates for shareholders' approval. While the Board values diversity, its primary focus remains on selecting directors based on their qualifications, experience and synergy with the overall composition of the Board.

AHB recognizes that the participation of women on the Board enriches decision-making processes by offering diverse perspectives and insights. To this end, the AHB Board is committed to ensuring female representation on the Board at any one time, in compliance with Bursa's MMLR.

Board Succession Planning Policy	The Board Succession Planning Policy promotes diversity and inclusivity, fosters better decision-making, enhances corporate performance and instils a positive organizational culture. It addresses critical matters such as board size, number and tenure of Independent Directors, terms of appointment and diversity guidelines, ensuring sustainable performance and compliance with good governance practices. The policy undergoes regular reviews to maintain its relevance and effectiveness.
Directors' Fit and Proper Policy	This policy outlines the principles for appointing and re-electing Directors to the AHB Board and its subsidiaries. The Nomination Committee evaluates candidates based on criteria such as character and integrity, experience and competence, as well as time and commitment. By considering candidates from diverse backgrounds, the policy ensures the Board upholds high governance standards while embracing varied perspectives.
Board Assessment and Evaluation	The Annual Board Assessment and Evaluation process is conducted through self-assessment questionnaires. The results are reviewed by the Nomination Committee, with findings, recommendations and action plans presented to the Board. This evaluation identifies skill and perspective gaps, guiding the inclusion of diverse candidates for a balanced and effective board composition.

Employee Diversity and Equal Opportunity

We are an equal opportunity employer, committed to fostering a diverse and inclusive workplace. We ensure that employment decisions are based on merit, free from biases related to race, religion, gender, age, disability or other protected characteristics. At the heart of our operations is a strong commitment to fostering diversity and equal opportunity, which drives our ethical standards and ensures fair treatment for all employees. A diverse workforce brings unique talents, fosters innovation and expands the pool of candidates for succession planning, all of which contribute to the achievement of our corporate goals.

Standardized benefits are provided to both permanent and contract employees in line with the company guidelines, and compensation is impartially tied to performance, productivity and the achievement of specific goals. We conduct annual and off-cycle assessments to evaluate employee performance, with KPIs aligned to the company's strategic objectives. Performance appraisals are conducted without any discriminatory behavior, supported by a structured performance management system. This system enables personal and professional growth by identifying and addressing development needs, setting goals, aligning expectations and facilitating fair compensation and reward decisions. Pay adjustment decisions are merit-based, recognizing individual achievements and their impact, both qualitatively and quantitatively. These practices help us retain top talent and remain competitive in the market. In 2024, 100% of permanent employees received performance and career development reviews, and we are committed to maintaining this practice moving forward.

All employees, irrespective of their background, have equal access to training, development programs and career advancement opportunities. Decisions regarding training participation are based on merit, needs and role requirements, free from bias or favoritism. This ensures fairness, supports career progression and maximizes each employee's potential, contributing to a more inclusive and capable workforce. Training plans may be ad hoc or pre-planned, tailored to the needs of specific functions or departments.

As of 31st December 2024, our workforce has maintained a mostly even gender split with a ratio of 45% male and 55% female employees.

As of 31st December 2024, our workforce has maintained a mostly even gender split with a ratio of **45%** male and **55%** female employees.

No.	GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY 2023	FY 2024	Targets	Progress for FY 2024
MATERIAL MATTER: TALENT MANAGEMENT									
Diversity and Equal Opportunity									
5	GRI 405: Diversity and Equal Opportunity	C3 (b) Diversity: Percentage of directors by gender and age group	Board Diversity						
			Board diversity by gender	Female Director	Count	1	1		
				Male Director		7	6		
				Total:		8	7		
			Percentage of Board diversity by gender	Female Director	Percentage (%)	13%	14%		
				Male Director		87%	86%		
				Total:		100%	100%		
			Board diversity by age	20 - 29 years old	Count	0	0		
				30 - 39 years old		0	0		
				40 - 49 years old		0	0		
				50 - 59 years old		2	2		
				Above 60 years old		6	5		
				Total:		8	7		
			Percentage of Board diversity by age	20 - 29 years old	Percentage (%)	0%	0%		
				30 - 39 years old		0%	0%		
				40 - 49 years old		0%	0%		
				50 - 59 years old		25%	29%		
				Above 60 years old		75%	71%		
				Total:		100%	100%		
		C3 (a) Diversity: Percentage of employees by gender and age group, for each employee category	Employee Diversity						
			Percentage of employee category (Manager) by age	Under 20 - 29 years old	Percentage (%)	4%	5%		
				30 - 39 years old		18%	19%		
				40 - 49 years old		49%	48%		
				50 - 59 years old		23%	21%		
				Above 60 years old		6%	7%		
				Total:		100%	100%		
			Percentage of employee category (Executive) by age	Under 20 - 29 years old	Percentage (%)	32%	32%		
				30 - 39 years old		33%	35%		
				40 - 49 years old		23%	22%		
				50 - 59 years old		10%	9%		
				Above 60 years old		2%	2%		
				Total:		100%	100%		
			Percentage of employee category (Non-Executive) by age	Under 20 - 29 years old	Percentage (%)	40%	37%		
				30 - 39 years old		32%	34%		
				40 - 49 years old		16%	16%		
				50 - 59 years old		10%	10%		
				Above 60 years old		2%	3%		
				Total:		100%	100%		

SUSTAINABILITY STATEMENT (CONT'D)

No.	GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY 2023	FY 2024	Targets	Progress for FY 2024
MATERIAL MATTER: TALENT MANAGEMENT									
Diversity and Equal Opportunity									
			Percentage of employee category (Manager) by gender	Female	Percentage (%)	57%	58%		
				Male		43%	42%		
					Total:	100%	100%		
			Percentage of employee category (Executive) by gender	Female	Percentage (%)	70%	70%		
				Male		30%	30%		
					Total:	100%	100%		
			Percentage of employee category (Non-Executive) by gender	Female	Percentage (%)	48%	48%		
				Male		52%	52%		
					Total:	100%	100%		

Non-Discrimination

As outlined in our Employment Policy, we are committed to ensuring all employees, regardless of race, religion, gender, age or disability, are treated with fairness and equality across recruitment, promotion, rewards, training, and internal policies. This commitment to non-discrimination not only fosters an inclusive workplace but also enhances employee morale and productivity, strengthening retention and positioning us as an employer of choice among prospective talent. Behaviors such as harassment, bullying, discrimination, substance abuse, or conflicts of interest are strictly prohibited and will result in disciplinary action. We successfully recorded zero incidents of discrimination, meeting our commitment to maintaining an inclusive and respectful workplace.

This inclusive and supportive workplace not only benefits our employees but also fuels outstanding efficiency and productivity, earning recognition across the industry. At the MOPI Pharma Industry Awards 2024, XEPA was named the runner-up for the Most Productive Company 2023 award based on the revenue per employee among member pharmaceutical companies of MOPI.

Job vacancies are openly advertised on job portals or internal bulletin boards without bias towards gender or background, ensuring equal opportunity for all interested candidates. Recruitment and promotion decisions are based solely on merit, with both internal and external candidates undergoing the same rigorous process. Our Recruitment Guidelines explicitly emphasize non-discrimination and equal employment opportunities, evaluating candidates solely on their qualifications and experience in relation to job requirements.

ZERO
incidents of discrimination, meeting our commitment to maintaining an inclusive and respectful workplace

No.	GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY 2023	FY 2024	Targets	Progress for FY 2024
MATERIAL MATTER: TALENT MANAGEMENT									
Non-Discrimination									
6	**GRI 406: Non-Discrimination**		**Incidents of Discrimination**						
			Total number of incidents of discrimination	Number of incidents of discrimination	Count	-	0	Zero incidents of discrimination	Achieved
			Employees with Disability						
			Total number of employees with disability	Number of employees with disability	Count	-	2		

Note: - denotes that data was not tracked or disclosed in FY 2023

LABOR MANAGEMENT RELATIONS

Within the context of our business, labor relations primarily involve addressing and resolving grievances, misconduct and redundancies within the organization. We prioritize strict adherence to industrial relations and employment legislation, supported by internal processes and procedures aligned with applicable laws, principles, and best practices.

Since the Group does not have employee unions or collective bargaining agreements, we emphasize direct communication and clear policies to manage workplace issues effectively. These policies provide fair and appropriate options for employees and management to seek remedial action when necessary.

Conflicts are addressed through a structured process that includes thorough investigations and appropriate corrective actions. This approach enhances transparency and fairness, strengthening our labor management practices. In turn, this positively impacts employee well-being, organizational productivity and our reputation among stakeholders.

Policies and Procedures	We utilize a range of policies to ensure a fair and supportive work environment, including Grievance Policy, Sexual Harassment Policy and Whistleblowing Procedures. These policies provide employees with clear avenues to raise concerns affecting their employment or well-being, and are detailed in the Employee Handbook and regularly communicated through Memo Boards, Notice Boards or on-site TVs. Additionally, a Flexi-Work Arrangement Policy is available for employees with valid requests, subject to management approval.
Disciplinary Process	We have established disciplinary processes to address employee misconduct and poor performance. Each case undergoes impartial investigation and analysis to ensure that issues are handled fairly while protecting the interests of both employees and the Company.
Employee Communication Channels	Transparent communication fosters trust and ensures employees are informed about organizational changes, decisions and strategies. Communication channels such as on-site TVs, emails, huddles, the HR portal, notice boards, and corporate briefings are used to share updates, announcements and important information efficiently across the organization.

COMMUNITY/SOCIETY

WHY IT MATTERS

Community investment is a cornerstone of our sustainability efforts as a responsible pharmaceutical company. We recognize the significant impact our operations have on the communities we serve and place utmost emphasis on safeguarding the health and well-being of these communities. Our community engagement efforts are integral to our business strategy, designed to create a positive impact and align with our commitment to public health. These efforts aim to foster a sustainable future in harmony with our mission of *'Restoring Health, Enhancing Life'*.

OUR APPROACH

Our efforts to support communities and society focus on three key areas of contribution. In Education and Arts, we address various educational needs and support the development of arts programs. For Disadvantaged Groups, we provide assistance to the needy, marginalized, disabled and underserved communities, including refugees and migrants. We also contribute to other General Causes, encompassing social development initiatives and responses to catastrophe-related situations.

In 2024, we contributed a total of RM 307,455 to 54 organizations, benefiting an estimated 19,121 individuals. The amount contributed exceeds our annual commitment to allocate 0.3% of the previous year's Profit After Tax, excluding one-off gains, to community initiatives. This strategic commitment enables us to make a consistent and meaningful contribution to society.

Community Initiatives During 2024

Our contributions to the community/society in 2024 include the following:

Initiative	Description
Social Media Public Health Support	In 2023, we launched Hennson Care's "*Bladder Care & Help Community MY/SG*" platform as part of the Group's commitment to supporting public health. Operating through a dedicated Facebook group, the initiative connects and provides support to individuals facing incontinence challenges. Notable 2024 posts include "*How is incontinence treated?*", "*How to cope with caregiver fatigue?*", "*Travel across continents with incontinence*", and "*Struggling in silence. It's not just you.*"
Providing Medicines to the Marginalized	Endorsed by the United Nations High Commissioner for Refugees ('UNHCR') Malaysia, the ElShaddai Centre provides compassionate services to refugee, asylum-seeker, stateless and marginalized diaspora communities in Malaysia. It supports students and families with primary health care, healthy lifestyle promotion and counselling. We contribute medicines to the center and will continue to review requests on a case-by-case basis.
Helping Underprivileged Youths	The UOB Heartbeat Run is United Overseas Bank (Malaysia) Berhad Group's annual fundraising event, supporting SOLS Foundation to sponsor underprivileged youths in the Solar Academy vocational program. A cash contribution was made to this cause.
Promoting Sustainable Development in Melaka	Melaka Industrial Night 2024, organized by Melaka Corporation, recognizes contributions to sustainable development and socio-economic growth in Melaka. Alongside networking opportunities and brand exposure, our cash contribution supported sustainable development in the region where XEPA, our wholly-owned manufacturing subsidiary operates.
MOPI Regulatory Plus Conference & Dinner 2024	XEPA was a Platinum Sponsor for the MOPI Regulatory Plus Conference & Dinner 2024, held in September. MOPI has been advocating for quality and affordable medicines in Malaysia since 1981, representing local manufacturers and supporting the well-being of all Malaysians. As a member company of MOPI, XEPA's contributions have driven advancements in pharmaceutical regulation and innovation, ultimately leading to improved public health and social development.
Supporting Montfort Youth Development	A cash donation was made to support Montfort Youth Centre which provides residential care to orphans and youths from underprivileged families as well as vocational training, equipping them with industrial skills and fostering character development.
Raising Blood and Organ Donation Awareness	We sponsored the "*Blood and Organ Donation Awareness Campaign – A Gift of Life*", co-organized by SEGi Pharmacy Students Association, Malaysian Pharmacy Students' Association, and the Ministry of Health. Held in May 2024 at Atria Shopping Gallery, the campaign educated the public and addressed stigmas around blood and organ donation.
Recognizing Students' Achievement	The Xepa-Soul Pattinson Award – Pharmaceutical Technology and Xepa-Soul Pattinson Award – Pharmaceutical Life Science were presented during Universiti Malaya's Pharmnight in May 2024. Meanwhile, Xepa-Soul Pattinson Awards were also presented to Pharmacy students of UCSI University in September 2024. These awards recognize and celebrate outstanding student achievements, fostering a culture of excellence among recipients.

SUSTAINABILITY STATEMENT (CONT'D)

No.	GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY 2023	FY 2024	Targets	Progress for FY 2024
MATERIAL MATTER: COMMUNITY / SOCIETY									
Local Communities									
7	**GRI 413: Local Communities**	**C2 (a) Community/ Society: Total amount invested in the community where the target beneficiaries are external to the listed issuer**	**Community Contributions and Investment**						
			Total amount invested in the community	Total amount invested	Ringgit Malaysia (RM)	397,995	307,455	At least 0.3% of the previous year's Group Profit After Tax, excluding one-off gains	Exceeded target
		C2 (b) Community/ Society: Total number of beneficiaries of the investment in communities	**Beneficiary Organizations of the Investment in Communities**						
			Total number of beneficiary organizations of the investment in communities	Total number of beneficiary organizations	Count	44	54		
			Beneficiary Individuals of the Investment in Communities						
			Total number of beneficiary individuals of the investment in communities	Total number of beneficiary individuals	Count	32,885	19,121		

Governance Pillar:

UPHOLDING INTEGRITY AND ACCOUNTABILITY

Related Material Matters

- Ethical Business Practices

ETHICAL BUSINESS PRACTICES

WHY IT MATTERS

Upholding ethical business practices is a bedrock of our sustainability framework, reflecting our commitment to integrity and responsible conduct across all operations. As a leading pharmaceutical company, we recognize that maintaining the highest ethical standards is essential for fostering trust among customers and stakeholders, particularly in an industry intricately tied to public health and well-being.

Our adherence to compliance ensures alignment with evolving regulatory requirements, demonstrating accountability and mitigating reputational risks. Embedding ethical principles into our operations helps us build lasting trust with customers and stakeholders, fortify our credibility and establish a culture of transparency and responsibility. This commitment to ethical conduct directly supports our ability to deliver high-quality pharmaceutical products while fostering operational excellence and long-term financial resilience.

OUR APPROACH

The Group's Anti-Corruption Policy is a cornerstone of our commitment to responsible business practices, ensuring compliance with regulatory requirements while strengthening stakeholder trust and safeguarding our corporate reputation.

This policy facilitates the integration of anti-corruption measures into our overall business strategy and practices, providing a robust framework to combat corruption and uphold ethical standards. It encompasses training programs, internal and external audits, and whistleblowing mechanisms to uphold integrity and accountability throughout the organization.

Anti-Corruption Training

Our anti-corruption training program is a critical component of our commitment to maintaining ethical business practices and ensuring compliance with anti-corruption policies and regulations. This program equips all employees, including new hires, with the knowledge and tools necessary to identify, prevent and address corruption risks effectively.

In 2024, close to 100% of employees participated in anti-corruption training programs, with only two employees out of our entire workforce being unable to attend due to personal and administrative circumstances. The sessions, delivered by a combination of in-house experts and external specialists, provided employees with a deep understanding of anti-corruption measures, industry best practices and regulatory requirements, while reinforcing our expectations for ethical conduct at all levels of the organization.

Anti-Corruption Audit and Review

To ensure Group-wide adherence to anti-corruption standards, we have established a robust audit system. Periodic in-house internal audits are conducted to assess and evaluate the effectiveness of anti-corruption measures within the organization. These audits focus on various aspects of our policies and practices, ensuring they remain relevant and robust in sustaining compliance across the organization.

To enhance oversight and objectivity, our Anti-Corruption Policy and procedures are reviewed by an outsourced internal auditor at least once every three years. This independent assessment identifies opportunities for improvement, benchmarks our practices against industry standards and ensures alignment with evolving best practices.

Corruption risks are systematically revisited each year during the Group's annual risk assessment exercise, providing leadership with insights and guidance on implementing targeted initiatives to mitigate potential risks. In line with our committed target, 100% of our operations were assessed for corruption risks during 2024.

Whistleblowing Policy and Procedure

The Group's Whistleblowing Policy and Procedure provides employees and external stakeholders, such as suppliers, customers, contractors and other parties, with a secure and confidential platform to report concerns or complaints. These may include issues such as questionable accounting or auditing matters, internal controls, disclosure matters, conflicts of interest, insider trading, collusion with competitors, serious breaches of Group policy, unsafe work practices, fraud, corruption, or improper employee conduct, including violations of the Malaysian Anti-Corruption Commission Act 2009.

Our Whistleblowing Policy and Procedure outlines a transparent process for reporting improper conduct, including corruption and fraud. To maintain its effectiveness, this policy is reviewed periodically; at least once every three years, by the Company's outsourced internal auditor. Additionally, the Company's external auditor conducts an annual evaluation to assess the effectiveness of our whistleblowing mechanism. Based on these evaluations, the policy may be updated to maintain compliance with legal requirements or to reflect organizational changes.

In 2024, we continued to raise employee awareness through training sessions and communication channels, including posters, which highlighted the whistleblowing mechanisms and the protections provided to whistle-blowers. Secure and confidential reporting channels, such as dedicated hotlines and online platforms, have been established to facilitate the reporting process.

The Anti-Corruption Policy and Whistleblowing Policy and Procedure are published on the Company's website.

In 2024, we preserved our track record of zero incidents of bribery or corruption.

No.	GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY 2023	FY 2024	Targets	Progress for FY 2024
MATERIAL MATTER: ETHICAL BUSINESS PRACTICES									
Anti-Corruption									
1	**GRI 205: Anti-corruption**	**C1 (a) Anti-Corruption: Percentage of employees who have received training on anti-corruption by employee category**	**Anti-Corruption Training**						
			Total number of employees who have received training on anti-corruption by employee category	Manager	Count	93	99	100% of employees trained on anti-corruption	We achieved a participation rate of 99.8% in 2024. Measures are being implemented to ensure full participation in future training sessions.
				Executive		220	246		
				Non-Executive		663	641		
					Total:	976	986		
			Percentage of employees who have received training on anti-corruption by employee category	Manager	Percentage (%)	100%	100%		
				Executive		100%	99%		
				Non-Executive		100%	100%		
					Total:	100%	100%		
			Total number of anti-corruption training programs	Anti-corruption training programs organized	Count	2	2		
		C1 (b) Anti-Corruption: Percentage of operations assessed for corruption-related risks	**Operations Assessed for Corruption-related Risks**						
			Total number of operations assessed for corruption-related risks	Corruption-related risks assessed across business units	Count	13	13	100% of operations assessed for corruption-related risks	Achieved
			Percentage of operations assessed for corruption-related risks	Corruption-related risks assessed across business units	Percentage (%)	100%	100%		
		C1 (c) Anti-Corruption: Confirmed incidents of corruption and action taken	**Confirmed Incidents of Corruption and Action Taken**						
			Total number of confirmed incidents of corruption	Number of corruption incidents	Count	0	0	Zero incidents involving bribery/ corruption	Achieved

SUSTAINABILITY STATEMENT
(CONT'D)

SUSTAINABILITY PERFORMANCE TABLE

ECONOMIC

No.	GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY 2023	FY 2024	Targets	Progress for FY 2024
MATERIAL MATTER: SUSTAINABLE PROCUREMENT									
Procurement Practices									
1	**GRI 204: Procurement Practices**	**C7 (a) Supply Chain Management: Proportion of spending on local suppliers**	**Procurement**						
			Total procurement spending	Local & Non-Local	Ringgit Malaysia (RM)	668,140,552	677,250,793		
			Total number of suppliers	Local & Non-Local	Count	311	297		
			Local Suppliers						
			Total local suppliers spending	Local	Ringgit Malaysia (RM)	577,766,661	578,316,866	At least 70% of total procurement spending on local suppliers	Exceeded target
			Number of local suppliers	Local	Count	245	229		
			Percentage of spending on local suppliers	Local	Percentage (%)	86%	85%		
			Non-local Suppliers						
			Total non-local suppliers spending	Non-Local	Ringgit Malaysia (RM)	90,373,891	98,933,927		
			Number of non-local suppliers	Non-Local	Count	66	68		
			Percentage of spending on non-local suppliers	Non-Local	Percentage (%)	14%	15%		
MATERIAL MATTER: DATA PRIVACY AND SECURITY									
Data Privacy & Security Practices									
2	**GRI 418: Customer Privacy**	**C8 (a) Data Privacy & Security: Number of substantiated complaints concerning breaches of customer privacy and losses of customer data**	**Substantiated Complaints**						
			Total number of substantiated complaints concerning breaches of employee privacy and losses of employee data	Complaints related to breaches of employee privacy and losses of employee data	Count	0	0	Zero substantiated complaints concerning breaches of employee privacy and losses of employee data	Achieved
			Total number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Complaints related to breaches of customer privacy and losses of customer data	Count	0	0	Zero substantiated complaints concerning breaches of customer privacy and losses of customer data	Achieved

No.	GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY 2023	FY 2024	Targets	Progress for FY 2024
MATERIAL MATTER: DATA PRIVACY AND SECURITY									
Data Privacy & Security Practices									
			Breakdown of Causes						
			Total number of substantiated complaints due to various causes	Data breaches due to cyberattacks	Count	0	0	Zero substantiated complaints concerning breaches of privacy and losses of data	Achieved
				Unauthorized access to data	Count	0	0		
				Data leaks	Count	0	0		
				Losses of data through physical means (e.g., lost devices or paperwork)	Count	0	0		
MATERIAL MATTER: RESPONSIBLE PRODUCT AND MARKETING PRACTICES									
Responsible Product and Marketing Practices									
3	**GRI 417: Marketing and Labelling**		**Products and Services Information and Labeling**						
			Total number of incidents of non-compliance with regulations concerning product and service information and labeling	Incidents of non-compliance with regulations resulting in a fine or penalty	Count	0	0	Zero incidents of non-compliance resulting in a fine or penalty or warning	Achieved
				Incidents of non-compliance with regulations resulting in a warning	Count	0	0		
			Marketing Communications						
			Total number of incidents of non-compliance with regulations concerning marketing communications, including advertising, promotion, and sponsorship	Incidents of non-compliance with regulations resulting in a fine or penalty	Count	0	0	Zero incidents of non-compliance resulting in a fine or penalty or warning	Achieved
				Incidents of non-compliance with regulations resulting in a warning	Count	0	0		

SUSTAINABILITY PERFORMANCE TABLE

ENVIRONMENTAL

No.	GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY 2023	FY 2024	Targets	Progress for FY 2024
MATERIAL MATTER: CLIMATE MANAGEMENT AND RESILIENCE									
Emissions									
1	**GRI 305: Emissions**		**Direct (Scope 1) GHG emissions**						
		C11 (a) Emissions Management: Scope 1 emissions in tonnes of CO2e	**Total Scope 1 GHG emissions**	**Mobile Combustion Emissions:** Emissions from owned or leased mobile sources (both on-road and non-road vehicles) that are within the company's boundaries, including company vehicles and commercial vehicles such as cars, trucks and vans					
				Petrol	Metric tons of CO2e (tCO2e)	73.1	61.3		
				Diesel	Metric tons of CO2e (tCO2e)	17.8	20.7		
				Total Mobile Combustion Emissions:		90.9	82.0		
				Total Scope 1:		90.9	82.0		
			Energy Indirect (Scope 2) GHG Emissions						
		C11 (b) Emissions Management: Scope 2 emissions in tonnes of CO2e	**Total Scope 2 GHG emissions**	**Emissions from Purchased Energy:** Indirect emissions generated from purchased energy					
				Electricity purchased from TNB	Metric tons of CO2e (tCO2e)	9,761.1	10,128.6		
				Total Scope 2:		9,761.1	10,128.6		
			Others Indirect (Scope 3) GHG Emissions						
		C11 (c) Emissions Management: Scope 3 emissions in tonnes of CO2e	**Total Scope 3 GHG emissions**	**Employee Commuting**					
				Transportation of employees between their homes and their worksites (in vehicles not owned or operated by the reporting company)	Metric tons of CO2e (tCO2e)	793.9	865.1		
				Business Travel					
				Transportation of employees for business-related activities (in vehicles not owned or operated by the reporting company)	Metric tons of CO2e (tCO2e)	1,007.7	1,237.8		
				Total Scope 3:		1,801.6	2,102.9		
				Overall Total Scope 1, Scope 2 and Scope 3:		11,653.6	12,313.5		
			Emissions Intensity						
			GHG emissions intensity (Scope 1)	GHG emissions (Scope 1) related to financial performance measured in terms of revenue	tCO2e per RM million of revenue	0.1	0.1		

No.	GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY 2023	FY 2024	Targets	Progress for FY 2024
MATERIAL MATTER: CLIMATE MANAGEMENT AND RESILIENCE									
Emissions									
			Emissions Intensity						
			GHG emissions intensity (Scope 2)	GHG emissions (Scope 2) related to financial performance measured in terms of revenue	tCO2e per RM million of revenue	10.4	10.5		
			GHG emissions intensity (Scope 3)	GHG emissions (Scope 3) related to financial performance measured in terms of revenue	tCO2e per RM million of revenue	1.9	2.2		
			Total GHG emissions intensity (Scope 1, 2 and 3)	GHG emissions (Scope 1, 2 and 3) related to financial performance measured in terms of revenue	tCO2e per RM million of revenue	12.4	12.8		
Energy									
2	**GRI 302: Energy**	**C4 (a) Energy Management**	**Energy Consumption**						
			Total energy consumption	**Non-Renewable Energy**					
				Company facilities/buildings					
				Electricity	Gigajoules ("GJ")	60,031.0	62,905.1		
				Total energy for company facilities:		60,031.0	62,905.1		
				Company Vehicles					
				Petrol	Gigajoules ("GJ")	1,037.8	907.0		
				Diesel	Gigajoules ("GJ")	241.6	311.0		
				Total energy for company vehicles:		1,279.4	1,218.0		
				Total Non-Renewable Energy:		61,310.4	64,123.1		
				Renewable Energy					
				Solar	Gigajoules ("GJ")	3,461.0	6,087.0		
				Total Renewable Energy:		3,461.0	6,087.0		
				Overall Total Energy Consumption:		64,771.4	70,210.1		
			Energy Intensity						
			Total energy intensity	Energy consumption related to financial performance measured in terms of revenue	GJ per RM million of revenue	69.2	73.0		

SUSTAINABILITY STATEMENT (CONT'D)

SUSTAINABILITY PERFORMANCE TABLE

ENVIRONMENTAL

No.	GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY 2023	FY 2024	Targets	Progress for FY 2024
MATERIAL MATTER: ENVIRONMENTAL IMPACT MANAGEMENT									
Waste									
3	**GRI 306: Waste**	**C10 (a) Waste Management: Total waste generated**	**Waste Generated**						
			Total weight of waste generated	Scheduled and non-scheduled waste	Metric Tonnes (t)	251.0	223.6		
			Waste Diverted from Disposal						
			Total weight of waste diverted from disposal	**Non-Scheduled Waste**					
				Paper Waste	Metric Tonnes (t)	106.0	83.5		
				Plastic Waste		27.0	24.2		
				Plastic Drum		20.7	18.5		
				Metal Waste		0.03	0.00		
				Total Non-Scheduled Waste:		153.7	126.2		
			Waste Directed to Disposal						
			Total weight of waste directed to disposal	**Scheduled Waste**					
				Electronic waste	Metric Tonnes (t)	0.4	0.9		
				Dry sludge		30.3	41.0		
				Oil & sludge		6.9	7.5		
				Discarded drugs (on-site)		55.1	9.1		
				Discarded drugs (off-site)			33.9		
				Used activated carbon		0.4	0.0		
				Used ink/toner cartridges		0.1	0.2		
				Used lab chemical		4.0	4.8		
				Total Scheduled Waste:		97.2	97.4		
			Waste Disposal Method						
			Total weight of waste disposed using the following disposal methods	**Non-Scheduled Waste**					
				Recycling	Metric Tonnes (t)	153.7	126.2		
				Total Non-Scheduled Waste:		153.7	126.2		
				Scheduled Waste					
				Incineration	Metric Tonnes (t)	97.2	97.4		
				Landfill					
				Total Scheduled Waste:		97.2	97.4		

No.	GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY 2023	FY 2024	Targets	Progress for FY 2024
MATERIAL MATTER: ENVIRONMENTAL IMPACT MANAGEMENT									
Water and Effluents									
4	GRI 303: Water and Effluents	C9(a) Water: Total volume of water used	**Water Consumption**						
			Total volume of water consumption broken down by property	XEPA	Megaliters (ML)	103.2	136.3		
				APS		0.9	0.9		
				APM/ABIO		5.5	5.6		
				Total Water Consumption:		109.6	142.8		
			Water Withdrawal						
			Total volume of water withdrawal broken down by source	Municipal water	Megaliters (ML)	109.6	142.8		
				Total Water Withdrawal:		109.6	142.8		
			Water Intensity						
			Total volume of water withdrawal intensity	Water withdrawal related to financial performance measured in terms of revenue	ML per RM million of revenue	0.1	0.1		
		S8 (a) Effluents: Total volume of water (effluent) discharge over the reporting period	**Water (Effluents) Discharge**						
			Total volume of wastewater/ effluents discharge	Waste water / effluents discharged into treatment facilities	Megaliters (ML)	9.7	12.2		
				Total Water (Effluents) Discharge:		9.7	12.2		
Materials									
5	GRI 301: Materials	S5 (a) Materials: Total weight or volume of materials that are used to produce and package products and services	**Materials Used (by weight or volume)**						
			Total weight or volume of materials that are used to produce and package products and services	Weight of raw materials used	kilograms (kg)	-	1,345,403		
				Weight of packaging materials used		-	1,397,076		
				Total Weight of Materials Used:		-	2,742,479		

Note: - denotes that data was not tracked or disclosed in FY 2023

SUSTAINABILITY PERFORMANCE TABLE

SOCIAL

No.	GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY 2023	FY 2024	Targets	Progress for FY 2024
MATERIAL MATTER: HEALTH AND SAFETY									
Occupational Health and Safety									
1	**GRI 403: Occupational Health and Safety**	**C5 (a) Health and Safety: Number of work-related fatalities**	**Work-related Fatalities**						
			Total number of work-related fatalities	Total number of hours worked	Hours	1,836,384	2,271,285	Zero work-related fatalities	Achieved
				Number of fatalities	Count	0	0		
				Rate of fatalities	Rate per 200,000 hours	0	0		
		C5 (b) Health and Safety: Lost time incident rate	**Lost Time Incident Rate**						
			Lost time incident rate	Lost Time Incident Rate (LTIR)	Rate per 200,000 hours	0	0.5	LTIR not exceeding 1	Achieved
		C5 (c) Health and Safety: Employees trained on health and safety standards	**Employees Trained on Health and Safety Standards**						
			Total number of employees trained on health and safety standards	Total number of employees	Count	841	986	100% of employees trained on health and safety standards	We achieved participation rate of 99.8% in 2024. Measures are being implemented to ensure full participation in future training sessions.
Customer Health and Safety									
2	**GRI 416: Customer Health and Safety**	**S3 (a) Customer Health & Safety / Product Responsibility**	**Product Assessed for Health and Safety Impacts**						
			Total number of products assessed for health and safety impacts	Products for which health and safety impacts are assessed for improvement	Count	123	123		
		S3 (b) Customer Health & Safety / Product Responsibility	**Non-Compliance Incidents**						
			Total number of incidents of non-compliance concerning the health and safety impacts of products and services	Incidents of non-compliance with regulations resulting in a fine or penalty	Count	0	0	Zero incidents of non-compliance resulting in a fine or penalty or warning	Achieved
				Incidents of non-compliance with regulations resulting in a warning		0	0		
		S3 (c) Customer Health & Safety / Product Responsibility	**Product Recalls**						
			Total number of products that have been recalled for health and safety reasons	Group-branded products	Count	13	0	Zero product recalls for Group-branded products	Achieved
				Non-Group branded products			14		
				Total:		13	14		

No.	GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY 2023	FY 2024	Targets	Progress for FY 2024
MATERIAL MATTER: TALENT MANAGEMENT									
Employment									
3	GRI 401: Employment		Employee Distribution by Gender						
			Total number of employees broken down by gender	Female	Count	523	540		
				Male		453	448		
					Total:	976	988		
			Percentage of employees broken down by gender	Female	Percentage (%)	54%	55%		
				Male		46%	45%		
					Total:	100%	100%		
			Employee Distribution by Age						
			Total number of employees broken down by age	Under 20-29 years old	Count	341	320		
				30 - 39 years old		299	327		
				40 - 49 years old		203	204		
				50 - 59 years old		107	105		
				Above 60 years old		26	32		
					Total:	976	988		
			Percentage of employees broken down by age	Under 20-29 years old	Percentage (%)	35%	32%		
				30 - 39 years old		30%	33%		
				40 - 49 years old		21%	21%		
				50 - 59 years old		11%	11%		
				Above 60 years old		3%	3%		
					Total:	100%	100%		
			Employee Distribution by Category						
			Total number of employees broken down by employee category	Manager	Count	93	99		
				Executive		220	248		
				Non-executive		663	641		
					Total:	976	988		
			Percentage of employees broken down by employee category	Manager	Percentage (%)	10%	10%		
				Executive		22%	25%		
				Non-executive		68%	65%		
					Total:	100%	100%		

SUSTAINABILITY PERFORMANCE TABLE

SOCIAL

No.	GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY 2023	FY 2024	Targets	Progress for FY 2024
MATERIAL MATTER: TALENT MANAGEMENT									
Employment									
			Employee Distribution by Type						
		C6 (b) Labor Practices & Standards: Percentage of employees that are contractors or temporary staff	Total number of employees broken down by type	Contract/ temporary staff	Count	59	40		
				Permanent staff		917	948		
					Total:	976	988		
			Percentage of employees broken down by type	Contract/ temporary staff	Percentage (%)	6%	4%		
				Permanent staff		94%	96%		
					Total:	100%	100%		
			Employee Distribution by Ethnicity						
			Total number of employees broken down by ethnicity	Malay	Count	471	492		
				Chinese		439	429		
				Indian		30	33		
				Others		36	34		
					Total:	976	988		
			Percentage of employees broken down by ethnicity	Malay	Percentage (%)	48%	50%		
				Chinese		45%	43%		
				Indian		3%	3%		
				Others		4%	4%		
					Total:	100%	100%		
			Employee Distribution by Nationality						
			Total number of employees broken down by nationality	Malaysia	Count	904	915		
				Singapore		71	70		
				Others		1	3		
					Total:	976	988		
			Percentage of employees broken down by nationality	Malaysia	Percentage (%)	93%	93%		
				Singapore		7%	7%		
				Others		0%	0%		
					Total:	100%	100%		
			New Hires						
			Total number of new hires broken down by gender	Female	Count	117	105		
				Male		113	79		
					Total:	230	184		
			Percentage of new hires broken down by gender	Female	Percentage (%)	51%	57%		
				Male		49%	43%		
					Total:	100%	100%		

No.	GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY 2023	FY 2024	Targets	Progress for FY 2024
MATERIAL MATTER: TALENT MANAGEMENT									
Employment									
			Total number of new hires broken down by age	Under 20 - 29 years old	Count	151	98		
				30 - 39 years old		44	51		
				40 - 49 years old		22	21		
				50 - 59 years old		8	6		
				Above 60 years old		5	8		
					Total:	230	184		
			Percentage of new hires broken down by age	Under 20 - 29 years old	Percentage (%)	66%	53%		
				30 - 39 years old		19%	28%		
				40 - 49 years old		10%	12%		
				50 - 59 years old		3%	3%		
				Above 60 years old		2%	4%		
					Total:	100%	100%		
		C6 (c) Labor Practices & Standards: Total number of employee turnover by employee category	Employee Turnover						
			Employee turnover rate	Employee turnover rate	Percentage (%)	17.5%	16.5%	Not more than 20% annually	Achieved
			Total employee turnover broken down by gender	Female	Count	82	79		
				Male		89	84		
					Total:	171	163		
			Percentage of employee turnover broken down by gender	Female	Percentage (%)	48%	48%		
				Male		52%	52%		
					Total:	100%	100%		
			Total number of employee turnover broken down by age	Under 20 - 29 years old	Count	89	78		
				30 - 39 years old		46	41		
				40 - 49 years old		22	26		
				50 - 59 years old		7	11		
				Above 60 years old		7	7		
					Total:	171	163		
			Percentage of employee turnover broken down by age	Under 20 - 29 years old	Percentage (%)	52%	48%		
				30 - 39 years old		27%	25%		
				40 - 49 years old		13%	16%		
				50 - 59 years old		4%	7%		
				Above 60 years old		4%	4%		
					Total:	100%	100%		

SUSTAINABILITY STATEMENT
(CONT'D)

SUSTAINABILITY PERFORMANCE TABLE

SOCIAL

No.	GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY 2023	FY 2024	Targets	Progress for FY 2024
MATERIAL MATTER: TALENT MANAGEMENT									
Employment									
			Total number of employee turnover broken down by employee category	Manager	Count	13	12		
				Executive		34	41		
				Non-executive		124	110		
				Total:		171	163		
			Percentage of employee turnover broken down by employee category	Manager	Percentage (%)	8%	7%		
				Executive		20%	25%		
				Non-executive		72%	68%		
				Total:		100%	100%		
		C6 (d) Labor Practices & Standards: Number of substantiated complaints concerning human rights violations	**Human Rights Violations**						
			Total number of substantiated complaints concerning human rights violations	Number of substantiated complaints concerning human rights violations	Count	0	0	Zero complaints concerning human rights violations	Achieved
Training and Education									
4	**GRI 404: Training and Education**	**C6 (a) Labor Practices & Standards: Total hours of training by employee category**	**Training Hours**						
			Total training hours	Training hours	Hours	45,520	52,624		
			Average training hours per employee	Training hours	Hours	47	53	40 training hours per employee	Exceeded target
			Total Training Hours by Gender						
			Total training hours by gender	Female	Hours	-	29,722		
				Male		-	22,902		
			Total Training Hours by Employee Category						
			Total training hours by employee category	Manager	Hours	6,636	7,745		
				Executive		15,620	18,590		
				Non-executive		23,264	26,289		
			Average Training Hours by Gender						
			Average training hours by gender	Female	Hours	-	55		
				Male		-	51		
			Average Training Hours by Employee Category						
			Average training hours by employee category	Manager	Hours	76	78		
				Executive		71	75		
				Non-executive		35	41		

No.	GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY 2023	FY 2024	Targets	Progress for FY 2024
MATERIAL MATTER: TALENT MANAGEMENT									
Training and Education									
			Performance and Career Development Reviews						
			Percentage of employees receiving regular performance and career development reviews	Percentage of employees receiving regular performance and career development reviews (permanent employees)	Percentage (%)	-	100%	100% of employees to receive performance and career development reviews (permanent employees)	Achieved
Diversity and Equal Opportunity									
5	**GRI 405: Diversity and Equal Opportunity**	**C3 (b) Diversity: Percentage of directors by gender and age group**	**Board Diversity**						
			Board diversity by gender	Female Director	Count	1	1		
				Male Director		7	6		
				Total:		8	7		
			Percentage of Board diversity by gender	Female Director	Percentage (%)	13%	14%		
				Male Director		87%	86%		
				Total:		100%	100%		
			Board diversity by age	20 - 29 years old	Count	0	0		
				30 - 39 years old		0	0		
				40 - 49 years old		0	0		
				50 - 59 years old		2	2		
				Above 60 years old		6	5		
				Total:		8	7		
			Percentage of Board diversity by age	20 - 29 years old	Percentage (%)	0%	0%		
				30 - 39 years old		0%	0%		
				40 - 49 years old		0%	0%		
				50 - 59 years old		25%	29%		
				Above 60 years old		75%	71%		
				Total:		100%	100%		
		C3 (a) Diversity: Percentage of employees by gender and age group, for each employee category	**Employee Diversity**						
			Percentage of employee category (Manager) by age	Under 20 - 29 years old	Percentage (%)	4%	5%		
				30 - 39 years old		18%	19%		
				40 - 49 years old		49%	48%		
				50 - 59 years old		23%	21%		
				Above 60 years old		6%	7%		
				Total:		100%	100%		

SUSTAINABILITY STATEMENT
(CONT'D)

SUSTAINABILITY PERFORMANCE TABLE

SOCIAL GOVERNANCE

No.	GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY 2023	FY 2024	Targets	Progress for FY 2024
MATERIAL MATTER: TALENT MANAGEMENT									
Diversity and Equal Opportunity									
			Percentage of employee category (Executive) by age	Under 20 - 29 years old	Percentage (%)	32%	32%		
				30 - 39 years old		33%	35%		
				40 - 49 years old		23%	22%		
				50 - 59 years old		10%	9%		
				Above 60 years old		2%	2%		
					Total:	100%	100%		
			Percentage of employee category (Non-Executive) by age	Under 20 - 29 years old	Percentage (%)	40%	37%		
				30 - 39 years old		32%	34%		
				40 - 49 years old		16%	16%		
				50 - 59 years old		10%	10%		
				Above 60 years old		2%	3%		
					Total:	100%	100%		
			Percentage of employee category (Manager) by gender	Female	Percentage (%)	57%	58%		
				Male		43%	42%		
					Total:	100%	100%		
			Percentage of employee category (Executive) by gender	Female	Percentage (%)	70%	70%		
				Male		30%	30%		
					Total:	100%	100%		
			Percentage of employee category (Non-Executive) by gender	Female	Percentage (%)	48%	48%		
				Male		52%	52%		
					Total:	100%	100%		
Non-Discrimination									
6	**GRI 406: Non-Discrimination**		**Incidents of Discrimination**						
			Total number of incidents of discrimination	Number of incidents of discrimination	Count	-	0	Zero incidents of discrimination	Achieved
			Employees with Disability						
			Total number of employees with disability	Number of employees with disability	Count	-	2		
MATERIAL MATTER: COMMUNITY / SOCIETY									
Local Communities									
7	**GRI 413: Local Communities**	**C2 (a) Community/ Society: Total amount invested in the community where the target beneficiaries are external to the listed issuer**	**Community Contributions and Investment**						
			Total amount invested in the community	Total amount invested	Ringgit Malaysia (RM)	397,995	307,455	At least 0.3% of the previous year's Group Profit After Tax, excluding one-off gains	Exceeded target

No.	GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY 2023	FY 2024	Targets	Progress for FY 2024
MATERIAL MATTER: COMMUNITY / SOCIETY									
		C2 (b) Community/ Society: Total number of beneficiaries of the investment in communities	Beneficiary Organizations of the Investment in Communities						
			Total number of beneficiary organizations of the investment in communities	Total number of beneficiary organizations	Count	44	54		
			Beneficiary Individuals of the Investment in Communities						
			Total number of beneficiary individuals of the investment in communities	Total number of beneficiary individuals	Count	32,885	19,121		

Note: - denotes that data was not tracked or disclosed in FY 2023

No.	GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY 2023	FY 2024	Targets	Progress for FY 2024
MATERIAL MATTER: ETHICAL BUSINESS PRACTICES									
Anti-Corruption									
1	GRI 205: Anti-corruption	C1 (a) Anti-Corruption: Percentage of employees who have received training on anti-corruption by employee category	Anti-Corruption Training						
			Total number of employees who have received training on anti-corruption by employee category	Manager	Count	93	99	100% of employees trained on anti-corruption	We achieved a participation rate of 99.8% in 2024. Measures are being implemented to ensure full participation in future training sessions.
				Executive		220	246		
				Non-Executive		663	641		
				Total:		976	986		
			Percentage of employees who have received training on anti-corruption by employee category	Manager	Percentage (%)	100%	100%		
				Executive		100%	99%		
				Non-Executive		100%	100%		
				Total:		100%	100%		
			Total number of anti-corruption training programs	Anti-corruption training programs organized	Count	2	2		
		C1 (b) Anti-Corruption: Percentage of operations assessed for corruption-related risks	Operations Assessed for Corruption-related Risks						
			Total number of operations assessed for corruption-related risks	Corruption-related risks assessed across business units	Count	13	13	100% of operations assessed for corruption-related risks	Achieved
			Percentage of operations assessed for corruption-related risks	Corruption-related risks assessed across business units	Percentage (%)	100%	100%		
		C1 (c) Anti-Corruption: Confirmed incidents of corruption and action taken	Confirmed Incidents of Corruption and Action Taken						
			Total number of confirmed incidents of corruption	Number of corruption incidents	Count	0	0	Zero incidents involving bribery/ corruption	Achieved

Disclaimer

During our data analysis and entry into the Bursa Malaysia ESG Reporting Platform, we identified a discrepancy in terms of unit of measurement that is not possible to be changed within the system. In this regard, for the indicator "Bursa C4(a) Total energy consumption" bearing "Megawatt" as the unit of measurement, we have reported zero, underscoring our commitment to accurate reporting. The data will be restated upon addressing the unit discrepancy in subsequent reporting. We take note that the unit of measurement prescribed in Bursa Malaysia Sustainability Reporting Guide (3rd Edition) page 84 for energy consumption is "Megajoules" or "Gigajoules". On this basis, for the said indicator we have adopted "Gigajoules" in our disclosure.

Indicator	Measurement Unit	2023	2024
Bursa (Anti-corruption)			
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category			
Managers	Percentage	100.00	100.00
Executives	Percentage	100.00	99.00
Non-Executives	Percentage	100.00	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0
Bursa (Community/Society)			
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	397,995.00	307,455.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	52,885	19,121
Bursa (Diversity)			
Bursa C3(a) Percentage of employees by gender and age group, for each employee category			
Age Group by Employee Category			
Managers Under 20 - 29 years old	Percentage	4.30	5.00
Managers 30 - 39 years old	Percentage	18.30	19.00
Managers 40 - 49 years old	Percentage	48.40	48.00
Managers 50 - 59 years old	Percentage	22.60	21.00
Managers Above 60 years old	Percentage	6.40	7.00
Executives Under 20 - 29 years old	Percentage	31.80	32.00
Executives 30 - 39 years old	Percentage	33.20	35.00
Executives 40 - 49 years old	Percentage	22.70	22.00
Executives 50 - 59 years old	Percentage	10.50	9.00
Executives Above 60 years old	Percentage	1.80	2.00
Non-Executives Under 20 - 29 years old	Percentage	40.30	37.00
Non-Executives 30 - 39 years old	Percentage	31.50	34.00
Non-Executives 40 - 49 years old	Percentage	16.30	16.00
Non-Executives 50 - 59 years old	Percentage	9.50	10.00
Non-Executives Above 60 years old	Percentage	2.40	3.00
Gender Group by Employee Category			
Managers Male	Percentage	43.00	42.00
Managers Female	Percentage	57.00	58.00
Executives Male	Percentage	30.00	30.00
Executives Female	Percentage	70.00	70.00
Non-Executives Male	Percentage	52.30	52.00
Non-Executives Female	Percentage	47.70	48.00
Bursa C3(b) Percentage of directors by gender and age group			
Male	Percentage	87.00	86.00
Female	Percentage	13.00	14.00
20 - 29 years old	Percentage	0.00	0.00
30 - 39 years old	Percentage	0.00	0.00
40 - 49 years old	Percentage	0.00	0.00
50 - 59 years old	Percentage	25.00	29.00
Above 60 years old	Percentage	75.00	71.00
Bursa (Energy management)			
Bursa C4(a) Total energy consumption	Megawatt	0.00	0.00
Bursa (Health and safety)			
Bursa C5(a) Number of work-related fatalities	Number	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00	0.50

Internal assurance | External assurance | No assurance | (*)Restated

SUSTAINABILITY STATEMENT (CONT'D)

Indicator	Measurement Unit	2023	2024
Bursa C5(c) Number of employees trained on health and safety standards	Number	841	986
Bursa (Labour practices and standards)			
Bursa C6(a) Total hours of training by employee category			
Managers	Hours	8,636	7,745
Executives	Hours	15,820	18,590
Non-Executives	Hours	23,284	26,289
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	6.00	4.00
Bursa C6(c) Total number of employee turnover by employee category			
Managers	Number	13	12
Executives	Number	34	41
Non-Executives	Number	124	110
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0
Bursa (Supply chain management)			
Bursa C7(a) Proportion of spending on local suppliers	Percentage	66.00	65.00
Bursa (Data privacy and security)			
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0
Bursa (Water)			
Bursa C9(a) Total volume of water used	Megalitres	128.600000	142.800000
Bursa (Waste management)			
Bursa C10(a) Total waste generated	Metric tonnes	251.00 *	223.60
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	153.70 *	126.20
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	97.20 *	97.40
Bursa (Emissions management)			
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	90.90 *	82.00
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	8,791.10 *	10,128.60
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	1,601.60 *	2,102.60

Internal assurance | External assurance | No assurance | (*)Restated

GRI STANDARDS CONTENT INDEX

GRI Standard	Disclosure		Page reference
GRI 2: GENERAL DISCLOSURES			
	THE ORGANIZATION AND ITS REPORTING PRACTICES		
GRI 2: General Disclosures 2021	2-1	Organizational details	*Corporate Structure*, 4
	2-2	Entities included in the organization's sustainability reporting	*Scope and Boundary*, 51
	2-3	Reporting period, frequency and contact point	*About This Sustainability Statement*, 50
	2-4	Restatements of information	Not Applicable
	2-5	External assurance	*Assurance Statement*, 51
	ACTIVITIES AND WORKERS		
	2-6	Activities, value chain and other business relationships	*Management Discussion & Analysis*, 9 - 23
	2-7	Employees	94 - 97
	2-8	Workers who are not employees	Not Applicable
	GOVERNANCE		
	2-9	Governance structure and composition	55
	2-10	Nomination and selection of the highest governance body	55
	2-11	Chair of the highest governance body	55
	2-12	Role of the highest governance body in overseeing the management of impacts	55
	2-13	Delegation of responsibility for managing impacts	55 - 56
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	2-19	Remuneration policies	92; 100
	2-20	Process to determine remuneration	92; 100
	2-21	Annual total compensation ratio	Not Available
	STRATEGY, POLICIES AND PRACTICES		
	2-22	Statement on sustainable development strategy	52 - 54
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	2-29	Approach to stakeholder engagement	56 - 57
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	3-3	Management of material topics	59 - 60

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GRI Standard	**Disclosure**		**Page reference**
PROCUREMENT PRACTICES			
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GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	64
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GRI 3: Material Topics 2021	3-3	Management of material topics	64 - 66
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	66
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GRI 3: Material Topics 2021	3-3	Management of material topics	67 - 69
GRI 417: Marketing and Labelling	417-1	Requirements for product and service information and labelling	67 - 69
	417-2	Incidents of non-compliance concerning product and service information and labelling	70
	417-3	Incidents of non-compliance concerning marketing communications	70
SPECIFIC MATERIAL TOPICS: ENVIRONMENT			
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GRI 301: Materials 2016	301-1	Materials used by weight or volume	83
	301-2	Recycled input materials used	63; 83
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GRI 302: Energy 2016	302-1	Energy consumption within the organization	75
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GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	73
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GRI 306: Waste 2020	306-3	Waste generated	80
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EMPLOYMENT			
GRI 3: Material Topics 2021	3-3	Management of material topics	92 - 94
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	96 - 97
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	100
	401-3	Parental leave	92
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	92
GRI 408: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	92
OCCUPATIONAL HEALTH AND SAFETY			
GRI 3: Material Topics 2021	3-3	Management of material topics	86 - 88
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	87
	403-2	Hazard identification, risk assessment, and incident investigation	87
	403-3	Occupational health services	86 - 87
	403-4	Worker participation, consultation, and communication on occupational health and safety	88
	403-5	Worker training on occupational health and safety	88
	403-6	Promotion of worker health	88
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	86 - 88
	403-8	Workers covered by an occupational health and safety management system	87
	403-9	Work-related injuries	88
	403-10	Work-related ill health	88
TRAINING AND EDUCATION			
GRI 3: Material Topics 2021	3-3	Management of material topics	97 - 98
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	99
	404-2	Programs for upgrading employee skills and transition assistance programs	97 - 98
	404-3	Percentage of employees receiving regular performance and career development reviews	99

SUSTAINABILITY STATEMENT (CONT'D)

SPECIFIC MATERIAL TOPICS: ENVIRONMENT			
GRI Standard	**Disclosure**		**Page reference**
DIVERSITY AND EQUAL OPPORTUNITY			
GRI 3: Material Topics 2021	3-3	Management of material topics	99 - 102
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	99 - 101
	405-2	Ratio of basic salary and remuneration	Not Available
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	102
LOCAL COMMUNITIES			
GRI 3: Material Topics 2021	3-3	Management of material topics	104 - 105
GRI 413: Local communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	104 - 106
	413-2	Operations with significant actual and potential negative impacts on local communities	104 - 106
CUSTOMER HEALTH AND SAFETY			
GRI 3: Material Topics 2021	3-3	Management of material topics	89 - 91
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	91
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	91
SPECIFIC MATERIAL TOPICS: GOVERNANCE			
ANTI-CORRUPTION			
GRI 3: Material Topics 2021	3-3	Management of material topics	108 - 109
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	109
	205-2	Communication and training about anti-corruption policies and procedures	109
	205-3	Confirmed incidents of corruption and actions taken	109

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

PRINCIPAL ACTIVITIES

Apex Healthcare Berhad ("the Company") is incorporated in Malaysia. The principal activities of the Company are investment holding and the provision of management services.

The key principal activities of the subsidiaries are the manufacturing, marketing, distribution and wholesaling of pharmaceutical and healthcare products. The name, place of incorporation, activities of its subsidiaries and the percentage of issued share capital held by the Company in each subsidiary are set out in Note 18 to the financial statements.

RESULTS

	Group RM	Company RM
Profit after taxation	76,544,630	48,974,835

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

The amounts of dividends paid by the Company since 31 December 2023 were as follows:

	RM
In respect of the financial year ended 31 December 2023:	
Final single-tier dividend of 2.5 sen per share on 719,651,046 ordinary shares, approved on 15 May 2024 and paid on 29 May 2024	17,991,276
Special single-tier dividend of 20.0 sen per share on 719,651,046 ordinary shares, approved on 15 May 2024 and paid on 29 May 2024	143,930,209
In respect of the financial year ended 31 December 2024:	
Interim single-tier dividend of 3.0 sen per share on 720,064,046 ordinary shares, declared on 21 August 2024 and paid on 18 September 2024	21,601,921
Second interim single-tier dividend of 3.0 sen per share on 720,234,546 ordinary shares, declared on 27 November 2024 and paid on 20 December 2024	21,607,036
	205,130,442

At the forthcoming Annual General Meeting, a final single-tier dividend of 3.0 sen per share in respect of the financial year ended 31 December 2024 will be proposed for shareholders' approval. As disclosed in Note 27 to the financial statements, any Executive Share Option Scheme ("ESOS") exercised prior to the dividend entitlement date will be entitled to the final dividend. The financial statements for the current financial year do not reflect these proposed dividends. Such dividends, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2025.

DIRECTORS

The names of the directors of the Company in office since the beginning of the financial year to the date of this report are:

Dr. Kee Kirk Chin
Robert Dobson Millner AO
Datuk Phang Ah Tong
Leong Khai Cheong
Kee Kirk Chuen
Yap Seng Chong
Le Wat Su
Datuk Noharuddin Bin Nordin @ Harun (Retired on 17 July 2024)

The names of the directors of the subsidiaries of the Company since the beginning of the financial year to the date of this report, not including those directors listed above, are:

Tan Hing Tai
Ch'ng Kien Peng
Chiew Woon Wui
Kee Chin Joo (Retired on 1 January 2025)

In accordance with Clause 95 of the Company's Constitution, Mr. Leong Khai Cheong and Datuk Phang Ah Tong retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that financial year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than those arising from share options granted to a director under the ESOS.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of remuneration received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown below by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Fees and other benefits distinguished separately, paid to or receivable by the Directors of the Company from the Company or its subsidiary companies, inclusive of all fees, percentages, bonuses, commissions, compensation for loss of office (if any), any contribution in respect of them under any pension or retirement benefits scheme were as follows:

Analysis of Directors' remuneration for the financial year ended 31 December 2024

	Group RM	**Company RM**
Executive directors' remuneration:		
- fees	85,000	85,000
- salaries	1,627,872	52,008
- bonus	2,585,506	73,778
- defined contribution plans	96,849	23,899
Benefits-in-kind	159,371	159,371
	4,554,598	394,056
Non-executive directors' remuneration:		
- fees	623,984	623,984
- other emoluments	73,435	73,435
	697,419	697,419
Total directors' remuneration	5,252,017	1,091,475

DIRECTORS' INDEMNITY

There was no amount paid or payable for the directors or officers of the Company in respect of their liability for any act or omission in their capacity as directors or officers of the Company or in respect of costs incurred by them in defending or settling any claim or proceedings relating to any such liability for the current financial year. The insurance premium incurred by the Company for Directors and Officers insurance during the current financial year amounts to RM13,196.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares			
Name of directors	**As at 1.1.2024**	**Acquired**	**Disposed**	**As at 31.12.2024**
Direct interest:				
Dr. Kee Kirk Chin	8,304,372	225,000	-	8,529,372
Robert Dobson Millner AO	440,622	-	-	440,622
Datuk Phang Ah Tong	15,000	-	-	15,000
Leong Khai Cheong	1,636,122	-	-	1,636,122
Kee Kirk Chuen	1,406,250	-	-	1,406,250
Le Wat Su	30,000	-	-	30,000
Indirect interest:				
Dr. Kee Kirk Chin *	296,805,036	144,500	-	296,949,536
Kee Kirk Chuen *	296,805,036	144,500	-	296,949,536

* *Dr. Kee Kirk Chin and Kee Kirk Chuen have indirect interest in the Company by virtue of their interests in Apex Pharmacy Holdings Sdn. Bhd., a major shareholder in the Company.*

	Number of options over ordinary shares pursuant to ESOS			
Name of directors	**As at 1.1.2024**	**Granted**	**Exercised**	**As at 31.12.2024**
Direct interest:				
Dr. Kee Kirk Chin	375,000	130,000	(225,000)	280,000

Dr. Kee Kirk Chin and Kee Kirk Chuen, by virtue of their indirect interests in shares in the Company, are also deemed interested in shares of all the subsidiaries of the Company to the extent the Company has an interest.

Other than as disclosed above, one director in office at the end of the current financial year did not have any interest in shares in the Company or its related corporations during the current financial year.

ISSUE OF SHARES

During the financial year, the Company increased its paid-up capital from RM133,287,045 to RM137,137,136. The increase in paid-up capital of the Company was due to the exercise of options granted under the Executive Share Option Scheme ("ESOS") by the employees of the Company and its subsidiaries, as disclosed in Note 27 to the financial statements.

The above-mentioned ordinary shares issued during the current financial year rank pari-passu in all respects with the existing ordinary shares of the Company.

EXECUTIVE SHARE OPTION SCHEME ("ESOS")

At an Extraordinary General Meeting held on 18 May 2016, the Company's shareholders approved an ESOS of up to 10% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point in time during the existence of the ESOS. This ESOS shall be in force for a period of five (5) years from 1 July 2016 and may be extended by the Board of Directors ("Board") at their absolute discretion for a further period of five (5) years but will not, in aggregate, exceed ten (10) years from 1 July 2016 or such longer period as may be allowed by the relevant authorities.

On 23 May 2019, the Board approved the extension of the ESOS for five (5) years to 30 June 2026. All existing outstanding options granted shall therefore be exercisable up to the extended period.

The details of the ESOS are disclosed in Note 27 to the financial statements.

During the financial year, the Company has granted 1,351,500 share options under the ESOS plan. These options have a vesting period of eighteen (18) months from 1 July 2024 to 31 December 2025 and will expire on 30 June 2026. These options are exercisable if the employee remains in service for eighteen (18) months from the date of grant.

Details of all the unexercised options to subscribe for ordinary shares of the Company pursuant to the ESOS as at 31 December 2024 are as follows:

Grant and Expiry date	Exercise price (RM)	Number of options
Grant No 4 - 30 June 2026	1.22	57,000
Grant No 5 - 30 June 2026	1.39	105,000
Grant No 6 - 30 June 2026	1.81	154,500
Grant No 7 - 30 June 2026	1.78	706,500
Grant No 8 - 30 June 2026	2.18	1,441,500
Grant No 9 - 30 June 2026	2.60	1,291,000
Total		3,755,500

Details of options granted to a director are disclosed in the section on Directors' interests in this report.

OTHER STATUTORY INFORMATION

(a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

  (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for impairment on receivables and satisfied themselves that all known bad debts had been written off and that adequate allowance for impairment had been made for receivables; and

  (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

  (i) the amount written off for bad debts or the amount of the allowance for impairment on receivables in the financial statements of the Group and of the Company inadequate to any substantial extent; and

  (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

OTHER STATUTORY INFORMATION (CONT'D)

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

(e) At the date of this report, there does not exist:

  (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

  (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(f) In the opinion of the directors:

  (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

  (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

AUDITORS

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

The total amount paid to or receivable by the auditors as remuneration for their services for the current financial year as auditors of the Group and of the Company are RM822,478 and RM212,200 respectively.

To the extent permitted by law, the Group and the Company have agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of the audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young PLT during the financial year.

Signed on behalf of the Board in accordance with a resolution of the directors dated 19 March 2025.

Dr. Kee Kirk Chin | **Yap Seng Chong**

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Dr. Kee Kirk Chin and Yap Seng Chong, being two of the directors of Apex Healthcare Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 142 to 200 are drawn up in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 19 March 2025.

Dr. Kee Kirk Chin **Yap Seng Chong**

STATUTORY DECLARATION
PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, Chiew Woon Wui, being the officer primarily responsible for the financial management of Apex Healthcare Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 142 to 200 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed Chiew Woon Wui
at Melaka in Malaysia
on 19 March 2025

Chiew Woon Wui
MIA 20586

Before me,

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF APEX HEALTHCARE BERHAD (INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Apex Healthcare Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 142 to 200.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. We have determined that there are no key audit matters to communicate in our report on the financial statements of the Company. The key audit matters for the audit of the financial statements of the Group are described below. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis of our audit opinion on the accompanying financial statements.

Revenue recognition

(Refer Note 4 – Revenue, Note 2.18 Summary of significant accounting policies: Revenue)

Revenue from sales of pharmaceutical products recognised by the Group during the financial year amounted to RM961,407,109. We identified revenue recognition in respect of sales of pharmaceutical products to be an area of audit focus as we consider the high volume of transactions for numerous types of pharmaceutical products produced and purchased, and thereafter sold by the Group to be a possible cause of higher risk of material misstatements in relation to the timing and amount of revenue recognised. We have specifically focused our audit efforts to determine the possibility of improper revenue recognition due to inappropriate revenue cut-off.

Our audit procedures for revenue recognition included the following:

- Obtained an understanding of the relevant internal controls over the revenue recognition process and tested the Group's internal controls over timing and amount of revenue recognised;
- Used data analytics on the audit of revenue recognised by establishing the correlation between Revenue-Receivable-Cash;

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key audit matters (Cont'd)

Revenue recognition (Cont'd)

Our audit procedures for revenue recognition included the following: (Cont'd)

- On a sampling basis, inspected documents which evidenced the delivery of goods to customers;
- On a sampling basis, traced cash journal entries pertaining to receipts from trade receivables and confirmed that they represent real cash transactions by agreeing them to the bank statements and checked that the payments were applied to clear outstanding revenue invoices;
- Focused on testing the recording of sales transactions close to the financial year end and credit notes issued after the financial year end, to establish whether sales transactions were recorded in the correct accounting period; and
- Assessed the adequacy of the Group's disclosures on revenue in accordance with MFRS 15 Revenue from Contracts with Customers.

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the Group's 2024 Annual Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, which is expected to be made available to us after the date of this auditors' report.

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

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Group's 2024 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF APEX HEALTHCARE BERHAD (INCORPORATED IN MALAYSIA)
(CONT'D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Auditors' responsibilities for the audit of the financial statements

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

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation; and

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Hoh Yoon Hoong
No. 02990/08/2026 J
Chartered Accountant

Kuala Lumpur, Malaysia
19 March 2025

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Group		Company	
		2024	**2023**	**2024**	**2023**
	Note	**RM**	**RM**	**RM**	**RM**
Revenue	4	**961,779,532**	936,169,958	**47,181,600**	291,908,800
Cost of sales/services rendered	5	**(736,184,967)**	(721,341,139)	**(2,976,966)**	(4,530,267)
Gross profit		**225,594,565**	214,828,819	**44,204,634**	287,378,533
Other income	6	**15,753,896**	14,590,626	**9,763,227**	6,646,477
Administrative expenses		**(31,258,654)**	(32,819,947)	**(1,699,567)**	(5,202,698)
Selling and marketing expenses		**(96,997,736)**	(91,037,953)	**(8,602)**	(8,712)
Other expenses		**(707,039)**	(18,085,526)	**(688,009)**	(15,288,271)
Operating profit		**112,385,032**	87,476,019	**51,571,683**	273,525,329
Finance costs	7	**(1,404,696)**	(563,350)	**-**	-
Share of after tax results of associates		**(9,778,971)**	336,396,451	**-**	-
Profit before taxation	8	**101,201,365**	423,309,120	**51,571,683**	273,525,329
Taxation	11	**(24,656,735)**	(25,320,247)	**(2,596,848)**	(1,798,649)
Profit after taxation		**76,544,630**	397,988,873	**48,974,835**	271,726,680
Other comprehensive income					
Item that will be reclassified to profit or loss in subsequent periods, net of tax:					
Foreign currency translation		**(3,859,391)**	2,761,873	**-**	-
Total comprehensive income for the financial year		**72,685,239**	400,750,746	**48,974,835**	271,726,680
Profit attributable to:					
Owners of the parent		**76,544,630**	397,988,873	**48,974,835**	271,726,680
Total comprehensive income attributable to:					
Owners of the parent		**72,685,239**	400,750,746	**48,974,835**	271,726,680
Earnings per share attributable to owners of the parent (sen per share):					
- Basic	12	**10.70**	55.71		
- Diluted	12	**10.70**	55.68		

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

		Group		Company	
		2024	2023	2024	2023
	Note	RM	RM	RM	RM
Assets					
Non-current assets					
Property, plant and equipment	14	**255,657,891**	199,234,343	**57,121**	78,016
Investment properties	15	**9,069,546**	9,251,716	**-**	-
Intangible assets	16	**9,144,446**	5,575,233	**-**	-
Right-of-use assets	17(a)	**9,212,900**	6,395,693	**-**	-
Investments in subsidiaries	18	**-**	-	**60,097,941**	60,097,941
Investments in associates	19	**183,885,873**	193,784,844	**7,406,622**	7,406,622
Other investment		**726,367**	1,217,662	**-**	-
Deferred tax assets	20	**692,000**	1,319,000	**-**	-
Other receivables	21	**-**	-	**90,565,000**	86,265,000
		468,389,023	416,778,491	**158,126,684**	153,847,579
Current assets					
Inventories	22	**132,352,920**	126,991,726	**-**	-
Trade and other receivables	21	**192,492,726**	194,423,118	**24,836,707**	29,840,907
Prepayments		**1,543,604**	1,398,393	**20,316**	15,840
Tax recoverable		**87,762**	45,815	**-**	-
Derivative financial instruments	23	**-**	10,630	**-**	-
Short term deposits and investments	24	**127,032,731**	296,048,634	**104,917,939**	274,511,597
Cash at banks and on hand	24	**86,987,332**	86,920,532	**5,608,181**	5,403,655
		540,497,075	705,838,848	**135,383,143**	309,771,999
Total assets		**1,008,886,098**	1,122,617,339	**293,509,827**	463,619,578
Equity and liabilities					
Current liabilities					
Trade and other payables	25	**149,295,659**	179,907,080	**3,767,538**	22,008,405
Borrowings	26	**7,142,868**	3,642,816	**-**	-
Lease liabilities	17(b)	**2,088,929**	950,390	**-**	-
Derivative financial instruments	23	**5,999**	-	**-**	-
Tax payable		**4,479,930**	6,098,193	**657,716**	143,641
		163,013,385	190,598,479	**4,425,254**	22,152,046
Net current assets		**377,483,690**	515,240,369	**130,957,889**	287,619,953

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024
(CONT'D)

		Group		Company	
		2024	2023	2024	2023
	Note	RM	RM	RM	RM
Non-current liabilities					
Borrowings	26	**39,880,937**	-	**-**	-
Lease liabilities	17(b)	**7,717,704**	5,937,776	**-**	-
Deferred tax liabilities	20	**8,653,937**	7,806,687	**-**	-
		56,252,578	13,744,463	**-**	-
Total liabilities		**219,265,963**	204,342,942	**4,425,254**	22,152,046
Net assets		**789,620,135**	918,274,397	**289,084,573**	441,467,532
Equity attributable to owners of the parent					
Share capital	27	**137,137,136**	133,287,045	**137,137,136**	133,287,045
Other reserves	28	**18,569,790**	22,507,522	**1,462,297**	1,540,638
Retained earnings	29	**633,913,209**	762,479,830	**150,485,140**	306,639,849
Total equity		**789,620,135**	918,274,397	**289,084,573**	441,467,532
Total equity and liabilities		**1,008,886,098**	1,122,617,339	**293,509,827**	463,619,578

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Non-distributable			Distributable	
		Share capital (Note 27)	Share option reserve (Note 28)	Foreign currency translation reserve (Note 28)	Retained earnings (Note 29)	Total equity attributable to owners of the parent
		RM	RM	RM	RM	RM
Group						
At 1 January 2024		133,287,045	1,540,638	20,966,884	762,479,830	918,274,397
Profit for the financial year		-	-	-	76,544,630	76,544,630
Other comprehensive income		-	-	(3,859,391)	-	(3,859,391)
Total comprehensive income		-	-	(3,859,391)	76,544,630	72,685,239
Share-based payment transactions						
- Issuance of shares pursuant to ESOS		2,915,940	-	-	-	2,915,940
- Share options granted		-	875,001	-	-	875,001
- Share options exercised		934,151	(934,151)	-	-	-
- Share options expired transfer to retained earnings		-	(19,191)	-	19,191	-
		3,850,091	(78,341)	-	19,191	3,790,941
Transaction with owners						
Dividends on ordinary shares, representing total transactions with owners	13	-	-	-	(205,130,442)	(205,130,442)
At 31 December 2024		137,137,136	1,462,297	17,107,493	633,913,209	789,620,135

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024
(CONT'D)

	Note	Non-distributable			Distributable	
		Share capital (Note 27) RM	Share option reserve (Note 28) RM	Foreign currency translation reserve (Note 28) RM	Retained earnings (Note 29) RM	Total equity attributable to owners of the parent RM
Group						
At 1 January 2023		129,833,516	1,637,367	18,205,011	408,751,979	558,427,873
Profit for the financial year		-	-	-	397,988,873	397,988,873
Other comprehensive income		-	-	2,761,873	-	2,761,873
Total comprehensive income		-	-	2,761,873	397,988,873	400,750,746
Share-based payment transactions						
- Issuance of shares pursuant to ESOS		2,624,625	-	-	-	2,624,625
- Share options granted		-	752,274	-	-	752,274
- Share options exercised		828,904	(828,904)	-	-	-
- Share options expired transfer to retained earnings		-	(20,099)	-	20,099	-
		3,453,529	(96,729)	-	20,099	3,376,899
Transaction with owners						
Dividends on ordinary shares, representing total transactions with owners	13	-	-	-	(44,281,121)	(44,281,121)
At 31 December 2023		133,287,045	1,540,638	20,966,884	762,479,830	918,274,397

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024
(CONT'D)

	Note	Share capital (Note 27) RM	Non-distributable share option reserve (Note 28) RM	Distributable retained earnings (Note 29) RM	Total equity RM
Company					
At 1 January 2024		**133,287,045**	**1,540,638**	**306,639,849**	**441,467,532**
Profit for the financial year, representing total comprehensive income		**-**	**-**	**48,974,835**	**48,974,835**
Share-based payment transactions					
- Issuance of shares pursuant to ESOS		**2,915,940**	**-**	**-**	**2,915,940**
- Share options granted		**-**	**875,001**	**-**	**875,001**
- Share options exercised		**934,151**	**(934,151)**	**-**	**-**
- Share options expired		**-**	**(19,191)**	**898**	**(18,293)**
		3,850,091	**(78,341)**	**898**	**3,772,648**
Transaction with owners					
Dividends on ordinary shares, representing total transactions with owners	13	**-**	**-**	**(205,130,442)**	**(205,130,442)**
At 31 December 2024		**137,137,136**	**1,462,297**	**150,485,140**	**289,084,573**
At 1 January 2023		129,833,516	1,637,367	79,194,290	210,665,173
Profit for the financial year, representing total comprehensive income		-	-	271,726,680	271,726,680
Share-based payment transactions					
- Issuance of shares pursuant to ESOS		2,624,625	-	-	2,624,625
- Share options granted		-	752,274	-	752,274
- Share options exercised		828,904	(828,904)	-	-
- Share options expired		-	(20,099)	-	(20,099)
		3,453,529	(96,729)	-	3,356,800
Transaction with owners					
Dividends on ordinary shares, representing total transactions with owners	13	-	-	(44,281,121)	(44,281,121)
At 31 December 2023		133,287,045	1,540,638	306,639,849	441,467,532

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Group		Company	
		2024	2023	2024	2023
	Note	RM	RM	RM	RM
Operating activities					
Profit before taxation		**101,201,365**	423,309,120	**51,571,683**	273,525,329
Adjustments for:					
Property, plant and equipment:					
- depreciation	8	**18,784,168**	16,618,346	**44,531**	38,861
- written off	8	**18**	478	**3**	-
- gain on disposal	6	**(202,813)**	(281,161)	**-**	-
Depreciation of:					
- investment properties	8	**182,170**	73,989	**-**	-
- right-of-use assets	8	**2,020,079**	898,158	**-**	-
Intangible assets:					
- amortisation	8	**781,307**	476,666	**-**	-
- written off	8	**204,856**	-	**-**	-
Interest expense on:					
- bank borrowings	7	**971,059**	256,024	**-**	-
- lease liabilities	7	**433,637**	307,326	**-**	-
Interest income on:					
- advances to subsidiaries	6	**-**	-	**(2,900,839)**	(1,021,875)
- short term deposits and investments	6	**(7,805,211)**	(6,859,125)	**(6,504,493)**	(5,624,196)
Dividend income:					
- subsidiaries	4	**-**	-	**(41,310,000)**	(69,700,000)
- associate	4	**-**	-	**-**	(217,000,000)
Fair value loss on derivative financial instruments	8	**16,629**	71,296	**-**	-
Share options granted	9	**875,001**	752,274	**156,239**	128,006
Total adjustments		**16,260,900**	12,314,271	**(50,514,559)**	(293,179,204)
Share of results of associates		**9,778,971**	(336,396,451)	**-**	-
Trade receivables:					
- allowance for expected credit losses	8	**65,551**	652,889	**-**	-
- bad debts (recovered)/ written off	8	**(56,357)**	3,654	**-**	-
Inventories:					
- written (back)/down	8	**(375,447)**	901,585	**-**	-
- written off	8	**180,257**	674,516	**-**	-
Net unrealised foreign exchange loss/(gain)	8	**761,617**	(570,409)	**96,464**	-
Total adjustments		**26,615,492**	(322,419,945)	**(50,418,095)**	(293,179,204)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024
(CONT'D)

		Group		Company	
		2024	2023	2024	2023
	Note	RM	RM	RM	RM
Operating cash flows before changes in working capital		**127,816,857**	100,889,175	**1,153,588**	(19,653,875)
Changes in working capital:					
Inventories		**(5,166,004)**	(17,116,157)	**-**	-
Trade and other receivables		**1,712,722**	(13,022,860)	**4,873,729**	(27,207,943)
Trade and other payables		**(30,533,592)**	15,583,037	**(18,240,867)**	18,081,280
Cash flows generated from/ (used in) operations		**93,829,983**	86,333,195	**(12,213,550)**	(28,780,538)
Taxes paid		**(24,828,010)**	(21,138,208)	**(2,082,773)**	(1,428,415)
Dividends received		**-**	-	**37,740,000**	69,700,000
Net cash flows generated from operating activities		**69,001,973**	65,194,987	**23,443,677**	39,491,047
Investing activities					
Net proceeds from/(placement in) other investment		**496,889**	(871,978)	**-**	-
Investment in a new associate		**-**	(3,960,000)	**-**	-
Purchase of:					
- plant and equipment	14	**(27,968,580)**	(25,934,203)	**(23,639)**	(50,373)
- investment properties	15	**-**	(234,581)	**-**	-
- intangible assets	16	**(2,998,836)**	(2,066,764)	**-**	-
Proceeds from disposal of plant and equipment		**322,100**	351,835	**-**	-
Dividend received from an associate	4	**-**	217,000,000	**-**	217,000,000
Interest received		**7,805,211**	6,859,125	**9,405,332**	6,646,071
Net changes in short term deposits and investments		**846,918**	7,310,159	**893,658**	7,339,894
Net cash flows (used in)/from investing activities		**(21,496,298)**	198,453,593	**10,275,351**	230,935,592
Financing activities					
Proceeds from issuance of shares		**2,915,940**	2,624,625	**2,915,940**	2,624,625
Repayment of term loans		**(6,619,011)**	(5,857,152)	**-**	-
Dividends paid	13	**(205,130,442)**	(44,281,121)	**(205,130,442)**	(44,281,121)
Interest paid on:					
- bank borrowings		**(971,059)**	(256,024)	**-**	-
- lease liabilities		**(433,637)**	(307,326)	**-**	-
Payments of lease liabilities		**(1,918,819)**	(834,311)	**-**	-
Net cash flows used in financing activities		**(212,157,028)**	(48,911,309)	**(202,214,502)**	(41,656,496)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024
(CONT'D)

		Group		Company	
		2024	2023	2024	2023
	Note	RM	RM	RM	RM
Net (decrease)/increase in cash and cash equivalents		**(164,651,353)**	214,737,271	**(168,495,474)**	228,770,143
Effect of foreign exchange rate changes on cash and cash equivalents		**(3,450,832)**	1,070,620	**-**	-
Cash and cash equivalents at 1 January		**380,320,532**	164,512,641	**278,903,655**	50,133,512
Cash and cash equivalents at 31 December	24	**212,218,347**	380,320,532	**110,408,181**	278,903,655

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

1. CORPORATE INFORMATION

Apex Healthcare Berhad ("the Company") is a public limited liability company incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at 1-5, Jalan TTC 1, Cheng Industrial Estate, 75250 Melaka.

The principal activities of the Company are investment holding and provision of management services.

There have been no significant changes in the nature of these principal activities during the financial year.

Related companies refer to companies within the Apex Healthcare Berhad group.

The financial statements for the financial year ended 31 December 2024 were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 19 March 2025.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements have been prepared on a historical cost basis unless otherwise indicated in the accounting policies below.

The financial statements are presented in Ringgit Malaysia ("RM") except when otherwise indicated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2024, the Group and the Company adopted the following Amendments to MFRSs mandatory for annual financial periods beginning on or after 1 January 2024.

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 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024

The application of these Amendments to MFRSs has had no impact on the disclosures and the amounts recognised in the financial statements of the Group and of the Company.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.3 Standards issued but not yet effective

The new MFRSs and Amendments to MFRSs that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026
Amendments to MFRS 7 and MFRS 9: Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 7 and MFRS 9: Contracts Referencing Nature-dependent Electricity	1 January 2026
MFRS 18: Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The directors expect that the adoption of the above new MFRSs and Amendments to MFRSs will not have any material impact on the financial statements of the Group and the Company in the period of initial application.

2.4 Subsidiary companies

In the Company’s separate financial statements, investments in subsidiaries are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2.5 Fair value measurement

The Group and the Company measures financial instruments such as derivatives at fair value at each reporting date. The fair values of financial instruments measured at fair value are disclosed in Note 33.

The Group’s management determines the policies and procedures for both recurring fair value measurement, such as derivative financial instruments.

External valuers are involved for valuation of significant assets, such as properties and significant liabilities, such as contingent consideration. Selection criteria of external valuers include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Group’s external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group’s accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Group’s external valuers, also compares the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.6 Foreign currencies

(a) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

(b) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income.

2.7 Property, plant and equipment

Freehold land has an unlimited useful life and therefore is not depreciated. Leasehold land are depreciated over the period of their respective lease term. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets, at the annual rates stated below:

Leasehold land	72 - 87 years
Buildings	2 - 3%
Plant, machinery and factory equipment	10 - 15%
Furniture, fittings and equipment	10 - 33 1/3%
Motor vehicles	20%
Renovation	10 - 20%

Capital-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

2.8 Investment properties

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and any accumulated impairment losses. The investment properties are depreciated in accordance with that for property, plant and equipment as described in Note 2.7.

Investment properties under construction included in investment properties are measured at cost and are not depreciated as these assets are not yet available for use.

2.9 Intangible assets

(a) Trademark

Trademark was acquired through business combinations. The useful life of trademark is estimated to be indefinite because based on the current market share of the trademark, management believes there is no foreseeable limit to the period over which the trademark are expected to generate net cash inflows to the Group. Trademark is stated at cost less any impairment losses. They are not amortised but tested for impairment annually or more frequently when indicators of impairment are identified.

b) Computer software

Software costs are stated at cost less any impairment losses and amortised using the straight-line basis over the commercial lives of the underlying products which are not exceeding 5 years.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.9 Intangible assets (Cont'd)

(c) Research and development cost

Research expenditure is recognised as an expense when incurred.

Capitalised development costs recognised as intangible assets are amortised from the point at which the asset is ready for use on a straight-line basis over its useful life. Development costs work-in-progress is not depreciated as they are not yet available for use. During the period of development, the asset is tested for impairment annually.

2.10 Investment in associates

The Group's investment in its associates is accounted for using the equity method.

Under the equity method, the investment in associates are initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associates since the acquisition date. Goodwill relating to the associates is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit or loss reflects the Group's share of the results of operations of the associates. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income.

In the Company's separate financial statements, investments in associates are accounted for at cost less impairment losses.

2.11 Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

(a) Raw materials

Raw materials are carried at purchase cost on a weighted average basis.

(b) Finished goods and work in progress

Cost of finished goods and work in progress consist of cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity.

(c) Pharmaceutical products held for trading

Pharmaceutical products are carried at purchase cost on a weighted average basis.

2.12 Financial assets

(a) Initial recognition and measurement

The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.12 Financial assets (Cont'd)

(b) Subsequent measurement

(i) Financial assets at amortised cost (debt instruments)

The Group's and the Company's financial assets at amortised cost include trade receivables, other receivables and cash at bank and on hand.

(ii) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading. The Group's and the Company's financial assets at fair value through profit or loss include derivatives, which are classified as held for trading unless they are designated as effective hedging instruments.

2.13 Impairment of financial assets

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience. The Group considers forward-looking factors do not have significant impact to its credit risk given the nature of its industry and the amount of ECLs is insensitive to changes to forecast economic conditions.

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at banks and short term deposits and investments with a maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.15 Financial liabilities

(a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at amortised cost or financial liabilities at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

(b) Subsequent measurement

Financial liabilities at amortised cost

After initial recognition, lease liabilities, trade and other payables and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

The Group's and the Company's financial liabilities measured at amortised cost are disclosed in Notes 17(b), 25 and 26 respectively.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.16 Employee benefits - share options plan

Executives of the Group and the Company receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with executives is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in profit or loss, with a corresponding increase in the share option reserve over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's and the Company's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised at the beginning and end of that period.

2.17 Leases - Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.

Right-of-use assets

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:

Office premises	3 - 6 years
Office equipment	5 years
Leasehold land	39 years

2.18 Revenue

(a) Sale of goods

Sales of goods represent amount received or receivable for goods supplied to the customer. Sales of good are recognised when control of the goods has transferred to the customer. Sales of good are measured as the amount of consideration to which the Group expects to receive. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods before transferring them to the customer.

(b) Management fee income

Management fee is recognised when service is rendered over time.

2.19 Taxes

(a) Income tax - current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

(b) Income tax - deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.19 Taxes (Cont'd)

(b) Income tax - deferred tax (Cont'd)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.20 Government grant

The Group has elected to present the grant as a reduction in the carrying amount of the property, plant and equipment. The grant is then recognised in profit or loss over the useful life of the depreciable asset by way of a reduced depreciation charge.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

3.1 Critical judgements made in applying accounting policies

There is no critical judgement made by management in the process of applying the Group's and the Company's accounting policies that have a significant effect on the amounts recognised in the financial statements.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment of trade receivables

The Group and the Company assess at each reporting date impairments on financial assets at amortised cost to be based on a forward-looking ECL model. ECL is the difference between the contractual cash flows due in accordance with the terms of the contract and the cash flows the Group and the Company expect to receive. The Group and the Company apply the simplified approach, which allows expected lifetime credit losses to be recognised for trade receivables. The ECL is determined based on the Group's and the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The carrying amount of the Group's and the Company's financial assets at amortised cost at reporting date is disclosed in Note 21.

(b) Write down of inventories

The Group reviews at each reporting date for excess inventory and obsolescence. Inventories are written down to reflect the current net realisable value, which represents the management's estimation of the value recoverable through sale. The carrying amount of the Group's inventories at reporting date is disclosed in Note 22.

(c) Useful life of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over the assets' estimated economic useful lives. Changes in the expected level of usage and technological developments could impact the economic useful lives, therefore future depreciation charges could be revised. For plant and equipment related to manufacturing of pharmaceutical products, management estimates the useful lives of these based on common life expectancies applied in the pharmaceutical industry. The carrying amount of the Group's property, plant and equipment at the reporting date is disclosed in Note 14 of the financial statements.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

3.2 Key sources of estimation uncertainty (Cont'd)

(d) Taxes

Uncertainties exist with respect to the interpretation of tax regulations and the amount and timing of future taxable income. Given the differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax provisions already recorded. The Group and the Company establish provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the relevant tax authority.

(e) Impairment assessment for associate's investment in an associate

The Group's associate, Straits Apex Group Sdn. Bhd. ("SAG"), has performed an impairment assessment on its investment in associate, Next Ortho Investment Holdings Pte. Ltd. ("Next Group"). SAG had determined the recoverable amount of Next Group based on fair value less cost to sell ("FVLCTS"). The FVLCTS of Next Group was based on the comparable approach which requires an estimation of the forecasted earnings before interest, tax and depreciation ("EBITDA") of Next Group and the EBITDA multiple. There was no impairment required as the FVLCTS of Next Group exceeded the carrying amount of Next Group. The carrying amounts of investment in associates of the Group are disclosed in Note 19.

4. REVENUE

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM	**RM**	**RM**	**RM**
Sales of pharmaceutical products	**961,407,109**	936,120,998	**-**	-
Rental income from investment properties	**372,423**	48,960	**-**	-
Dividend income from subsidiaries	**-**	-	**41,310,000**	69,700,000
Dividend income from an associate	**-**	-	**-**	217,000,000
Management service fees from subsidiaries	**-**	-	**5,871,600**	5,208,800
	961,779,532	936,169,958	**47,181,600**	291,908,800
Timing of revenue recognition				
At a point in time	**961,407,109**	936,120,998	**41,310,000**	286,700,000
Over time	**372,423**	48,960	**5,871,600**	5,208,800
	961,779,532	936,169,958	**47,181,600**	291,908,800

5. COST OF SALES/SERVICES RENDERED

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM	**RM**	**RM**	**RM**
Cost of goods sold for pharmaceutical products	**735,982,651**	721,242,725	**-**	-
Direct cost arising from investment properties that generated rental income	**202,316**	98,414	**-**	-
Cost relating to rendering of management services	**-**	-	**2,976,966**	4,530,267
	736,184,967	721,341,139	**2,976,966**	4,530,267

6. OTHER INCOME

Included in other income are the following:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM	**RM**	**RM**	**RM**
Interest income on:				
- advances to subsidiaries	**-**	-	**2,900,839**	1,021,875
- short term deposits and investments	**7,805,211**	6,859,125	**6,504,493**	5,624,196
Rental receivable from operating leases, other than those relating to investment properties	**374,225**	368,272	**-**	-
Gain on disposal of property, plant and equipment	**202,813**	281,161	**-**	-
Commission received	**372,522**	332,075	**-**	-
Insurance claims received	**6,884**	10,656	**-**	-
Gain on foreign exchange:				
- realised	**19,730**	905,133	**16,809**	312
- unrealised	**227,302**	647,172	**18,422**	-

7. FINANCE COSTS

	Group	
	2024	**2023**
	RM	**RM**
Interest expense on:		
- bank borrowings	971,059	256,024
- lease liabilities (Note 17(b))	433,637	307,326
	1,404,696	563,350

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8. PROFIT BEFORE TAXATION

The following items have been included in arriving at profit before taxation:

		Group		Company	
		2024	2023	2024	2023
	Note	RM	RM	RM	RM
Auditors' remuneration:					
- statutory audit					
- current year		**810,478**	803,113	**200,200**	255,000
- under provision of prior year		**4,364**	144,035	**-**	22,050
- other services		**12,000**	10,000	**12,000**	10,000
Employee benefits expense	9	**94,434,862**	88,035,970	**2,215,974**	3,779,682
Directors' remuneration	10	**5,252,017**	18,054,138	**1,091,475**	937,411
Property, plant and equipment:					
- depreciation	14	**18,784,168**	16,618,346	**44,531**	38,861
- written off	14	**18**	478	**3**	-
Depreciation of investment properties	15	**182,170**	73,989	**-**	-
Intangible assets					
- amortisation	16	**781,307**	476,666	**-**	-
- written off	16	**204,856**	-	**-**	-
Depreciation of right-of-use assets	17(a)	**2,020,079**	898,158	**-**	-
Fair value loss on derivative financial instruments	23	**16,629**	71,296	**-**	-
Management service fees paid to subsidiaries	32	**-**	-	**2,304,735**	16,125,332
Net foreign exchange loss/(gain):					
- realised		**657,307**	(788,963)	**42,190**	(43,323)
- unrealised		**761,617**	(570,409)	**96,464**	-
Research and development cost		**6,705,235**	6,649,704	**-**	-
Rental of short term leases	17	**2,183,048**	1,321,866	**343,182**	335,133
Trade receivables:					
- allowance for expected credit losses	21(a)	**65,551**	652,889	**-**	-
- bad debts (recovered)/written off		**(56,357)**	3,654	**-**	-
Inventories:					
- written (back)/down	22	**(375,447)**	901,585	**-**	-
- written off	22	**180,257**	674,516	**-**	-

9. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Wages and salaries	**80,280,270**	73,942,693	**1,669,904**	2,975,102
Contributions to defined contribution plans	**9,896,568**	9,844,102	**321,584**	570,044
Social security contributions	**754,236**	701,176	**9,184**	7,813
Share options granted	**875,001**	752,274	**156,239**	128,006
Other benefits	**2,628,787**	2,795,725	**59,063**	98,717
	94,434,862	88,035,970	**2,215,974**	3,779,682

10. DIRECTORS' REMUNERATION

The details of remuneration receivable by directors of the Group and of the Company during the financial year are as follows:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM	**RM**	**RM**	**RM**
Executive directors' remuneration:				
- fees	**85,000**	75,000	**85,000**	75,000
- salaries	**1,627,872**	1,574,279	**52,008**	51,744
- bonus	**2,585,506**	15,540,467	**73,778**	16,814
- defined contribution plans	**96,849**	83,566	**23,899**	13,027
Benefits-in-kind	**159,371**	126,688	**159,371**	126,688
	4,554,598	17,400,000	**394,056**	283,273
Non-executive directors' remuneration:				
- fees	**623,984**	594,000	**623,984**	594,000
- other emoluments	**73,435**	60,138	**73,435**	60,138
	697,419	654,138	**697,419**	654,138
Total directors' remuneration (Note 8)	**5,252,017**	18,054,138	**1,091,475**	937,411

11. TAXATION

Major components of taxation

The major components of taxation for the financial years ended 31 December 2024 and 2023 are:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM	**RM**	**RM**	**RM**
Statements of comprehensive income:				
Current income tax:				
- Malaysian income tax	**20,907,460**	21,196,395	**2,411,460**	1,840,380
- Foreign tax	**2,460,403**	2,712,970	**-**	-
- (Over)/under provision in respect of previous financial year	**(200,063)**	(47,817)	**185,388**	(41,731)
	23,167,800	23,861,548	**2,596,848**	1,798,649
Deferred tax (Note 20):				
- Relating to origination and reversal of temporary differences	**2,080,583**	956,351	**-**	-
- (Over)/under provision in respect of previous financial year	**(591,648)**	502,348	**-**	-
	1,488,935	1,458,699	**-**	-
Tax expense for the financial year	**24,656,735**	25,320,247	**2,596,848**	1,798,649

11. TAXATION (CONT'D)

Reconciliation between tax expense and accounting profit

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company respectively for the financial years ended 31 December 2024 and 2023 are as follows:

	2024 RM	2023 RM
Group		
Profit before taxation	**101,201,365**	423,309,120
Tax at Malaysian statutory tax rate of 24% (2023: 24%)	**24,288,328**	101,594,189
Effect of different tax rates in foreign subsidiaries	**(1,868,855)**	(1,399,281)
Adjustments:		
Share of results of associates	**2,346,953**	(80,735,148)
Income not subject to tax	**(185,223)**	(188,623)
Expenses not deductible for tax purposes	**1,821,589**	6,922,125
Double deduction for tax purposes	**(342,024)**	(546,692)
Utilisation of current year's reinvestment allowances	**(509,312)**	(780,854)
Utilisation of deferred tax assets not recognised in respect of unutilised tax losses	**(103,010)**	-
Over provision of income tax in respect of previous financial year	**(200,063)**	(47,817)
(Over)/under provision of deferred tax in respect of previous financial year	**(591,648)**	502,348
Tax expense for the financial year	**24,656,735**	25,320,247
Company		
Profit before taxation	**51,571,683**	273,525,329
Tax at Malaysian statutory tax rate of 24% (2023: 24%)	**12,377,204**	65,646,079
Adjustments:		
Income not subject to tax	**(9,914,400)**	(68,808,000)
Expenses not deductible for tax purposes	**(51,344)**	5,002,301
Under/(over) provision of income tax in respect of previous financial year	**185,388**	(41,731)
Tax expense for the financial year	**2,596,848**	1,798,649

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2023: 24%) of the estimated assessable profit for the financial year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction. The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the same taxable entity.

12. EARNINGS PER SHARE

(i) Basic

Basic earnings per share is calculated by dividing profit after taxation for the financial year, attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2024	**2023**
Profit after taxation attributable to owners of the parent (RM)	**76,544,630**	397,988,873
Weighted average number of ordinary shares in issue (units)	**715,304,920**	714,354,045
Basic earnings per share (sen)	**10.70**	55.71

(ii) Diluted

The diluted earnings per share is calculated by dividing profit after taxation for the financial year, attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year which have been adjusted for the dilutive effects of share options granted to employees.

	Group	
	2024	**2023**
Profit after taxation attributable to owners of the parent (RM)	**76,544,630**	397,988,873
Weighted average number of ordinary shares in issue (units)	**715,304,920**	714,354,045
Effect of dilution - Share options (units)	**102,165**	379,121
	715,407,085	714,733,166
Diluted earnings per share (sen)	**10.70**	55.68

There have been no other transactions involving ordinary shares or potential dilution of ordinary shares between the reporting date and the date of authorisation of these financial statements.

13. DIVIDENDS

	Group/Company 2024 RM	Group/Company 2023 RM
In respect of financial year ended 31 December 2024:		
Interim single-tier dividend of 3.0 sen per share on 720,064,046 ordinary shares, paid on 18 September 2024	**21,601,921**	-
Second interim single-tier dividend of 3.0 sen per share on 720,234,546 ordinary shares, paid on 20 December 2024	**21,607,036**	-
In respect of financial year ended 31 December 2023:		
Final single-tier dividend of 2.5 sen per share on 719,651,046 ordinary shares, paid on 29 May 2024	**17,991,276**	-
Special single-tier dividend of 20.0 sen per share on 719,651,046 ordinary shares, paid on 29 May 2024	**143,930,209**	-
Interim single-tier dividend of 2.5 sen per share on 718,137,046 ordinary shares, paid on 19 September 2023	**-**	17,953,426
In respect of financial year ended 31 December 2022:		
Final single-tier dividend of 3.5 sen per share on 478,685,372 ordinary shares, paid on 16 June 2023	**-**	16,753,988
Special single-tier dividend of 2.0 sen per share on 478,685,372 ordinary shares, paid on 16 June 2023	**-**	9,573,707
	205,130,442	44,281,121

At the forthcoming Annual General Meeting, a final single-tier dividend of 3.0 sen per share in respect of the financial year ended 31 December 2024 will be proposed for shareholders' approval. As disclosed in Note 27 to the financial statements, any ESOS exercised prior to the dividend entitlement date will be entitled to the final dividend. The financial statements for the current financial year do not reflect these proposed dividends. Such dividends, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2025.

14. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM	Buildings on freehold land RM	Leasehold land RM	Buildings on leasehold land* RM	Plant, machinery and factory equipment** RM	Furniture, fittings and equipment RM	Motor vehicles RM	Renovation RM	Capital-in-progress RM	Total RM
Group										
At 31 December 2024										
Cost										
At 1 January 2024	32,844,567	11,192,939	7,824,600	92,891,055	120,509,153	77,275,663	5,844,064	825,641	13,683,517	362,891,199
Additions	-	-	43,862,484	19,417,858	1,255,079	3,902,443	853,825	660,824	8,016,067	77,968,580
Disposals	-	-	-	-	-	-	(770,257)	-	-	(770,257)
Transfers	-	-	4,653,398	2,026,602	3,261,913	2,265,954	-	-	(12,207,867)	-
Transfers to intangible assets (Note 16)	-	-	-	-	-	-	-	-	(1,574,811)	(1,574,811)
Written off	-	-	-	-	(3,300)	(53,914)	(77,944)	-	-	(135,158)
Exchange differences	-	(196,187)	-	(1,146,920)	-	(249,433)	(7,946)	-	-	(1,600,486)
At 31 December 2024	32,844,567	10,996,752	56,340,482	113,188,595	125,022,845	83,140,713	5,841,742	1,486,465	7,916,906	436,779,067
Accumulated depreciation										
At 1 January 2024	-	3,951,823	1,270,464	19,362,837	79,534,205	56,306,290	2,755,158	476,079	-	163,656,856
Depreciation charge for the financial year (Note 8)	-	191,425	370,407	2,428,893	7,990,781	6,826,797	907,261	68,604	-	18,784,168
Disposals	-	-	-	-	-	-	(650,970)	-	-	(650,970)
Written off	-	-	-	-	(3,299)	(53,897)	(77,944)	-	-	(135,140)
Exchange differences	-	(21,271)	-	(307,089)	-	(199,731)	(5,647)	-	-	(533,738)
At 31 December 2024	-	4,121,977	1,640,871	21,484,641	87,521,687	62,879,459	2,927,858	544,683	-	181,121,176
Net carrying amount										
At 31 December 2024	32,844,567	6,874,775	54,699,611	91,703,954	37,501,158	20,261,254	2,913,884	941,782	7,916,906	255,657,891

14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold land RM	Buildings on freehold land RM	Leasehold land RM	Buildings on leasehold land* RM	Plant, machinery and factory equipment** RM	Furniture, fittings and equipment RM	Motor vehicles RM	Renovation RM	Capital-in-progress RM	Total RM
Group										
At 31 December 2023										
Cost										
At 1 January 2023	33,051,055	11,268,664	7,824,600	88,357,718	113,465,130	70,922,500	5,451,043	583,745	6,123,381	337,047,836
Additions	-	-	-	-	3,129,259	5,284,042	925,140	241,896	16,353,866	25,934,203
Disposals	-	-	-	-	(84,550)	-	(739,258)	-	-	(823,808)
Transfers	-	-	-	3,386,417	4,007,721	1,200,399	199,193	-	(8,793,730)	-
Transfers to investment properties (Note 15)	(318,400)	(160,000)	-	-	-	-	-	-	-	(478,400)
Written off	-	-	-	-	(8,407)	(330,034)	-	-	-	(338,441)
Exchange differences	111,912	84,275	-	1,146,920	-	198,756	7,946	-	-	1,549,809
At 31 December 2023	32,844,567	11,192,939	7,824,600	92,891,055	120,509,153	77,275,663	5,844,064	825,641	13,683,517	362,891,199
Accumulated depreciation										
At 1 January 2023	-	3,777,699	1,180,820	17,071,814	72,210,308	50,494,294	2,538,289	442,087	-	147,715,311
Depreciation charge for the financial year (Note 8)	-	193,825	89,644	2,013,634	7,416,430	5,988,384	882,437	33,992	-	16,618,346
Transfers to investment properties (Note 15)	-	(62,400)	-	-	-	-	-	-	-	(62,400)
Disposals	-	-	-	-	(84,547)	-	(668,587)	-	-	(753,134)
Written off	-	-	-	-	(7,986)	(329,977)	-	-	-	(337,963)
Exchange differences	-	42,699	-	277,389	-	153,589	3,019	-	-	476,696
At 31 December 2023	-	3,951,823	1,270,464	19,362,837	79,534,205	56,306,290	2,755,158	476,079	-	163,656,856
Net carrying amount										
At 31 December 2023	32,844,567	7,241,116	6,554,136	73,528,218	40,974,948	20,969,373	3,088,906	349,562	13,683,517	199,234,343

* *RM26,878,629 (2023: RM28,746,627) of the net carrying amount of buildings on leasehold land is ascribable to land held on short lease being a lease with an unexpired period of less than fifty years.*

** *The Group had received a government grant in 2019 amounting to RM6,771,000. As the government grant has been offset with the cost of the asset, the depreciation recognised by the Group is reduced by RM677,100 (2023: RM677,100).*

14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Furniture, fittings and equipment RM
Company	
Cost	
At 1 January 2023	869,679
Additions	50,373
At 31 December 2023	920,052
Additions	23,639
Written off	(9,553)
At 31 December 2024	934,138
Accumulated depreciation	
At 1 January 2023	803,175
Depreciation charge for the financial year (Note 8)	38,861
At 31 December 2023	842,036
Depreciation charge for the financial year (Note 8)	44,531
Written off	(9,550)
At 31 December 2024	877,017
Net carrying amount	
At 31 December 2023	78,016
At 31 December 2024	57,121

Acquisitions of property, plant and equipment were financed as follows:

	Group		Company	
	2024 RM	**2023 RM**	**2024 RM**	**2023 RM**
Cash	**27,968,580**	25,934,203	**23,639**	50,373
Borrowings	**50,000,000**	-	**-**	-
	77,968,580	25,934,203	**23,639**	50,373

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15. INVESTMENT PROPERTIES

	Investment properties RM	Investment properties under construction RM	Total RM
Group			
Cost			
At 1 January 2023	1,343,681	7,699,021	9,042,702
Additions	-	234,581	234,581
Transfers from property, plant and equipment (Note 14)	478,400	-	478,400
Transfers	7,933,602	(7,933,602)	-
At 31 December 2023 and 31 December 2024	9,755,683	-	9,755,683
Accumulated depreciation			
At 1 January 2023	367,578	-	367,578
Depreciation charge for the financial year (Note 8)	73,989	-	73,989
Transfers from property, plant and equipment (Note 14)	62,400	-	62,400
At 31 December 2023	503,967	-	503,967
Depreciation charge for the financial year (Note 8)	182,170	-	182,170
At 31 December 2024	686,137	-	686,137
Net carrying amount			
At 31 December 2023	9,251,716	-	9,251,716
At 31 December 2024	9,069,546	-	9,069,546

The management undertakes an annual valuation on the investment properties to assess whether there is any indication of impairment.

The fair value measurement of the properties as at 31 December 2024 performed by an independent professional valuer, is determined primarily using the comparison methods.

The fair value measurement using the comparison method draws reference to transactions of similar properties in surrounding area with adjustments made for differences in location, size, condition and other relevant characteristics and are categorised as level 3 in the fair value hierarchy.

Fair value measurement hierarchy for investment properties available for use is as follows:

	Valuation method	Date of valuation	Fair value measurement using significant unobservable inputs (Level 3) RM
As at 31 December 2024			
Commercial properties	Comparison method	31 December 2024	15,300,000
As at 31 December 2023			
Commercial properties	Comparison method	31 December 2023	15,150,000

16. INTANGIBLE ASSETS

	Trademark RM	Development cost RM	Computer software RM	Total RM
Group				
Cost				
At 1 January 2023	1,084,300	1,389,380	5,929,203	8,402,883
Additions	-	1,888,768	177,996	2,066,764
Exchange differences	1,300	-	49,950	51,250
At 31 December 2023	1,085,600	3,278,148	6,157,149	10,520,897
Additions	-	1,300,300	1,698,536	2,998,836
Written off	-	(204,816)	(556,738)	(761,554)
Transfers from property, plant and equipment (Note 14)	-	-	1,574,811	1,574,811
Exchange differences	(1,300)	-	(52,154)	(53,454)
At 31 December 2024	1,084,300	4,373,632	8,821,604	14,279,536
Accumulated amortisation				
At 1 January 2023	-	-	4,447,300	4,447,300
Amortisation (Note 8)	-	-	476,666	476,666
Exchange differences	-	-	21,698	21,698
At 31 December 2023	-	-	4,945,664	4,945,664
Amortisation (Note 8)	-	-	781,307	781,307
Written off	-	-	(556,698)	(556,698)
Exchange differences	-	-	(35,183)	(35,183)
At 31 December 2024	-	-	5,135,090	5,135,090
Net carrying amount				
At 31 December 2023	1,085,600	3,278,148	1,211,485	5,575,233
At 31 December 2024	1,084,300	4,373,632	3,686,514	9,144,446

(a) Trademark

Impairment testing of trademark

The intangible asset relating to trademark arose as a result of the acquisition of a subsidiary, Apex Pharma Marketing Pte. Ltd. ("APS") in prior financial years, where a fair value was ascribed to the AGNESIA trademark and all other intellectual property rights in relation to the AGNESIA trademark based on a valuation carried out by the management as at 31 December 2005. APS operates in Singapore and its principal activity is as disclosed in Note 18. The management undertakes impairment review of the trademark with indefinite useful life annually or more frequently if events or changes in circumstances indicate a potential impairment.

(b) Development cost

The carrying amount of development costs represents costs incurred for the Bioequivalence study and Pharmaceutical Dossier of various products. These products are expected to be commercialised in between year 2025 to 2029.

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17. LEASES

Group as a lessee

(a) Right-of-use assets

Group	Office premises RM	Office equipment RM	Leasehold land RM	Total RM
Cost				
At 1 January 2023	2,683,757	225,044	4,748,954	7,657,755
Additions	1,142,451	-	-	1,142,451
Lease modifications	(596,274)	-	-	(596,274)
Exchange differences	-	6,791	143,908	150,699
At 31 December 2023	3,229,934	231,835	4,892,862	8,354,631
Additions	5,578,974	56,098	38,283	5,673,355
Lease modifications	(1,242,290)	(26,047)	-	(1,268,337)
Exchange differences	(258,330)	(8,508)	(146,095)	(412,933)
At 31 December 2024	7,308,288	253,378	4,785,050	12,346,716
Accumulated depreciation				
At 1 January 2023	964,183	51,438	571,303	1,586,924
Depreciation charge for the financial year (Note 8)	707,212	45,956	144,990	898,158
Lease modifications	(547,823)	-	-	(547,823)
Exchange differences	-	2,203	19,476	21,679
At 31 December 2023	1,123,572	99,597	735,769	1,958,938
Depreciation charge for the financial year (Note 8)	1,805,800	58,075	156,204	2,020,079
Lease modifications	(757,858)	(19,817)	-	(777,675)
Exchange differences	(34,682)	(4,339)	(28,505)	(67,526)
At 31 December 2024	2,136,832	133,516	863,468	3,133,816
Net carrying amount				
At 31 December 2023	2,106,362	132,238	4,157,093	6,395,693
At 31 December 2024	5,171,456	119,862	3,921,582	9,212,900

17. LEASES (CONT'D)

Group as a lessee (Cont'd)

(b) Lease liabilities

Set out below are the carrying amount of lease liabilities recognised and the movements during the financial years:

	Group	
	2024	**2023**
	RM	**RM**
At 1 January	**6,888,166**	6,499,456
Additions	**5,673,355**	1,142,451
Lease modifications	**(490,662)**	(48,451)
Interest charged (Note 7)	**433,637**	307,326
Exchange differences	**(345,407)**	129,021
Payments	**(2,352,456)**	(1,141,637)
At 31 December	**9,806,633**	6,888,166
Current	**2,088,929**	950,390
Non-current	**7,717,704**	5,937,776
Total lease liabilities	**9,806,633**	6,888,166

The following are the amounts recognised in profit or loss:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM	**RM**	**RM**	**RM**
Depreciation of right-of-use assets (Note 8)	**2,020,079**	898,158	**-**	-
Interest expense on lease liabilities (Note 7)	**433,637**	307,326	**-**	-
Expense relating to short-term leases	**2,183,048**	1,321,866	**343,182**	335,133
	4,636,764	2,527,350	**343,182**	335,133

The Group and the Company had total cash outflows for leases of RM4,535,504 (2023: RM2,463,503) and RM343,182 (2023: RM335,133) respectively during the financial year.

Group as a lessor

The Group has entered into operating leases on its office buildings and warehouse. These leases have terms of between 1 and 3 years. Rental income recognised by the Group during the financial year is RM746,648 (2023: RM417,232).

Future minimum rentals receivable under non-cancellable operating leases as at 31 December are as follows:

	Group	
	2024	**2023**
	RM	**RM**
Within one year	**615,833**	323,756
After one year but not more than five years	**672,294**	212,990
	1,288,127	536,746

18. INVESTMENTS IN SUBSIDIARIES

	Company 2024 RM	2023 RM
Unquoted shares, at cost	**60,097,941**	60,097,941

Details of the Group's subsidiaries are as follows:

Name of companies	Country of incorporation/ Place of business	Principal activities	% of ownership interest held by the Group 2024 %	2023 %
Held by the Company:				
Xepa-Soul Pattinson (Malaysia) Sdn. Bhd. [a]	Malaysia	Manufacturing and marketing of pharmaceutical products	**100**	100
Apex Pharmacy Marketing Sdn. Bhd. [a]	Malaysia	Marketing and distribution of pharmaceutical products	**100**	100
ABio Marketing Sdn. Bhd. [a]	Malaysia	Marketing and distribution of healthcare products	**100**	100
Apex Retail Sdn. Bhd. [a]	Malaysia	Retailing of pharmaceutical products, property rental and management and provision of accounting services	**100**	100
Apex Pharmacy Corporate Sdn. Bhd. [a]	Malaysia	Property rental and management and provision of accounting services	**100**	100
EpiCrest Sdn. Bhd. [a]	Malaysia	Investment holding	**100**	100
Apex Pharma Marketing Pte. Ltd. [b]	Singapore	Marketing and distribution of pharmaceutical products	**100**	100
PharmCrest Pte. Ltd. [b]	Singapore	Brands management, development of pharmaceutical and healthcare products and management consultancy services	**100**	100
First SGC Pte. Ltd. [b]	Singapore	Investment holding	**100**	100

18. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of companies	Country of incorporation/ Place of business	Principal activities	% of ownership interest held by the Group	
			2024 %	**2023 %**
Held through Xepa-Soul Pattinson (Malaysia) Sdn. Bhd.:				
Xepa-Soul Pattinson (S) Pte. Ltd. [b]	Singapore	Marketing and distribution of pharmaceutical products	**100**	100

[a] *Audited by Ernst & Young PLT, Malaysia*
[b] *Audited by member firm of Ernst & Young Global in the Republic of Singapore*

19. INVESTMENTS IN ASSOCIATES

	Group		Company	
	2024 RM	**2023 RM**	**2024 RM**	**2023 RM**
Unquoted shares, at cost	**10,936,000**	10,936,000	**6,976,000**	6,976,000
Share of post-acquisition reserves of the joint venture prior to it becoming an associate	**(694,552)**	(694,552)	**-**	-
Share of post-acquisition reserves	**391,204,425**	400,983,396	**-**	-
Fair value adjustments on interest free loan	**-**	-	**430,622**	430,622
Accumulated dividend received	**(217,560,000)**	(217,560,000)	**-**	-
Exchange differences	**-**	120,000	**-**	-
	183,885,873	193,784,844	**7,406,622**	7,406,622

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19. INVESTMENTS IN ASSOCIATES (CONT'D)

(a) Details of the Group's associates are as follows:

Name of companies	Country of incorporation	Principal activities	% of ownership interest held by the Group* 2024 %	2023 %	Accounting model applied
Straits Apex Group Sdn. Bhd. [a]	Malaysia	Investment holding	**40**	40	Equity method
Associate of Straits Apex Group Sdn. Bhd.					
Next Ortho Investment Holdings Pte. Ltd. [b]	Singapore	Investment holding	**16**	16	Equity method
Subsidiary of Next Ortho Investment Holdings Pte. Ltd.					
First Ortho Investment Holdings Pte. Ltd. [b]	Singapore	Investment holding	**16**	16	Equity method
Subsidiary of First Ortho Investment Holdings Pte. Ltd.					
Straits Apex Sdn. Bhd. [a]	Malaysia	Investment holding	**16**	16	Equity method
Subsidiaries of Straits Apex Sdn. Bhd.					
ABio Orthopaedics Sdn. Bhd. [a]	Malaysia	Contract manufacturing of orthopaedics medical devices, components and instruments	**16**	16	Equity method
Straits Orthopaedics (Mfg) Sdn. Bhd. [a]	Malaysia	Manufacturing and sales of medical implants, medical instruments and components	**16**	16	Equity method
Associate of First SGC Pte. Ltd.					
Zynexis Healthcare Pte. Ltd. [#]	Singapore	Development and registration of pharmaceutical and healthcare products	**40**	40	Equity method

[a] *Audited by Ernst & Young PLT, Malaysia*
[b] *Audited by member firm of Ernst & Young Global in the Republic of Singapore*
[#] *Audited by a firm other than Ernst & Young PLT, Malaysia*
* *Equals to the proportion of voting rights held*

19. INVESTMENTS IN ASSOCIATES (CONT'D)

(a) Details of the Group's associate are as follows (Cont'd):

(i) Straits Apex Group Sdn. Bhd.

In previous year, on 11 May 2023, Straits Apex Group Sdn. Bhd. ("SAG"), an associate of the Group, completed the disposal of 60% of its effective ownership in Straits Apex Sdn. Bhd. ("SASB") and its subsidiaries ("collectively referred to as SASB and its Subsidiaries") to Quadria Capital Investment Management Pte. Ltd. ("Quadria Capital") ("the Disposal").

Following the Disposal, SAG retains a 40% effective interest in SASB and its Subsidiaries via its 40% shareholding in Next Group, which is a subsidiary of Quadria Capital and the intermediate holding company of SASB.

For the Disposal, SAG received a sum of RM679,304,777, comprising both cash and a put option for SAG's 40% interest in Next in year 2023. Taking into consideration the fair value of the 40% interest in Next retained by SAG, the Disposal resulted in the recognition of a gain of RM810,651,850 which was included in profit after tax of SAG of RM841,021,949, as shown in Note 19(b)(ii) below in year 2023. The gain from the Disposal was included in the Group's share of results of associates of RM336,396,451. The effective interest of the Group in SASB was also reduced from 40% to 16% upon completion of the Disposal.

Subsequent to the Disposal, SAG has applied the equity method when accounting for its investment in Next and its subsidiaries at the date of Disposal when accounting for SASB's share of results for Next and its subsidiaries.

(ii) Impairment assessment for Next Group performed by SAG

SAG had determined the FVLCTS of Next Group based on a comparable approach which requires an estimation of the forecasted EBITDA of Next Group and the EBITDA multiples. The forecasted EBITDA of the Next Group was based on the historical trend and plans to penetrate into other market segments and EBITDA multiple was based on comparable market transactions. There was no impairment required as the FVLCTS of Next Group exceeded the carrying amount of Next Group.

19. INVESTMENTS IN ASSOCIATES (CONT'D)

(b) Summarised financial information in respect of each of the associates of the Group is set out below. The summarised financial information represents the amounts in the financial statements of the associates and not the Group's share of the amounts.

(i) Summarised consolidated statement of financial position

	Straits Apex Group		Zynexis Healthcare		Total	
	2024 RM	2023 RM	2024 RM	2023 RM	2024 RM	2023 RM
Non-current assets	**432,160,822**	427,208,839	**-**	-	**432,160,822**	427,208,839
Current assets	**56,808,147**	82,392,818	**9,849,585**	10,179,358	**66,657,732**	92,572,176
Total assets	**488,968,969**	509,601,657	**9,849,585**	10,179,358	**498,818,554**	519,781,015
Non-current liabilities	**44,500,000**	42,755,400	**-**	-	**44,500,000**	42,755,400
Current liabilities	**5,011,068**	2,964,385	**3,864**	10,180	**5,014,932**	2,974,565
Total liabilities	**49,511,068**	45,719,785	**3,864**	10,180	**49,514,932**	45,729,965
Net assets	**439,457,901**	463,881,872	**9,845,721**	10,169,178	**449,303,622**	474,051,050
Equity attributable to:						
Owners of the associated company	**439,457,901**	463,881,872	**9,845,721**	10,169,178	**449,303,622**	474,051,050

(ii) Summarised consolidated statement of comprehensive income

	Straits Apex Group		Zynexis Healthcare		Total	
	2024 RM	2023 RM	2024 RM	2023 RM	2024 RM	2023 RM
Revenue	**-**	102,796,388	**140,696**	-	**140,696**	102,796,388
(Loss)/profit before tax	**(23,927,971)**	844,656,203	**(23,457)**	(30,281)	**(23,951,428)**	844,625,922
(Loss)/profit after tax	**(24,423,971)**	841,021,949	**(23,457)**	(30,822)	**(24,447,428)**	840,991,127
(Loss)/profit attributable to:						
Owners of the associated company	**(24,423,971)**	841,021,949	**(23,457)**	(30,822)	**(24,447,428)**	840,991,127

19. INVESTMENTS IN ASSOCIATES (CONT'D)

(c) Reconciliation of the summarised consolidated financial information presented above to the carrying amount of the Group's interest in associates:

	Straits Apex Group		Zynexis Healthcare		Total	
	2024	2023	2024	2023	2024	2023
	RM	RM	RM	RM	RM	RM
Net assets at 1 January	**463,881,872**	165,359,923	**10,169,178**	-	**474,051,050**	165,359,923
New investment during the year	**-**	-	**-**	10,200,000	**-**	10,200,000
(Loss)/profit for the financial year, net of tax	**(24,423,971)**	841,021,949	**(23,457)**	(30,822)	**(24,447,428)**	840,991,127
Dividend declared during the financial year	**-**	(542,500,000)	**-**	-	**-**	(542,500,000)
Exchange differences	**-**	-	**(300,000)**	-	**(300,000)**	-
Net assets at 31 December	**439,457,901**	463,881,872	**9,845,721**	10,169,178	**449,303,622**	474,051,050
Interest in associates as at financial year end	**40%**	40%	**40%**	40%	**40%**	40%
	175,783,160	185,552,749	**3,938,289**	4,067,671	**179,721,449**	189,620,420
Goodwill	**4,164,424**	4,164,424	**-**	-	**4,164,424**	4,164,424
Carrying value of Group's investment in associates	**179,947,584**	189,717,173	**3,938,289**	4,067,671	**183,885,873**	193,784,844

20. DEFERRED TAX

	Group	
	2024	**2023**
	RM	**RM**
At 1 January	**6,487,687**	5,027,785
Recognised in profit or loss (Note 11)	**1,488,935**	1,458,699
Exchange differences	**(14,685)**	1,203
At 31 December	**7,961,937**	6,487,687

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Group

Deferred tax assets

	Lease liabilities RM	Others* RM	Total RM
At 1 January 2024	(1,324,639)	(5,921,214)	(7,245,853)
Recognised in profit or loss	(528,215)	1,370,966	842,751
Exchange differences	40,185	6,914	47,099
At 31 December 2024	(1,812,669)	(4,543,334)	(6,356,003)
At 1 January 2023	(1,232,697)	(6,111,874)	(7,344,571)
Recognised in profit or loss	(67,403)	203,691	136,288
Exchange differences	(24,539)	(13,031)	(37,570)
At 31 December 2023	(1,324,639)	(5,921,214)	(7,245,853)

* *Mainly consists of allowance for inventories written down and estimated credit losses on trade receivables.*

Deferred tax liabilities

	Right-of-use assets RM	Property, plant plant and equipment RM	Total RM
At 1 January 2024	1,234,713	12,498,827	13,733,540
Recognised in profit or loss	501,775	144,409	646,184
Exchange differences	(38,217)	(23,567)	(61,784)
At 31 December 2024	1,698,271	12,619,669	14,317,940
At 1 January 2023	1,152,412	11,219,944	12,372,356
Recognised in profit or loss	59,168	1,263,243	1,322,411
Exchange differences	23,133	15,640	38,773
At 31 December 2023	1,234,713	12,498,827	13,733,540

20. DEFERRED TAX (CONT'D)

Presented after appropriate offsetting as follows:

	Group 2024 RM	Group 2023 RM
Deferred tax assets	**(692,000)**	(1,319,000)
Deferred tax liabilities	**8,653,937**	7,806,687
	7,961,937	6,487,687

Tax consequences of proposed dividends

There are no income tax consequences attached to the dividends that will be proposed by the Company but not recognised as a liability in the financial statements as disclosed in Note 13.

Deferred tax assets not recognised

Deferred tax assets have not been recognised in respect of the following items:

	Group 2024 RM	Group 2023 RM
Unutilised tax losses	**77,667**	506,875
Unabsorbed capital allowances	**354,441**	354,441
	432,108	861,316

At the reporting date, the Group has unutilised tax losses and unabsorbed capital allowances that are available for offset against future taxable profits of the companies in which the losses and capital allowances arose, for which no deferred tax asset is recognised due to uncertainty of their recoverability. The availability of unutilised tax losses for offsetting against future taxable profits of the respective subsidiaries in Malaysia are subject to a 10-year limitation on the carry forward of those losses under the Finance Act 2021 and guidelines issued by the tax authority while unabsorbed capital allowances can be carried forward indefinitely. The availability of the unused tax losses and unabsorbed capital allowances for offsetting against future taxable profits of the respective subsidiaries in Malaysia are also subject to no substantial changes in shareholdings under the Income Tax Act, 1967 and guidelines issued by the tax authority.

The above unutilised tax losses for the Group will expire by the end of the following years of assessment:

	2024 RM	2023 RM
2028	**-**	191,740
2029	**-**	29,608
2030	**-**	63,509
2031	**-**	144,351
2033	**77,667**	77,667
	77,667	506,875

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21. TRADE AND OTHER RECEIVABLES

		Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Current					
Trade receivables	(a)				
Third parties		**185,037,354**	185,522,299	**-**	-
Less: Allowance for expected credit loss		**(4,090,264)**	(4,097,943)	**-**	-
Trade receivables, net		**180,947,090**	181,424,356	**-**	-
Other receivables					
Amounts due from subsidiaries					
- non-interest bearing	(b)	**-**	-	**24,833,307**	29,837,507
Deposits		**3,541,984**	3,430,637	**3,400**	3,400
Sundry receivables	(c)	**8,003,652**	9,568,125	**-**	-
		11,545,636	12,998,762	**24,836,707**	29,840,907
Total current trade and other receivables		**192,492,726**	194,423,118	**24,836,707**	29,840,907
Non-current					
Other receivables					
Amounts due from subsidiaries					
- interest bearing	(b)	**-**	-	**90,565,000**	86,265,000
Total trade and other receivables		**192,492,726**	194,423,118	**115,401,707**	116,105,907
Add: Short term deposits and investments and cash at banks and on hand (Note 24)		**214,020,063**	382,969,166	**110,526,120**	279,915,252
Total financial assets measured at amortised cost		**406,512,789**	577,392,284	**225,927,827**	396,021,159

21. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Gross carrying amount at default RM	Allowance for expected credit loss RM	Net carrying amount RM
Group			
2024			
Current	**151,190,714**	**-**	**151,190,714**
1 to 30 days	**21,404,473**	**-**	**21,404,473**
31 to 60 days	**5,875,002**	**-**	**5,875,002**
61 to 90 days	**882,879**	**-**	**882,879**
More than 90 days	**5,684,286**	**(4,090,264)**	**1,594,022**
	185,037,354	**(4,090,264)**	**180,947,090**
2023			
Current	148,211,230	-	148,211,230
1 to 30 days	24,732,013	-	24,732,013
31 to 60 days	7,174,732	-	7,174,732
61 to 90 days	712,222	-	712,222
More than 90 days	4,692,102	(4,097,943)	594,159
	185,522,299	(4,097,943)	181,424,356

Trade receivables are non-interest bearing and are generally on 30 to 120 days (2023: 30 to 120 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition. Based on past experience, the Group believes that there is no concern on the credit-worthiness of the counterparties and the recoverability of these debts.

The currency exposure profile of trade receivables is as follows:

	Group 2024 RM	Group 2023 RM
Ringgit Malaysia	**134,172,695**	132,429,105
Singapore Dollar	**43,848,775**	47,258,535
United States Dollar	**2,323,940**	1,527,594
Others	**601,680**	209,122
	180,947,090	181,424,356

21. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables (Cont'd)

Movement in allowance for expected credit losses accounts:

	Group	
	2024	**2023**
	RM	**RM**
At beginning of financial year	**4,097,943**	4,181,783
Net allowance for expected credit loss (Note 8)	**65,551**	652,889
Written off	**(68,112)**	(762,176)
Exchange differences	**(5,118)**	25,447
At end of financial year	**4,090,264**	4,097,943

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(b) Amounts due from subsidiaries

The amounts due from subsidiaries are unsecured and are repayable on demand except for an amount of RM90,565,000 (2023: RM86,265,000) which is expected to be repaid in more than 12 months. The weighted average effective interest rate for amounts due from subsidiaries which are interest bearing at reporting date is 3.5% (2023: 2.5%) per annum.

(c) Sundry receivables

The Group and the Company have no significant concentration of credit risk that may arise from exposures to a single debtor.

22. INVENTORIES

	Group	
	2024	**2023**
	RM	**RM**
Cost		
Raw materials	**26,126,060**	30,405,394
Work-in-progress	**1,596,585**	1,339,279
Finished goods	**22,618,636**	21,905,691
Pharmaceutical products held for trading	**82,011,639**	73,341,362
	132,352,920	126,991,726

During the financial year, the amount of inventories recognised as an expense in cost of sales of the Group was RM662,865,798 (2023: RM652,124,476).

The Group recorded a credit of RM375,447 to the income statement for inventories written back (2023: written down of RM901,585). Additionally, inventories amounting to RM180,257 were written off in 2024 (2023: RM674,516). These amounts are disclosed in Note 8.

23. DERIVATIVE FINANCIAL INSTRUMENTS

	Contract/ Notional amount RM	(Liabilities)/ Assets RM
Group		
At 31 December 2024		
Non-hedging derivatives:		
Forward currency contracts		
- in respect of purchases transactions	**(440,298)**	**(5,999)**
At 31 December 2023		
Non-hedging derivatives:		
Forward currency contracts		
- in respect of purchases transactions	(728,235)	10,630

The Group uses forward currency contracts to manage some of the transaction exposure. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency transaction exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting.

Forward currency contracts are used to hedge the Group's purchases denominated in USD and Euro for which firm commitment existed at the reporting date, extending to March 2025 (2023: February 2024) for its purchases.

During the financial year, the Group recognised a net loss of RM16,629 (2024: RM71,296) (Note 8) arising from fair value changes of derivative instruments. The fair value changes are attributable to changes in foreign exchange spot and forward rates. The method and assumptions applied in determining the fair values of derivatives are disclosed in Note 33.

24. SHORT TERM DEPOSITS AND INVESTMENTS AND CASH AT BANKS AND ON HAND

	Group		Company	
	2024 RM	**2023 RM**	**2024 RM**	**2023 RM**
Short term deposits and investments with:				
- Licensed finance companies	**117,939**	1,011,597	**117,939**	1,011,597
- Licensed banks	**126,914,792**	295,037,037	**104,800,000**	273,500,000
Total short term deposits and investments	**127,032,731**	296,048,634	**104,917,939**	274,511,597
Cash at banks and on hand	**86,987,332**	86,920,532	**5,608,181**	5,403,655
Total short term deposits and investments and cash at banks and on hand (Note 21)	**214,020,063**	382,969,166	**110,526,120**	279,915,252
Less: Short term deposits with tenure more than 3 months with licensed banks and licensed finance companies	**(1,801,716)**	(2,648,634)	**(117,939)**	(1,011,597)
Cash and cash equivalents	**212,218,347**	380,320,532	**110,408,181**	278,903,655

24. SHORT TERM DEPOSITS AND INVESTMENTS AND CASH AT BANKS AND ON HAND (CONT'D)

Cash at banks earn interest at floating rates based on daily bank deposit rates. Deposits with licensed banks are made for varying periods of between 32 to 365 days (2023: 23 to 366 days) depending on the cash requirements of the Group and of the Company, and earn interest rates at the respective deposit rates.

Included in the short term deposits and investments of the Group and of the Company is RM117,939 (2023: RM1,011,597) placed with money market fund held for investment purposes and short term deposits with licensed banks with tenure more than 3 months of the Group amounting to RM1,683,777 (2023: RM1,637,037). Both of these do not form part of cash and cash equivalents.

The Group holds cash and cash equivalents denominated in foreign currencies for working capital purposes. The foreign currency balances are disclosed in Note 34(a).

As at the reporting date, the weighted average interest rate and the number of days to maturity for short term deposits and investments of the Group and Company of RM127,032,731 (2023: RM296,048,634) and RM104,917,939 (2023: RM274,511,597) respectively were as follows:

	Group		Company	
	2024	**2023**	**2024**	**2023**
Weighted average interest rate (%)	**3.51**	3.61	**3.66**	3.65
Average maturity days	**27**	20	**29**	19

25. TRADE AND OTHER PAYABLES

		Group		Company	
		2024	**2023**	**2024**	**2023**
		RM	**RM**	**RM**	**RM**
Current					
Trade payables	**(a)**				
Third parties		**100,769,185**	110,679,035	**-**	-
Other payables					
Amount due to subsidiaries	**(c)**	**-**	-	**1,399,305**	15,537,961
Other payables	**(b)**	**15,722,285**	13,445,906	**61,380**	47,052
Other accruals	**(d)**	**32,804,189**	55,782,139	**2,306,853**	6,423,392
		48,526,474	69,228,045	**3,767,538**	22,008,405
Total trade and other payables		**149,295,659**	179,907,080	**3,767,538**	22,008,405
Add: Borrowings (Note 26)		**47,023,805**	3,642,816	**-**	-
Add: Lease liabilities (Note 17(b))		**9,806,633**	6,888,166	**-**	-
Total financial liabilities carried at amortised cost		**206,126,097**	190,438,062	**3,767,538**	22,008,405

25. TRADE AND OTHER PAYABLES (CONT'D)

The currency profile of the Group's and of the Company's payables are as follows:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM	**RM**	**RM**	**RM**
Ringgit Malaysia	**91,866,793**	98,179,179	**3,767,538**	22,008,405
Singapore Dollar	**51,998,145**	74,690,119	**-**	-
United States Dollar	**2,954,064**	4,663,190	**-**	-
Euro	**21,306**	16,387	**-**	-
Australian Dollar	**1,891,255**	2,299,270	**-**	-
Others	**564,096**	58,935	**-**	-
	149,295,659	179,907,080	**3,767,538**	22,008,405

(a) Trade payables

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 120 days (2023: 30 to 120 days).

(b) Other payables

These amounts are non-interest bearing. Other payables are normally settled on an average term of 90 days (2023: 90 days).

(c) Amount due to subsidiaries

The amount is unsecured, non-interest bearing and is repayable on demand.

(d) Other accruals

Other accruals mainly relate to payroll and non-trade accruals.

26. BORROWINGS

	Group	
	2024	**2023**
	RM	**RM**
Current		
Secured:		
Term loans	**7,142,868**	3,642,816
Non-current		
Secured:		
Term loans	**39,880,937**	-
Total borrowings	**47,023,805**	3,642,816

26. BORROWINGS (CONT'D)

The remaining maturities of the loans as at 31 December 2024 are as follows:

	Group	
	2024	**2023**
	RM	**RM**
Within one year	**7,142,868**	3,642,816
Later than 1 year but not later than 2 years	**7,142,868**	-
Later than 2 years but not later than 5 years	**21,428,604**	-
Later than 5 years	**11,309,465**	-
	47,023,805	3,642,816

On 9 January 2017, a wholly-owned subsidiary of the Group, Xepa-Soul Pattinson (Malaysia) Sdn. Bhd. accepted the offer of RM37,000,000 term loan facilities from a commercial bank in Malaysia to part-finance the construction of a new oral solid dosage plant and the purchases of plant and machineries. The term loan was fully repaid in 2024.

On 1 March 2024, the same subsidiary accepted the offer of RM50,000,000 term loan facilities from a commercial bank in Malaysia to part finance the acquisition of industrial land and buildings.

The term loan is denominated in Ringgit Malaysia and secured by a RM50,000,000 Corporate Guarantee provided by Apex Healthcare Berhad.

On 1 July 2024, the term loan was fully drawn down and the repayment period is from July 2024 until December 2031.

The weighted average interest rate per annum of borrowings that was effective as at the reporting date was as follows:

	Group	
	2024	**2023**
	%	**%**
Term loans	**3.80**	4.30

27. SHARE CAPITAL

	Group/Company			
	Number of ordinary shares		Amount	
	2024	**2023**	**2024**	**2023**
	Units	**Units**	**RM**	**RM**
Issued and fully paid				
At beginning of the financial year	**718,374,546**	477,582,372	**133,287,045**	129,833,516
Issuance of shares pursuant to bonus issue	**-**	239,342,674	**-**	-
Issuance of shares pursuant to ESOS	**1,860,000**	1,449,500	**3,850,091**	3,453,529
At end of the financial year	**720,234,546**	718,374,546	**137,137,136**	133,287,045

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

At an extraordinary general meeting held on 18 May 2016, the Company's shareholders approved the establishment of an Executive Share Option Scheme ("ESOS") which is governed by the By-Laws.

27. SHARE CAPITAL (CONT'D)

The salient features of the ESOS are as follows:

(a) The maximum number of new shares of the Company, which may be available under the scheme, shall not exceed in aggregate 10% of the total number of issued shares of the Company at any point in time during the existence of the ESOS;

(b) An executive employee of the Group shall be eligible to participate in the ESOS if, as at the date of the ESOS offer, such executive employee:

(i) has attained the age of at least eighteen (18) years and is not an undischarged bankrupt;

(ii) is in the employment of any corporation within the Group and/or its subsidiaries, which are not dormant, who has been confirmed in service and has not served a notice to resign nor received a notice of termination;

(iii) is an executive director, is appointed and remains appointed as an executive director of the Group and/or its subsidiaries, which are not dormant; and/or

(iv) is under such categories and criteria that the ESOS Committee may from time to time decide at its discretion.

In the case of a director or a chief executive or a major shareholder of the Company and/or persons connected to them, their specific allotments under the ESOS shall be approved by the shareholders of the Company in a general meeting.

It is the intention of the Company that only the executive director(s) of the Company shall be eligible to participate in the ESOS and all the non-executive directors of the Company shall not be entitled to participate in the ESOS.

(c) The ESOS shall be in force for a period of five (5) years from 1 July 2016 and may be extended by the Board at its absolute discretion, without having to obtain approval from the Company's shareholders, for a further period of up to five (5) years, but will not in aggregate exceed ten (10) years from 1 July 2016 or such longer period as may be allowed by the relevant authorities;

On 23 May 2019, the Board approved the extension of the ESOS for five (5) years to 30 June 2026. All existing outstanding options granted shall therefore be exercisable up to the extended period.

(d) The option price may be subjected to a discount of not more than 10% of the average of the market quotation of the shares as shown in the daily official list issued by Bursa Malaysia Securities Berhad for the five (5) trading days immediately preceding the offer date, or at par value of the shares of the Company, whichever is higher;

(e) The option may be exercised by the grantee by notice in writing to the Company in the prescribed form during the option period in respect of all or any part of the new shares of the Company comprised in the ESOS;

(f) All new ordinary shares issued upon exercise of the options granted under the ESOS will rank pari passu in all respects with the existing ordinary shares of the Company, except that new ordinary shares allotted and issued, will not be entitled to any dividends, rights, allotments and/or other distributions declared, where the entitlement date of which is prior to date of allotment and issuance of the new shares;

(g) The option granted to eligible employees will lapse when they are no longer in employment with the Group.

27. SHARE CAPITAL (CONT'D)

The option prices and the details in the movement of the unexercised options granted are as follows:

Grant	Grant date	Exercisable date	Expiry date	Exercise price Pre-Bonus issue RM	Exercise price Post-* Bonus issue RM	Balance at 1.1.2024 Pre-Bonus issue	Balance at 1.1.2024 Post-* Bonus issue	Granted	Exercised	Lapsed	Balance at 31.12.2024
No 3	1.3.2018	1.6.2020	30.6.2026	1.18	0.79	123,333	185,000	-	(185,000)	-	-
No 4	1.3.2019	1.6.2021	30.6.2026	1.82	1.22	172,000	258,000	-	(201,000)	-	57,000
No 5	1.3.2020	1.6.2022	30.6.2026	2.08	1.39	276,000	414,000	-	(309,000)	-	105,000
No 6	1.7.2021	1.10.2023	30.6.2026	2.71	1.81	587,667	881,500	-	(712,000)	(15,000)	154,500
No 7	1.8.2022	1.8.2024	30.6.2026	2.66	1.78	783,000	1,174,500	-	(453,000)	(15,000)	706,500
No 8	1.7.2023	1.7.2025	30.6.2026	-	2.18	-	1,471,500	-	-	(30,000)	1,441,500
No 9	1.7.2024	1.7.2026	30.6.2026	-	2.60	-	-	1,351,500	-	(60,500)	1,291,000
						1,942,000	4,384,500	1,351,500	(1,860,000)	(120,500)	3,755,500

* *On 12 June 2023, the Company completed the listing and quotation for 239,342,674 bonus shares on the basis of one (1) bonus share for every two (2) existing shares held.*

During the financial year, the Company has granted 1,351,500 share options (with a vesting period of eighteen (18) months from 1 July 2024 to 31 December 2025). The Board has approved for the date of expiration of these ESOS to be extended to 30 June 2026 (previously 30 June 2021). The options which have lapsed during the financial year were due to resignation of employees.

The fair value of ESOS granted during the financial year was estimated using the Binomial Option Pricing model, taking into account the terms and conditions upon which the options were granted. The assumptions adopted and the fair value measurement of share options which remains unexercised as at 31 December 2024 are as follows:

	Grant No 9 1 July 2024	Grant No 8 1 July 2023	Grant No 7 1 August 2022 *	Grant No 6 1 July 2021 *	Grant No 5 1 March 2020 *	Grant No 4 1 March 2019 *	Grant No 3 1 March 2018 *
Fair value of ESOS at grant date (RM)	0.603	0.599	0.784	0.950	0.793	1.520	1.046
Weighted average share price (RM)	2.87	2.42	2.94	3.00	2.30	2.02	1.30
Exercise price (RM)	2.60	2.18	2.66	2.71	2.08	1.82	1.18
Expected volatility (%)	29%	31%	32%	33%	31%	22%	21%
Expected life (years)**	2	3	4	5	6	7	8
Risk free rate (%)	3.46%	3.47%	3.67%	2.51%	3.76%	3.76%	3.89%
Expected dividend yield (%)	2.18%	2.51%	2.49%	2.28%	1.60%	2.67%	2.65%

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome. No other feature of the option was incorporated into the measurement of fair value.

* *Not adjusted to reflect the effect of two (2) for one (1) bonus issue on 12 June 2023.*
** *The extension of the ESOS expiration date to 30 June 2026 was approved by the Board on 23 May 2019.*

28. OTHER RESERVES

		Group		Company	
		2024	**2023**	**2024**	**2023**
	Note	**RM**	**RM**	**RM**	**RM**
Share option reserve	(a)	**1,462,297**	1,540,638	**1,462,297**	1,540,638
Foreign currency translation reserve	(b)	**17,107,493**	20,966,884	**-**	-
		18,569,790	22,507,522	**1,462,297**	1,540,638

(a) Share option reserve

	Group/Company	
	2024	**2023**
	RM	**RM**
Share options under ESOS:		
At 1 January	**1,540,638**	1,637,367
Movement during the financial year	**(78,341)**	(96,729)
At 31 December	**1,462,297**	1,540,638

The share option reserve represents the equity-settled share options granted to employees. This reserve is made up of the cumulative value of services received from employees recorded on grant of share options.

(b) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

29. RETAINED EARNINGS OF THE COMPANY

The Company may distribute dividends out of its entire retained earnings as at 31 December 2024 and 31 December 2023 under the single-tier system.

30. CAPITAL COMMITMENTS

Capital expenditure as at the reporting date is as follows:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM	**RM**	**RM**	**RM**
Approved and contracted for:				
- Property, plant and equipment	**6,268,050**	67,233,539	**-**	-
Approved but not contracted for:				
- Property, plant and equipment	**15,509,085**	5,257,102	**-**	-
	21,777,135	72,490,641	**-**	-

31. FINANCIAL GUARANTEES

The Company provided corporate guarantees amounting to RM53,920,601 (2023: RM10,734,546) to certain financial institutions for credit facilities granted to its subsidiaries. The Company has assessed and regarded that the credit enhancements provided by these guarantees are minimal. As such, the Company did not ascribe any values to these guarantees.

32. RELATED PARTY TRANSACTIONS

(a) Sale and purchase of goods and services

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Company	
	2024	**2023**
	RM	**RM**
Management service fees from subsidiaries	**5,871,600**	5,208,800
Interest income from subsidiaries	**2,900,839**	1,021,875
Dividend income from subsidiaries	**41,310,000**	69,700,000
Dividend income from an associate	**-**	217,000,000
Management service fees paid to subsidiaries	**(2,304,735)**	(16,125,332)
Rental expense paid to subsidiaries	**(343,182)**	(335,133)

Information regarding outstanding balances arising from related party transactions as at 31 December 2024 is disclosed in Note 21 and Note 25.

(b) Compensation of key management personnel

The remuneration of directors and other members of key management during the financial year was as follows:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM	**RM**	**RM**	**RM**
Short-term employment benefits	**12,025,249**	26,389,931	**1,994,715**	3,409,866
Defined contribution plans	**974,607**	1,287,593	**191,817**	477,206
Other benefits	**60,376**	37,238	**-**	-
	13,060,232	27,714,762	**2,186,532**	3,887,072

Included in the total key management personnel is:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM	**RM**	**RM**	**RM**
Directors' remuneration (Note 10)	**5,252,017**	18,054,138	**1,091,475**	937,411

33. FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) Financial instruments that are measured at fair value

The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy:

	Level 2 RM
Group	
At 31 December 2024	
Financial liability:	
Derivatives	
- Forward currency contracts	**(5,999)**
At 31 December 2023	
Financial asset:	
Derivatives	
- Forward currency contracts	10,630

Fair value hierarchy

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

There have been no transfers between the fair value hierarchy during the financial years 2024 and 2023.

Derivatives

Forward currency contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates.

(b) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables	21
Trade and other payables	25
Borrowings	26

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include foreign currency risk, interest rate risk, credit risk and liquidity risk.

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(CONT'D)

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

The Board of Directors reviews and agrees policies and procedures for the management of these risks. The audit committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial year, the Group's and the Company's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures arising from sales and purchases that are denominated in a currency other than the respective functional currencies of Group entities, primarily RM and Singapore Dollar ("SGD"). The foreign currencies in which these transactions are denominated are mainly United States Dollar ("USD"), Australian Dollar ("AUD") and Euro ("EUR"). Foreign currency exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

Approximately 2% (2023: 2%) of the Group's sales are denominated in foreign currencies other than the respective functional currencies of the Group's entities. The currency profiles for the Group's trade receivables and trade payables are disclosed at Note 21(a) and Note 25 respectively.

The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes. At the reporting date, such cash and cash equivalents in foreign currency balances which were denominated in currencies other than the functional currencies of the respective entities within the Group amounted to RM10,835,245 (2023: RM5,934,936).

The Group is also exposed to currency translation risk arising from its net investments in foreign operations in the Republic of Singapore. The Group's net investments in Singapore are not hedged as currency positions in SGD are considered to be long-term in nature.

The net unhedged financial assets and financial liabilities of the Group that are not denominated in their functional currencies are as follows:

	Group	
	2024	**2023**
	RM	**RM**
Receivables		
Singapore Dollar	**-**	370
United States Dollar	**2,323,940**	1,527,594
Others	**601,680**	209,122
	2,925,620	1,737,086
Payables		
Singapore Dollar	**(1,259,470)**	(1,394,150)
United States Dollar	**(2,513,766)**	(4,663,190)
Euro	**(21,306)**	(16,387)
Australian Dollar	**(1,891,255)**	(2,299,270)
Others	**(564,096)**	(58,935)
	(6,249,893)	(8,431,932)
Cash and bank balances		
Singapore Dollar	**4,528,238**	2,106,863
United States Dollar	**6,299,399**	3,767,102
	10,827,637	5,873,965

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Foreign currency risk (Cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the following foreign currencies:

	Increase/(Decrease) in profit before tax	
	2024 RM	2023 RM
Group		
USD/RM - strengthened 5% (2023: 5%)	**305,479**	31,575
SGD/RM - strengthened 5% (2023: 5%)	**163,438**	35,654
EUR/RM - strengthened 5% (2023: 5%)	**(1,065)**	(819)
AUD/RM - strengthened 5% (2023: 5%)	**(94,563)**	(114,964)

The weakening of the currencies at a similar rate above will result in an equal increase in the Group's profit before tax.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from their loan, amounts due from subsidiaries and short term deposits and investments. The Group's policy is to manage interest cost using a mix of fixed and floating rate debts.

At the reporting date, the interest rate profile of the interest-bearing financial instruments is as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Fixed rate instruments				
- Financial assets	**126,914,792**	295,037,037	**195,365,000**	359,765,000
Floating rate instruments				
- Financial assets	**117,939**	1,011,597	**117,939**	1,011,597
- Financial liabilities	**(47,023,805)**	(3,642,816)	**-**	-

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not measure any fixed rate instruments at fair value through profit or loss. Therefore, any change in interest rates at the reporting date would not affect profit or loss.

Fair value sensitivity analysis for floating rate instruments

The directors have assessed that there are no reasonably possible change in interest rates that would result in a material impact to the financial results of the Group and of the Company.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from sales made on deferred credit terms. For other financial assets (including cash at banks and on hand and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group seeks to control credit risk by ensuring that sales of products are made to customers who have been subjected to stringent credit review, a process of the Group's credit control policy. Concentrations of credit risk with respect to trade receivables are limited due to the Group's large number of customers.

Exposure to credit risk

The Group considers the risk of material loss in the event of non-performance by customers to be unlikely.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date is as follows:

	Group			
	2024		2023	
	RM	% of total	RM	% of total
By industry sectors				
Malaysia private sector	**118,161,327**	**65.30%**	120,298,716	66.31%
Malaysia government sector	**16,011,368**	**8.85%**	12,130,389	6.69%
Singapore private sector	**43,848,775**	**24.23%**	47,258,535	26.05%
Export market	**2,925,620**	**1.62%**	1,736,716	0.95%
	180,947,090	**100.00%**	181,424,356	100.00%

Financial guarantees

The Company provides unsecured financial guarantees to licensed banks in respect of credit granted to subsidiaries. The Company monitors on an ongoing basis the trend of repayments made by the subsidiaries.

The maximum exposure to credit risk amounts to RM53,920,601 (2023: RM10,734,546) representing banking facilities utilised as of the end of the reporting period.

At the end of the reporting date, there was no indication that the subsidiaries would default on repayment.

(d) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the Group and the Company aim at maintaining flexibility in funding by keeping committed credit lines available.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Liquidity risk (Cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations:

	On demand or within one year RM	One year to five years RM	More than five years RM	Total RM
Group				
31 December 2024				
Financial liabilities:				
Trade and other payables	**149,295,659**	**-**	**-**	**149,295,659**
Borrowings	**8,805,368**	**32,507,181**	**11,667,672**	**52,980,221**
Lease liabilities	**2,492,827**	**4,746,690**	**6,115,599**	**13,355,116**
Total undiscounted financial liabilities	**160,593,854**	**37,253,871**	**17,783,271**	**215,630,996**
31 December 2023				
Financial liabilities:				
Trade and other payables	179,907,080	-	-	179,907,080
Borrowings	3,745,908	-	-	3,745,908
Lease liabilities	1,144,053	3,092,015	6,625,802	10,861,870
Total undiscounted financial liabilities	184,797,041	3,092,015	6,625,802	194,514,858

	On demand or within one year 2024 RM	On demand or within one year 2023 RM
Company		
Trade and other payables representing total undiscounted financial liabilities	**3,767,538**	22,008,405

As disclosed in Note 31, the Group and the Company have also provided financial guarantee amounting to RM53,920,601 (2023: RM10,734,546) to certain financial institutions for credit facilities granted to its subsidiaries, which will be due on demand or within 1 year should the subsidiaries default.

35. CAPITAL MANAGEMENT

The primary objective of the Group's and of the Company's capital management is to ensure that they maintain a strong credit rating and healthy capital ratios in order to support their business and maximise shareholders' value.

The Group and the Company manage their capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2024 and 31 December 2023.

35. CAPITAL MANAGEMENT (CONT'D)

The Group and the Company monitor capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's and the Company's policy is to keep the gearing ratio to not more than 40%. The Group and the Company include within net debt, trade and other payables, less short term deposits and investments and cash at banks and on hand. Capital includes equity attributable to the owners of the parent.

		Group		Company	
		2024	**2023**	**2024**	**2023**
	Note	**RM**	**RM**	**RM**	**RM**
Trade and other payables	25	**(149,295,659)**	(179,907,080)	**(3,767,538)**	(22,008,405)
Borrowings	26	**(47,023,805)**	(3,642,816)	**-**	-
Short term deposits and investments	24	**127,032,731**	296,048,634	**104,917,939**	274,511,597
Cash at banks and on hand	24	**86,987,332**	86,920,532	**5,608,181**	5,403,655
Net cash		**17,700,599**	199,419,270	**106,758,582**	257,906,847
Equity attributable to the owners of the parent, representing total capital		**789,620,135**	918,274,397	**289,084,573**	441,467,532
Gearing ratio		*****	*	*****	*

* *Not applicable as there are sufficient short term deposits and investments and cash at banks and on hand to cover the debt.*

The Group and the Company are not subjected to any externally imposed capital requirements.

36. SEGMENT INFORMATION

For management purposes, the Group is organised into three main business units based on their products, and has three reportable operating segments as follows:

(i) Manufacturing of pharmaceutical products;

(ii) Distribution of pharmaceutical and healthcare products; and

(iii) Corporate comprising investments, properties and others.

Except as indicated above, no operating segment has been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Transfer pricing between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

All the major operations of the Group are carried out in Malaysia. Accordingly, the segment reports as presented below had been reviewed by the chief operating decision maker.

36. SEGMENT INFORMATION (CONT'D)

	Manufacturing		Distribution		Corporate		Adjustments and eliminations		Note	Per consolidated financial statements	
	2024	2023	2024	2023	2024	2023	2024	2023		2024	2023
	RM	RM	RM	RM	RM	RM	RM	RM		RM	RM
Revenue											
External revenue	**85,552,078**	88,789,331	**875,855,031**	847,331,667	**372,423**	48,960	**-**	-		**961,779,532**	936,169,958
Inter-segment revenue	**179,936,153**	175,339,476	**58,724**	36,431	**47,470,640**	75,202,440	**(227,465,517)**	(250,578,347)	A	**-**	-
Total revenue	**265,488,231**	264,128,807	**875,913,755**	847,368,098	**47,843,063**	75,251,400	**(227,465,517)**	(250,578,347)		**961,779,532**	936,169,958
Results											
Interest income	**698,363**	895,542	**256,913**	225,365	**6,849,935**	5,738,218	**-**	-		**7,805,211**	6,859,125
Interest expense	**(2,710,209)**	(848,524)	**(1,722,789)**	(1,211,395)	**(394,625)**	(54,375)	**3,422,927**	1,550,944		**(1,404,696)**	(563,350)
Depreciation and amortisation	**(16,292,008)**	(14,445,883)	**(6,058,591)**	(4,309,615)	**(293,102)**	(180,702)	**875,977**	869,041		**(21,767,724)**	(18,067,159)
Share of results of associates	**-**	-	**-**	-	**(9,778,971)**	336,396,451	**-**	-		**(9,778,971)**	336,396,451
Other non-cash (expenses)/income	**(1,665,490)**	(564,343)	**420,849**	(1,508,173)	**(224,671)**	(132,606)	**-**	-	B	**(1,469,312)**	(2,205,122)
Segment profit	**75,253,112**	72,884,934	**35,097,404**	37,192,488	**(5,348,278)**	334,294,731	**(3,800,873)**	(21,063,033)	C	**101,201,365**	423,309,120
Assets and liabilities											
Investments in associates	**-**	-	**-**	-	**183,885,873**	193,784,844	**-**	-		**183,885,873**	193,784,844
Additions to non-current assets	**76,162,717**	23,630,677	**4,781,060**	4,316,667	**23,639**	288,204	**-**	-	D	**80,967,416**	28,235,548
Segment assets	**322,228,258**	260,029,032	**367,078,370**	367,934,784	**327,997,193**	502,903,805	**(8,417,723)**	(8,250,282)	E	**1,008,886,098**	1,122,617,339
Segment liabilities	**(79,508,318)**	(40,415,443)	**(120,784,612)**	(125,526,694)	**(5,839,166)**	(24,495,925)	**(13,133,867)**	(13,904,880)	F	**(219,265,963)**	(204,342,942)

36. SEGMENT INFORMATION (CONT'D)

Notes: Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements

A Inter-segment revenues are eliminated on consolidation.

B Other material non-cash expenses/(income) consist of the following items as presented in the respective notes to the financial statements:

	Note	2024 RM	2023 RM
Trade receivables:			
- bad debts (recovered)/written off	8	**(56,357)**	3,654
- allowance for expected credit losses	8	**65,551**	652,889
Inventories written off	8	**180,257**	674,516
Inventories written (back)/down	8	**(375,447)**	901,585
Property, plant and equipment written off	8	**18**	478
Intangible assets written off	8	**204,856**	-
Net unrealised loss/(gain) on foreign exchange	8	**761,617**	(570,409)
Fair value changes on derivatives instruments	8	**16,629**	71,296
Gain on disposal of property, plant and equipment	6	**(202,813)**	(281,161)
Share options granted	9	**875,001**	752,274
		1,469,312	2,205,122

C Unallocated corporate expense of RM3,800,873 (2023: RM21,063,033) was deducted from segment profit to arrive at "Profit before taxation" presented in the consolidated statement of comprehensive income.

D Additions to non-current assets consist of:

	2024 RM	2023 RM
Property, plant and equipment	**77,968,580**	25,934,203
Intangible assets	**2,998,836**	2,066,764
Investment properties	**-**	234,581
	80,967,416	28,235,548

E The following items were added to/(deducted from) segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2024 RM	2023 RM
Deferred tax assets	**692,000**	1,319,000
Tax recoverable	**87,762**	45,815
Property, plant and equipment	**(9,197,485)**	(9,615,097)
	(8,417,723)	(8,250,282)

36. SEGMENT INFORMATION (CONT'D)

Notes: Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements (Cont'd)

F The following items were added to segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2024 RM	2023 RM
Income tax payable	**4,479,930**	6,098,193
Deferred tax liabilities	**8,653,937**	7,806,687
	13,133,867	13,904,880

Geographical information

Revenue and non-current assets (other than financial instruments, deferred tax assets, other investment, right-of-use assets and investment in associates) information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	2024 RM	2023 RM	2024 RM	2023 RM
Malaysia	**597,506,450**	582,921,023	**236,786,329**	175,209,612
Singapore	**341,808,579**	333,447,215	**37,085,554**	38,851,680
Others	**22,464,503**	19,801,720	**-**	-
	961,779,532	936,169,958	**273,871,883**	214,061,292

Non-current assets information presented above consists of the following items as presented in the consolidated statement of financial position:

	2024 RM	2023 RM
Property, plant and equipment	**255,657,891**	199,234,343
Investment properties	**9,069,546**	9,251,716
Intangible assets	**9,144,446**	5,575,233
	273,871,883	214,061,292

37. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	As at 1 January 2024 RM	New leases RM	Interest charged RM	Repayment of interest RM	Repayment RM	Reclass-ifications RM	Others RM	As at 31 December 2024 RM
Group								
Current borrowings	**3,642,816**	**-**	**971,059**	**(971,059)**	**(6,619,011)**	**10,119,063**	**-**	**7,142,868**
Non-current borrowings	**-**	**-**	**-**	**-**	**-**	**(10,119,063)**	**50,000,000**	**39,880,937**
Current lease liabilities	**950,390**	**-**	**433,637**	**(433,637)**	**(1,918,819)**	**2,088,929**	**968,429**	**2,088,929**
Non-current lease liabilities	**5,937,776**	**5,673,355**	**-**	**-**	**-**	**(2,088,929)**	**(1,804,498)**	**7,717,704**
Total liabilities from financing activities	**10,530,982**	**5,673,355**	**1,404,696**	**(1,404,696)**	**(8,537,830)**	**-**	**49,163,931**	**56,830,438**

	As at 1 January 2023 RM	New leases RM	Interest charged RM	Repayment of interest RM	Repayment RM	Reclass-ifications RM	Others RM	As at 31 December 2023 RM
Group								
Current borrowings	5,857,152	-	256,024	(256,024)	(5,857,152)	3,642,816	-	3,642,816
Non-current borrowings	3,642,816	-	-	-	-	(3,642,816)	-	-
Current lease liabilities	744,773	-	307,326	(307,326)	(834,311)	950,390	89,538	950,390
Non-current lease liabilities	5,754,683	1,142,451	-	-	-	(950,390)	(8,968)	5,937,776
Total liabilities from financing activities	15,999,424	1,142,451	563,350	(563,350)	(6,691,463)	-	80,570	10,530,982

The 'Others' column includes the drawdown of loans and borrowings for the purchase of property, plant and equipment, lease modifications and effect of foreign exchange differences.

LIST OF PROPERTIES
AS AT 31ST DECEMBER 2024

	Registered Owner & Address	Land area sq.metres	Built-up area sq.metres	Existing use/ Description	Tenure/ (Expiry date) Age of building	Net Carrying Amount RM	Date of last revaluation/ acquisition
	APEX RETAIL SDN BHD						
1	Unit No. F120 First Floor, Holiday Plaza Jalan Dato' Sulaiman Taman Century Johor Bahru Johor Darul Takzim	-	158	1 parcel of commercial space located on the 1st floor of Holiday Plaza	Freehold / 40 years old	611,920	Revalued Dec 2013
2	No 21 Jalan Permas Jaya 9/12 Bandar Baru Permas Jaya Masai Johor	279	369	1 1/2 - storey terraced warehouse cum office	Freehold / 25 years old	323,600	Revalued Dec 2011
3	No 83 Jalan Munshi Abdullah Melaka	130	330	3 - storey terraced shop office	Freehold / 62 years old	412,000	Revalued Dec 2011
4	No 134, 134/1, 134/2 and 134/3 Kompleks Perniagaan Munshi Abdullah Jalan Munshi Abdullah Melaka	137	524	4 1/2 - storey shop office	Leasehold / (exp. 2102) 34 years old	567,496	Revalued Dec 2011
5	Unit No. H-G-33 (D) AH - 106, Batu Kawah New Township Jalan Batu Kawa Kuching Sarawak	98	98	Ground Floor, Block H Commercial (D) Plot 14	Leasehold / (exp. 2058) 24 years old	209,940	Revalued Dec 2011
6	Unit No. H-G-33A (F1) AH - 107, Batu Kawah New Township Jalan Batu Kawa Kuching Sarawak	127	127	Ground Floor Block H Commercial (D) Plot 14	Leasehold / (exp. 2058) 24 years old	285,565	Revalued Dec 2011
7	Pavilion Damansara Heights Corporate Tower 2 Lot 481086 Mukim of Kuala Lumpur, District of Kuala Lumpur			Office suites	Freehold	7,722,040	Acquired 2016
	Parcel No. 10-01	-	211				
	Parcel No. 10-02	-	195				
	Parcel No. 10-03	-	101				
	Parcel No. 10-03A	-	101				
	Parcel No. 10-05	-	155				
	Parcel No. 10-06	-	171				

LIST OF PROPERTIES
AS AT 31ST DECEMBER 2024
(CONT'D)

	Registered Owner & Address	Land area sq.metres	Built-up area sq.metres	Existing use/ Description	Tenure/ (Expiry date) Age of building	Net Carrying Amount RM	Date of last revaluation/ acquisition
	XEPA-SOUL PATTINSON (MALAYSIA) SDN BHD						
8	No 1-5 Jalan TTC 1 Cheng Industrial Estate Melaka	38,966	39,484	Factory Buildings / Car park	Leasehold / (exp. 2096) 32 years old	49,421,030	Revalued Dec 2009
9	Mukim Pegoh District of Alor Gajah, Melaka HS (D) 32770 PT 2545, HS (D) 32771 PT 2546, HS (D) 32777 PT 2552, HS (D) 32778 PT 2553, HS (D) 32781 PT 2556 and HS (D) 32782 PT 2557	75,867	-	Industrial Land	Freehold	20,939,575	Acquired 2019
10	No 16 & 18 Jalan TTC 1 Cheng Industrial Estate Melaka	81,203	36,308	Factory Buildings / Car park / Warehouse	Leasehold / (exp. 2096) 32 years old	69,040,905	Acquired 2024
	APEX PHARMACY MARKETING SDN BHD						
11	No 2 Jalan SS 13/5 Subang Jaya Selangor Darul Ehsan	10,116	9,548	Industrial Land / Corporate Office and Warehouse	Freehold / 20 years old	14,352,360	Revalued Dec 2009
	APEX PHARMA MARKETING PTE LTD						
12	49 Tannery Lane #04-01 & 04-07 Noble Warehouse Singapore	-	700	Industrial Land / Warehouse	Freehold / 39 years old	5,369,191	Revalued Dec 2009
13	4 Loyang Way 1 Singapore	3,673	4,879	Industrial Warehouse / 3 - storey detached building	Leasehold / (exp. 2052) 28 years old	26,878,629	Acquired 2013

ANALYSIS OF SHAREHOLDINGS
AS AT 19TH MARCH 2025

Total Number of Issued Shares	: 720,243,546
Class of Shares	: Ordinary Shares
Voting Rights	: One (1) vote per Ordinary Share
Number of Shareholders	: 4,658

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	164	3.52	6,153	0.00
100 to 1,000	791	16.98	457,737	0.06
1,001 to 10,000	2,203	47.30	9,298,890	1.30
10,001 to 100,000	1,248	26.79	37,267,490	5.17
100,001 – less than 5% of issued shares	249	5.35	175,005,220	24.30
5% and above issued shares	3	0.06	498,208,056	69.17
Total	4,658	100.00	720,243,546	100.00

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

	No. of Shares Held			
Name of Substantial Shareholders	Direct Interest	%	Indirect Interest	%
Apex Pharmacy Holdings Sdn. Bhd.	285,431,736	39.63	-	-
Washington H.Soul Pattinson and Company Limited	212,776,320	29.54	-	-
Xepa Holdings Sdn. Bhd.	7,482,000	1.04	285,431,736 [1]	39.63
Apex Holdings (Pte) Ltd	4,035,800	0.56	292,913,736 [1]	40.67
Xepa Holdings Pte Ltd	-	-	296,949,536 [1]	41.23
Kee Tah Peng @ Hee Teck Peng	-	-	296,949,536 [1]	41.23
Dr. Kee Kirk Chin	8,529,372	1.18	296,949,536 [1]	41.23
Yang Liew Fang	-	-	296,949,536 [1]	41.23
Kee Kirk Chuen	1,406,250	0.20	296,949,536 [1]	41.23
Dr Kee Loo	-	-	296,949,536 [1]	41.23
United Engineers Limited	-	-	285,431,736 [1]	39.63
UE UMC Pte Ltd	-	-	285,431,736 [1]	39.63
Yanlord Land Group Limited	-	-	285,431,736 [1]	39.63
Zhong Sheng Jian	-	-	285,431,736 [1]	39.63
Yanlord Investment (Singapore) Pte. Ltd.	-	-	285,431,736 [1]	39.63
Yanlord Commercial Property Investments Pte. Ltd.	-	-	285,431,736 [1]	39.63
Yanlord Holdings Pte. Ltd.	-	-	285,431,736 [1]	39.63

Note:-
[1] *Deemed interest by virtue of Section 8(4)(c) of the Companies Act 2016.*

ANALYSIS OF SHAREHOLDINGS
AS AT 19TH MARCH 2025
(CONT'D)

DIRECTORS' SHAREHOLDINGS

	No. of Shares Held			
Name of Directors	**Direct Interest**	**%**	**Indirect Interest**	**%**
Dr. Kee Kirk Chin	8,529,372	1.18	296,949,536 [1]	41.23
Robert Dobson Millner AO	440,622	0.06	-	-
Datuk Phang Ah Tong	15,000	Negligible	-	-
Kee Kirk Chuen	1,406,250	0.20	296,949,536 [1]	41.23
Leong Khai Cheong	1,636,122	0.23	-	-
Yap Seng Chong	-	-	-	-
Le Wat Su	30,000	Negligible	-	-

Note:-
[1] *Deemed interest by virtue of Section 8(4)(c) of the Companies Act 2016.*

TOP THIRTY (30) SHAREHOLDERS

No.	Names	No. of Shares	%
1.	APEX PHARMACY HOLDINGS SDN BHD	285,431,736	39.63
2.	WASHINGTON H.SOUL PATTINSON AND COMPANY LIMITED	111,365,622	15.46
3.	WASHINGTON H.SOUL PATTINSON AND COMPANY LIMITED	101,410,698	14.08
4.	LIM TEH REALTY SDN BERHAD	9,750,000	1.35
5.	XEPA HOLDINGS SDN. BHD.	7,482,000	1.04
6.	TAN SU-ANN	6,771,886	0.94
7.	AMANAHRAYA TRUSTEES BERHAD PUBLIC ISLAMIC OPPORTUNITIES FUND	6,480,000	0.90
8.	CARTABAN NOMINEES (TEMPATAN) SDN BHD ICAPITAL.BIZ BERHAD	6,406,950	0.89
9.	LIEW YOON YEE	6,000,000	0.83
10.	CIMB GROUP NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR DBS BANK LTD (SFS-PB)	5,700,000	0.79
11.	AMANAHRAYA TRUSTEES BERHAD PUBLIC STRATEGIC SMALLCAP FUND	5,660,950	0.79
12.	MD ALI BIN MD DEWAL	4,492,000	0.62
13.	APEX HOLDINGS (PTE) LTD	4,035,800	0.56
14.	CHAN HENG KOON	3,857,200	0.54

TOP THIRTY (30) SHAREHOLDERS (CONT'D)

No.	Names	No. of Shares	%
15.	TEOH CHOON NEO @ IVY TEOH CHOON NEO	3,450,000	0.48
16.	CIMB COMMERCE TRUSTEE BERHAD PUBLIC FOCUS SELECT FUND	3,399,550	0.47
17.	SINGAM A/L KUMARASAMY	3,287,000	0.46
18.	UOBM NOMINEES (ASING) SDN BHD UOBM FOR KEE KIRK CHIN (PBM)	2,829,372	0.39
19.	YEO LEE HEE	2,808,000	0.39
20.	NORINNE IRA DEWAL BINTI MD ALI	2,780,000	0.39
21.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG YEE HUI	2,437,500	0.34
22.	OH SIEW HEONG	2,358,000	0.33
23.	TAN JIN THAI	2,310,000	0.32
24.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PHUA KIAP WITE (E-KTN)	2,305,200	0.32
25.	LEONG WAI KUEN	2,090,000	0.29
26.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SUSY DING (CEB)	1,993,650	0.28
27.	LAI YOON KEE	1,697,550	0.24
28.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR LEONG KHAI CHEONG (PB)	1,636,122	0.23
29.	LIM KHUAN ENG	1,620,000	0.23
30.	AMANAHRAYA TRUSTEES BERHAD PB SMALLCAP GROWTH FUND	1,609,900	0.22

NOTICE OF TWENTY-SIXTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Sixth ("**26th**") Annual General Meeting ("**AGM**") of Apex Healthcare Berhad (the "**Company**") will be held at Bunga Teratai Room, 7th Floor, Dusit Princess Melaka, Jalan Bendahara, 75100 Melaka, Malaysia on Wednesday, 21st May 2025 at 9:30 a.m. for the following purposes:-

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31st December 2024 together with the Directors' and Auditors' Reports thereon. ***Explanatory Note 1***

2. To approve a final single-tier dividend of 3.0 sen per ordinary share for the financial year ended 31st December 2024. **Ordinary Resolution 1**

3. To approve the payment of Directors' fees of RM708,984 for the financial year ended 31st December 2024. **Ordinary Resolution 2**

4. To re-elect Mr Leong Khai Cheong who retires by rotation in accordance with Clause 95 of the Constitution of the Company. **Ordinary Resolution 3**

5. To re-elect Datuk Phang Ah Tong who retires by rotation in accordance with Clause 95 of the Constitution of the Company. **Ordinary Resolution 4**

6. To re-appoint Ernst & Young PLT as the Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 5**

As Special Business

To consider and if thought fit, to pass the following Resolution with or without modifications:-

7. **AUTHORITY UNDER SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 (THE "ACT") FOR THE DIRECTORS TO ALLOT AND ISSUE SHARES; AND WAIVER OF PRE-EMPTIVE RIGHTS OVER NEW ORDINARY SHARES ("SHARES") IN THE COMPANY UNDER SECTION 85(1) OF THE ACT READ TOGETHER WITH CLAUSE 59 OF THE CONSTITUTION OF THE COMPANY** **Ordinary Resolution 6**

   "THAT pursuant to Sections 75 and 76 of the Act, 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."

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN THAT a final single-tier dividend of 3.0 sen per ordinary share for the financial year ended 31st December 2024, if approved, will be paid on 16th June 2025. The entitlement date for the payment is 3rd June 2025.

A depositor shall qualify for entitlement only in respect of:-

(a) Shares transferred into the Depositor's Securities Accounts before 4:30 p.m. on 3rd June 2025 in respect of transfer; and

(b) Shares bought on Bursa Securities on a cum entitlement basis according to the Rules of Bursa Securities.

BY ORDER OF THE BOARD

CHIEW WOON WUI
Membership No.: MIA 20586
SSM Practicing Certificate No.: 201908001112

CHAN YOKE PENG
Membership No.: MAICSA 7053966
SSM Practicing Certificate No.: 202008001791

Secretaries

Melaka
22nd April 2025

Notes:-

1. In respect of deposited securities, only members whose names appear in the Company's Record of Depositors as at ***13th May 2025*** shall be eligible to participate and vote at this meeting or appoint proxy(ies) to participate and vote on his/her behalf.

2. A member of the Company who is entitled to participate and vote at this meeting is entitled to appoint not more than two (2) proxies, and in the case of a corporation, a duly authorised representative to participate and vote in its stead.

3. A proxy may but need not be a member of the Company, an advocate, an approved company auditor or a person approved by the Registrar. Where a member appoints more than one (1) proxy, he shall specify the proportions of his shareholdings to be represented by each proxy.

4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

5. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised in writing.

6. The original instrument appointing a proxy ("**Proxy Form**") must be deposited at the Company's Share Registrar's Office at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia or alternatively, submitted via e-mail to bsr.helpdesk@boardroomlimited.com, but the original Proxy Form must be deposited at the Company's Share Registrar's Office not less than forty-eight (48) hours before the time set for holding this meeting or at any adjournment thereof.

7. Any termination of a person's authority to act as a proxy shall be notified in writing to bsr.helpdesk@boardroomlimited.com not less than forty-eight (48) hours before the commencement of this meeting.

8. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), all the resolutions set out in the Notice of AGM will be put to vote by way of poll.

EXPLANATORY NOTES ON ORDINARY BUSINESS AND SPECIAL BUSINESS

1. **Audited Financial Statements for the financial year ended 31st December 2024**

   The Audited Financial Statements is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this item on the Agenda is not put forward for voting.

2. **Ordinary Resolution 2 – Payment of Directors' fees for the financial year ended 31st December 2024**

   Section 230(1) of the Act provides amongst others that the fees of the Directors and any benefits payable to the Directors of the Company and its subsidiaries shall be approved at a general meeting. In this respect, the Board of Directors ("**Board**") wishes to seek shareholders' approval for the payment of Directors' fees of RM708,984 for the financial year ended 31st December 2024, details of which are set out in the Remuneration Committee Report on page 43 of the Annual Report 2024. The amount of Directors' fees consists of the fees payable to Directors as members of the Board and Board Committees.

   The structure of annual and Board Committees fees payable to the Directors for the financial year ended 31st December 2024 has been reviewed and approved by Remuneration Committee ("**RC**"). Based on the recommendation of the RC, the Board approved the proposed Directors' Fee to be tabled to the shareholders for approval at this 26th AGM.

3. **Ordinary Resolutions 3 and 4 – Re-election of Directors**

   For the purpose of determining the eligibility of the Directors to stand for re-election at the 26th AGM of the Company, the Board through its Nomination Committee ("**NC**") undertakes a formal evaluation to determine the eligibility of each retiring Director in line with the Malaysian Code on Corporate Governance and MMLR of Bursa Securities, which includes the following:-

   (i) Performance and effectiveness of the Board as a whole, Board Committees and individual Directors;
   (ii) Independence of the Independent Director; and
   (iii) Fit and proper assessment.

   The NC and the Board are satisfied that the Directors, namely Mr Leong Khai Cheong and Datuk Phang Ah Tong (collectively, the "**retiring Directors**") standing for re-election have performed their duties as per the Board Charter and they will continue to bring to bear their knowledge, experience and skills and contribute effectively to the Board's discussions, deliberations and decisions. In view thereof, the Board recommends that they be re-elected as Directors of the Company.

   The retiring Directors being eligible, have offered themselves for re-election at the 26th AGM.

The retiring Directors have abstained from deliberations and decision on their own eligibility and suitability to stand for re-election at the relevant Board meeting.

The profiles of the Directors who are standing for re-election under Ordinary Resolutions 3 and 4 are set out in the Profiles of the Board on pages 26 and 27 of the Annual Report 2024.

4. **Ordinary Resolution 5 – Re-appointment of Auditors**

Ernst & Young PLT, the Auditors of the Company have expressed their willingness to continue in office as Auditors of the Company for the financial year ending 31st December 2024. The Board has approved the Audit Committee's recommendation that they be retained after taking into account relevant feedback on their experience, performance and independence following a formal assessment.

5. **Ordinary Resolution 6 – Authority under Sections 75 and 76 of the Act for the Directors to allot and issue shares; and Waiver of pre-emptive rights**

This proposed resolution, if passed, will renew the authority given to the Directors of the Company to allot and issue new shares in the Company at any time, to such person or persons, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit ("**General Mandate**"), provided that the number of shares issued pursuant to this General Mandate, when aggregated with the total number of issued shares of any such shares issued during the preceding twelve (12) months, does not exceed 10% of the total number of issued shares of the Company at the time of issue. This renewed General Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

With this renewed General Mandate, the Company will be able to raise funds expeditiously for the purpose of funding future investment, working capital and/or acquisition(s) without having to convene a general meeting to seek shareholders' approval when such opportunities or needs arise.

The waiver of pre-emptive rights pursuant to Section 85 of the Act and Clause 59 of the Constitution will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to issuance of new shares in the Company under the General Mandate.

As at the date of this Notice, there were no new shares issued pursuant to the mandate granted to the Directors of the Company at the Twenty-Fifth AGM held on 15th May 2024 and which will lapse at the conclusion of the 26th AGM. If there should be a decision to issue new shares after the General Mandate is obtained, the Company will make an announcement in respect thereof.

Please refer Section 85(1) of the Act and Clause 59 of the Constitution of the Company as detailed below.

<u>Details of Section 85(1) of the Act and Clause 59 of the Constitution of the Company</u>

Section 85(1) of the Act provides as follows:-

"85. Pre-emptive rights to new shares
(1) Subject to the constitution, where a company issues shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders."

Clause 59 of the Constitution of the Company provides as follows:-

"Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new share or security which (by reason of the ratio which the new shares or securities bear to the shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Clause."

Personal data privacy:-

By submitting an instrument appointing a proxy(ies) and/or representative(s) to participate and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

FORM OF PROXY

APEX HEALTHCARE BERHAD (199801016979 (473108-T))
(Incorporated in Malaysia)

No. of Shares held	
CDS Account No.	

I/We, ______________________________ NRIC/Registration No. ______________________
(Full name in block letters)

of ____
(Full Address)

and telephone/mobile no. ______________________ email address ______________________

being a member/members of **APEX HEALTHCARE BERHAD**, hereby appoint ______________________
(Full name in block letters)

NRIC/Passport No. ______________________ of ______________________________
(Full Address)

and telephone/mobile no. ______________________ email address ______________________

or failing him/her, ______________________________ NRIC/Passport No. ______________________
(Full name in block letters)

of ____
(Full Address)

and telephone/mobile no. ______________________ email address ______________________

or failing him/her, *the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the Twenty-Sixth Annual General Meeting ("**AGM**") of Apex Healthcare Berhad (the "**Company**") to be held at Bunga Teratai Room, 7th Floor, Dusit Princess Melaka, Jalan Bendahara, 75100 Melaka, Malaysia on Wednesday, 21st May 2025 at 9.30 a.m. and at each and every adjournment thereof, on the following resolutions referred to in the Notice of the Twenty-Sixth AGM.

** Please delete the words "the Chairman of the meeting" if you wish to appoint some other person to be your proxy.*

My/Our proxy is to vote as indicated below:-

	RESOLUTION	*FOR	*AGAINST
Ordinary Resolution 1	To approve a final single-tier dividend of 3.0 sen per ordinary share for the financial year ended 31st December 2024.		
Ordinary Resolution 2	To approve the payment of Directors' fees of RM708,984 for the financial year ended 31st December 2024.		
Ordinary Resolution 3	To re-elect Mr Leong Khai Cheong who retires by rotation in accordance with Clause 95 of the Constitution of the Company.		
Ordinary Resolution 4	To re-elect Datuk Phang Ah Tong who retires by rotation in accordance with Clause 95 of the Constitution of the Company.		
Ordinary Resolution 5	To re-appoint Ernst & Young PLT as the Auditors of the Company and to authorise the Directors to fix their remuneration.		
Ordinary Resolution 6	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.		

Subject to the abovestated voting instructions, my/our proxy may vote or abstain from voting on any resolutions as *he/*she/*they may think fit.

Signed this __________ day of ________________2025

The proportion of my/our shareholdings to be represented by my/our proxies are as follows:-

	Percentage
First Proxy	%
Second Proxy	%
Total	100%

____
Signature of Member(s)^

^ Manner of execution:-

(a) If you are an individual member, please sign where indicated.
(b) If you are a corporate member which has a common seal, this Form of Proxy should be executed under seal in accordance with the Constitution of your corporation.
(c) If you are a corporate member which does not have a common seal, this Form of Proxy should be affixed with the rubber stamp of your corporation (if any) and executed by:-
 (i) at least two (2) authorised officers, of whom one shall be a director; or
 (ii) any Director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

Notes:-

1. In respect of deposited securities, only members whose names appear in the Company's Record of Depositors as at ***13th May 2025*** shall be eligible to participate and vote at this meeting or appoint proxy(ies) to participate and vote on his/her behalf.
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8. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of AGM will be put to vote by way of poll.

Personal Data Privacy:-

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms pursuant to Personal Data Protection Act, 2010.

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AFFIX
STAMP

The Share Registrar of

Apex Healthcare Berhad

(Registration no. 199801016979 (473108-T))

11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

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www.apexhealthcare.com.my

APEX HEALTHCARE BERHAD
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75250 Melaka, Malaysia
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Facsimile : +6 06 337 0570