CONFIDENTIAL

APEX HEALTHCARE BERHAD

(Registration No. 199801016979 (473108-T))

MINUTES OF THE TWENTY-SIXTH ANNUAL GENERAL MEETING ("**AGM**") OF THE COMPANY 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.

PRESENT:-

DIRECTORS

Dr. Kee Kirk Chin
- Chairman and Group Chief Executive Officer ("**CEO**") and also a shareholder and proxyholder

Mr Robert Dobson Millner AO
- Non-Independent Non-Executive Director and also a shareholder

Mr Leong Khai Cheong
- Senior Independent Non-Executive Director and also a shareholder

Mr Yap Seng Chong
- Independent Non-Executive Director

Datuk Phang Ah Tong
- Independent Non-Executive Director and also a shareholder

Mr Kee Kirk Chuen
- Non-Independent Non-Executive Director and also a shareholder

Ms Le Wat Su
- Independent Non-Executive Director and also a shareholder

IN ATTENDANCE

Ms Chan Yoke Peng	-	Company Secretary
Ms Chiew Woon Wui	-	Chief Financial Officer
Mr Tan Hing Tai	-	Chief Operating Officer (Distribution)
Mr Ch'ng Kien Peng	-	Chief Operating Officer (Manufacturing)
Ms Wong Mei Ling	-	Vice President (Corporate Services)
Mr Hoh Yoon Hoong	-	Partner, representing Ernst & Young PLT, Auditors of the Company
Mr Niki Poon	-	Partner, representing Ernst & Young PLT, Auditors of the Company

BY INVITATION

Ms Ong Ai Sim	-	GovernAce Advisory & Solutions Sdn. Bhd.
Ms Selina Tan	-	Boardroom Corporate Services Sdn. Bhd.

The shareholders and proxyholders (collectively referred to as "**Members**") who attended the AGM were set out in the Attendance List.

CHAIRMAN

The Chairman of the Board of Directors of the Company (the "**Board**") and the Group CEO, Dr. Kee Kirk Chin ("**Dr. Kee**"), extended a warm welcome to all Members and invitees present at the Twenty-Sixth ("**26th**") AGM of the Company.

QUORUM

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

SUMMARY OF PROXY FORMS RECEIVED

The Company Secretary also reported that the Company had received in total 16 proxy forms from the shareholders of the Company for a total of 516,705,528 ordinary shares, representing 71.73% of the issued share capital of the Company.

Out of those, there were 5 shareholders who had appointed the Chairman of the Meeting as proxy to vote on their behalf and the shares so represented were 219,504,942 ordinary shares, representing 30.47% of the issued share capital of the Company.

The Chairman proceeded to introduce the other Board members, the Company Secretary, Management team, representative of Ernst & Young PLT, External Auditors of the Company, who were present together with him at the Meeting.

The Chairman also informed the Members of their right to participate, speak and vote at the AGM.

NOTICE OF MEETING

With the consent of the Members, the Notice convening the 26th AGM having been circulated within the prescribed period was taken as read.

The Chairman then presented a review of the Group's performance in 2024 to the Meeting, as detailed in the presentation slides available on the Company's website at https://apexhealthcare.com.my/.

After the presentation of the Year in Review 2024, the Chairman, on behalf of the Board, thanked all the Members of the Company for their support, continued confidence and trust.

POLLING AND ADMINISTRATIVE GUIDE

The Chairman informed the Meeting that pursuant to Paragraph 8.29A of the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), all resolutions set out in the Notice of the AGM must be voted by poll. Pursuant to Clause 77 of the Company's Constitution, the Chairman demanded for a poll to be taken for all the resolutions set forth in the Notice of the 26th AGM.

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

The Chairman further informed that the Meeting shall go through all the resolutions and proceed with the polling process after the last resolution has been tabled.

The Chairman then proceeded with business on the agenda and went through each of the resolutions set out in the Notice of the 26th AGM.

DISCUSSION ITEM
- AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2024

The Audited Financial Statements together with the Reports of the Directors and Auditors of the Company for the financial year ended 31st December 2024 ("**Audited Financial Statements**") having been circulated to all the shareholders of the Company within the statutory period were taken as read.

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

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

The Chairman took the Meeting through the remainder resolutions set out in the Notice of the 26th AGM and informed the Meeting of the commencement of the question and answer session.

QUESTION AND ANSWER SESSION

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

Mr Yap then continued to read out the questions from shareholders/proxies received by the Company before the AGM.

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

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

After addressing the questions received, the Chairman informed the Meeting of the closure of question and answer session and those questions and the Company's responses would be published on the Company's website.

The Chairman then declared that the Audited Financial Statements of the Company for the financial year ended 31st December 2024 had been duly tabled and received by the shareholders.

POLLING PROCESS

The Chairman then directed for the closing of the registration of the shareholders and proxies for the AGM and invited the Poll Administrator to proceed with the polling process.

The Chairman further informed that the outcome of the poll would be announced after the short break for refreshment as it would take some time for the Independent Scrutineers to tabulate the results of the poll. The Meeting was then adjourned at 10:37 a.m. for the votes to be counted and to enable the Independent Scrutineers to tabulate the results of the poll.

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

POLL RESULTS

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

ORDINARY RESOLUTION 1
- FINAL SINGLE-TIER DIVIDEND FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2024

Ordinary Resolution 1	**Vote For**		**Vote Against**		**Results**
	No. of Shares	**%**	**No. of Shares**	**%**	
To approve a final single-tier dividend of 3.0 sen per ordinary share for the financial year ended 31st December 2024	523,462,502	100.0000	0	0.0000	Carried

It was unanimously RESOLVED:-

That the payment of a final single-tier dividend of 3.0 sen per ordinary share for the financial year ended 31st December 2024 be and is hereby approved.

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ORDINARY RESOLUTION 2
- DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2024

Ordinary Resolution 2	**Vote For**		**Vote Against**		**Results**
	No. of Shares	**%**	**No. of Shares**	**%**	
To approve the payment of Directors' fees of RM708,984 for the financial year ended 31st December 2024	523,461,502	100.0000	0	0.0000	Carried

It was unanimously RESOLVED:-

That the Directors' fees of RM708,984 only for the financial year ended 31st December 2024 be and is hereby approved for payment to the Directors.

ORDINARY RESOLUTION 3
- RE-ELECTION OF DIRECTOR – MR LEONG KHAI CHEONG

Ordinary Resolution 3	**Vote For**		**Vote Against**		**Results**
	No. of Shares	**%**	**No. of Shares**	**%**	
To re-elect Mr Leong Khai Cheong who retires by rotation in accordance with Clause 95 of the Constitution of the Company	522,417,380	99.8003	1,045,122	0.1997	Carried

It was RESOLVED:-

That the retiring Director, Mr Leong Khai Cheong be and is hereby re-elected as Director of the Company.

ORDINARY RESOLUTION 4
- RE-ELECTION OF DIRECTOR – DATUK PHANG AH THONG

Ordinary Resolution 4	**Vote For**		**Vote Against**		**Results**
	No. of Shares	**%**	**No. of Shares**	**%**	
To re-elect Datuk Phang Ah Thong who retires by rotation in accordance with Clause 95 of the Constitution of the Company	523,462,502	100.0000	0	0.0000	Carried

It was unanimously RESOLVED:-

That the retiring Director, Datuk Phang Ah Thong be and is hereby re-elected as Director of the Company.

ORDINARY RESOLUTION 5
- RE-APPOINTMENT OF AUDITORS

Ordinary Resolution 5	**Vote For**		**Vote Against**		**Results**
	No. of Shares	**%**	**No. of Shares**	**%**	
To re-appoint Ernst & Young PLT as the Auditors of the Company and to authorise the Directors to fix their remuneration	523,462,502	100.0000	0	0.0000	Carried

It was unanimously RESOLVED:-

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

ORDINARY RESOLUTION 6
- 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	**Vote For**		**Vote Against**		**Results**
	No. of Shares	**%**	**No. of Shares**	**%**	
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	522,416,180	99.8003	1,045,322	0.1997	Carried

It was RESOLVED:-

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.

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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.

CONCLUSION OF THE MEETING

There being no other matters, the Meeting concluded at 11:05 a.m. with a vote of thanks to the Chair.

SIGNED AS A CORRECT RECORD

- Approved -

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CHAIRMAN

APPENDIX I

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

QUESTIONS AND ANSWERS SESSION DURING THE TWENTY-SIXTH ANNUAL GENERAL MEETING OF THE COMPANY HELD ON WEDNESDAY, 21ST MAY 2025

PART A : Questions ("Q") from Minority Shareholders Watch Group and replies ("A") from the Company

Operational & Financial Matters

Q1 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. (Source: Page 11 of AR 2024)

(a) What were the key Malaysian and Singaporean Government tenders were missed or delayed in 2024, and why? To what extent did the Group lose some of its Malaysian and Singaporean Government tenders to its competitors?

(b) To date, what is the total value of tenders submitted to the government sector of both Malaysia and Singapore? What is the Group's probability of securing these government tenders in 2025?

A1 **(a)**

Public Sector Revenue (RM million)	**2024**	**2023**	**Variance**
Malaysia	79.6	86.0	▼ 7.4%
Singapore & Others (International)	44.3	38.8	▲ 14.2%
Total Public Sector Revenue	**123.9**	**124.8**	▼ 0.7%

The Group's public sector revenue recorded a marginal decline of 0.7% in 2024 compared to 2023. This was primarily driven by a 7.4% decrease in public sector sales in Malaysia, attributed to lower tender sales by Xepa-Soul Pattinson (Malaysia) Sdn. Bhd. ("XEPA"). In contrast, public sector revenue in Singapore and other international markets grew by 14.2%, partially offsetting the decline in Malaysia.

In 2024, XEPA did not renew two Malaysian Government tenders for cardiovascular drugs due to intense price competition. The cessation of supply for these two molecules resulted in a reduction of RM14.7 million in XEPA's tender revenue as compared to 2023. Nevertheless, XEPA continues to secure new tenders in both Malaysia and Singapore, and based on current tender wins, expects its total tender revenue in 2025 to recover to 2023 levels.

(b) **The total value of Malaysia and Singapore government tenders submitted by XEPA and currently under evaluation amounts to RM 1.7 million. Notably in 2025, based on announced tender results, XEPA has been awarded two new multi-year tenders for cardiovascular drugs with a total contract value of RM37 million.**

PART A : Questions ("Q") from Minority Shareholders Watch Group and replies ("A") from the Company *(Cont'd)*

Operational & Financial Matters *(Cont'd)*

Q2	The Group achieved a record 22 new Group-branded product launches in 2024, a significant jump from the 12 launched in 2023 (Source: Page 7 of AR 2024). (a) What has been the market reception of the 22 new products launched in 2024? To what extent did the 22 new Group-branded products contribute to the Group's revenue? (b) Given that the Group's R&D efforts remain a key growth driver, and the Group aims to intensify investment to enhance the quality and speed of new product launches (Source: Page 23 of AR 2024), what is the target number of new product launches for 2025?
A2	**(a) In 2024, the Group successfully introduced 22 new Group-branded products to the market, with 64% comprising consumer healthcare offerings, reflecting the Group's strategic focus on expanding its consumer healthcare segment. These new products generated in-market revenue of RM1.9 million in 2024, contributing to the Group's total revenue of RM961.8 million for that year.** **(b) In the first quarter of 2025, the Group launched 6 new Group-branded products, with half of them in the consumer healthcare segment. The target for the year is 16 new launches. However, the actual number may vary, as launch decisions will be made progressively throughout the year in response to evolving economic and market conditions.**
Q3	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 with an initial capacity of 2,850 pallets. Upon completion, 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. (Source: Pages 6 & 15 of AR 2024) (a) What will be the total estimated cost for retrofitting and relocating non-production services to Cheng 2? Does the warehouse incorporate automation or smart warehousing technologies? (b) What is the expected cost savings to be achieved from reduce reliance on external third-party warehouses? (c) Once the space at Cheng 1 is freed up, what is the specific new production activities that the Group is planning for Cheng 1?

<u>PART A : Questions ("Q") from Minority Shareholders Watch Group and replies ("A") from the Company</u> *(Cont'd)*

<u>Operational & Financial Matters</u> *(Cont'd)*

A3	**(a)**	**Planning is currently underway for the relocation of certain non-production services, with cost estimates yet to be finalized. XEPA began operations at its newly retrofitted pharmaceutical warehouse in Cheng 2 on 25th March 2025, following the receipt of all necessary approvals and licences. The warehouse utilizes conventional warehousing technologies, as the primary objective is to reduce reliance on external third-party storage as swiftly as possible.**
	(b)	**In 2024, XEPA incurred RM2.46 million in expenses for the use of external third-party warehouses. With the commissioning of the new warehouse at Cheng 2, this cost will be eliminated.**
	(c)	**Specific plans for new production activities at Cheng 1 are currently under evaluation and will be disclosed when finalised.**

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

Member's Name	No.	Description
Chin Yok Fong	1.	**Question**
		Where does the NEWCO appear in the organisation chart after the disposal and reinvestment is completed?
		Answer
		NEWCO is Next Ortho Investment Holdings Pte Ltd ("**NEXT**").
	2.	**Question**
		Prior to the disposal of SA, the share of contribution of Associate has been positive, at least for 2021 to 2023. However, 2024 quarterly contributions of Associates are erratic, ending negative for 2024. Any special reasons for such a variance in performance?
		Answer
		Post divestment, the share of earnings from associate has been affected by two group of factors:- 1. <u>Business Operations Related</u> The recurring business operations from the NEXT group of companies have been affected by lower revenue in the post-pandemic period as customers took measures to right size inventory. To strengthen sales outreach and coverage, a business development team was established in the United States and this led to higher operating expenses. 2. <u>Divestment Related</u> When Straits Apex Group Sdn. Bhd. ("**SAG**") divested 60% equity to Quadria Capital in May 2023 (the "**Straits Divestment**"), the mechanism involved a 100% disposal followed by a rollover, or reinvestment for 40% equity in Next Ortho Investment Holdings Pte Ltd. Accounting treatment wise, the reinvestment required SAG to carry out a Purchase Price Allocation exercise ("**PPA**"). The subsequent amortization of the intangible assets identified at the PPA is a new expense. The Straits Divestment was a leverage buyout with debt taken on by NEXT. SAG's share of this financing cost is another recurring expense. As part of the Straits Divestment, SAG held a Put Option for its remaining 40% equity in NEXT. As the threshold for exercising this Put Option is unlikely to be met, SAG wrote off the value of this Put Option in the fourth quarter of financial year 2024.

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

Member's Name	No.	Description
Chin Yok Fong	3.	**Question**
		Quadria Capital is a private equity group. It is understandable that a leveraged buyout model is used to acquire the target company SA (Straits Apex Sdn. Bhd. which owns the 2 orthopaedics subsidiaries). The EV/EBITDA of 16.7 times is attractive, considering it was based on just 3 years of financial data. In this leveraged buyout, it is a precondition before entering into the agreement to dispose of SA, that SAG must retain 40% equity, and therefore the rationale for the "put option" held by SAG, albeit it is already written off? The "put option" being mentioned was not found in the S&P agreement of 28 April 2023.
		Answer
		The leveraged buyout and retention of a 40% equity stake were preconditions for the divestment. As a result of this rollover, it is correct to note that the Put Option was included to provide SAG with the flexibility to exit earlier if needed. Nonetheless, at the time of the divestment, SAG's intention was to partner with Quadria Capital to create greater value through a joint future exit.
	4.	**Question**
		As the disposal of SA is in the form of a leveraged buyout, "substantial debt" would have been raised as consideration to pay off the vendor (SAG). Hence, SA and its 2 orthopaedics subsidiaries would have to generate sufficient cash flow to repay the interest/loan. As SAG is only an "Associate" of the Company, the 2024 contribution from "Associate" was a negative figure. In view of the current geo-political situation (primarily President Trump's tariff policy), will the current measures taken to address the unfavourable be sufficient?

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

Member's Name	No.	Description
Chin Yok Fong	4	**Answer** The observation regarding the substantial debt and cash flow is accurate. While 2024 total contribution from SAG was negative, it is important to note that business operations at SA contributed a profit of RM5.1 million in 2024. However, continuing expenses related to the divestment amounted to RM14.9 million in 2024 due to amortization expense for intangible assets identified at the Purchase Price Allocation exercise, financing costs and writing off of Put Option and other divestment related expenses. Hence, the total share of earnings in 2024 from associate, SAG was a net loss of RM9.8 million. Following the divestment, AHB holds an effective equity interest of only 16% in SA and no longer maintains a board seat in the operating orthopedic companies. However, through its 40% stake in its associate, SAG, AHB retains one board seat in the holding companies. AHB is not involved in the day-to-day management of the business. The Board and Management of SA are closely monitoring the evolving tariff situation and believe that the current measures in place are adequate for now.
Kok Chiew Sia	5.	**Question** What was the reason for acquiring the six office units at Pavilion Damansara Heights? Will there be any plans to divest all these units soon? **Answer** The acquisition of the six units at Pavilion Damansara Heights was a legacy issue, stemming from the Group's earlier disposal of a retail shop at Pusat Bandar Damansara. As the developer intended to redevelop the said area, the disposal was sweetened with an offer to the Group to purchase office units in the new development at RM900 per square foot, compared to the launch price of RM1,500 per square foot. In addition, a rental guarantee for 6,500 square feet for a period of 2 years, ending in October 2025 was also secured. Consequently, the Group took the opportunity to acquire six units covering an area of approximately 10,000 square feet, comprising an entire floor. Some of the units are currently rented out, and the Group is evaluating offers with the intent to divest all units when market conditions are favourable. There are no plans to utilize these units for operational purposes.

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

Member's Name	No.	Description
Kok Chiew Sia	6.	**Question**
		(a) With Cheng 2 and the Techlink warehouse in Singapore, how much additional revenue contribution can be expected? How will this change the composition of revenue breakdown in the next 5 years?
		(b) For Cheng 2, did the Company receive any tax incentive allowance?
		Answer
		(a) For Cheng 2, the initial plan was to promptly transition a section of an existing building for warehouse operations to cut down third-party warehousing costs. Operations commenced on 25 March 2025. Plans to establish production facilities to generate additional revenue are still under evaluation. The leased space at Techlink warehouse located adjacent to the current operations in Singapore aims to streamline the management of storage and logistics activities while ensuring capacity for future growth. The Group has ceased usage of two smaller warehouse units located at Noble Warehouse in Macpherson, having consolidated operations at Loyang Way. While this transition does not immediately generate new revenue, it will provide additional capacity for new agency lines, support the growth of existing products, and contribute to long-term business expansion.
		(b) For the land and buildings at Cheng 2, XEPA is entitled to claim the standard capital allowance in respect of the mechanical installations, fittings, and electrical works installed for warehouse use. As of March 2025, no special capital allowance or additional tax incentive had been granted for the land and buildings at Cheng 2 or the portion of the buildings that is used for warehouse purposes.

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<u>PART B : Questions from Shareholders and Proxyholders and replies from the Company</u> *(Cont'd)*

Member's Name	No.	Description
Kok Chiew Sia	7.	**Question**
		For agency brand distribution, what is the market share of the Group? What is the Group's competitive edge over competitors? What is the Group's growth expectation in the next 3 to 5 years?
		Answer
		The agency distribution business in Malaysia and Singapore is dominated by 2 key players, i.e. Zuellig Pharma and DKSH. Most of the multinational brands will appoint these 2 companies because of their regional presence. The Group is not set up to compete at this spectrum of the market, which involves high volumes. Instead, the Group is competitively positioned to provide market access services to small and medium-sized principals. The Group's current market share in Malaysia is low, i.e. about 3.3% and slightly higher in Singapore at 4.8%. The Distribution business' competitive advantage lies in its extensive distribution network, diversified business model tailored to partners' needs, and agility in providing swift and efficient services. The Group expects its distribution business to achieve consistent revenue growth of 5% to 7% annually in the next 3 years.
Wong Yi Hui	8.	**Question**
		What is the sales cycle for new product introductions, when is time to step up and reach its maturity? Why did the 22 new products launched in year 2024 contribute only RM1.9 million to revenue as compared to the Company's overall brand performance?
		Answer
		The sales cycle will depend on whether the product is a generic drug or a consumer healthcare product. As a matter of strategy, the Group has been investing in advertising and promotional activities to build market share for its consumer healthcare range and time is needed for the brands to gain market traction. Additionally, since the 22 Group-branded products were launched at different times during the calendar year, not all of them generated a full 12 months of revenue. In the coming years, the newly launched products are expected to contribute positively to financial performance.

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<u>PART B : Questions from Shareholders and Proxyholders and replies from the Company</u> *(Cont'd)*

Member's Name	No.	Description
Wong Yee Hui	9.	**Question**
		In light of the European Manufacturing ("**EU GMP**") certification obtained, what was its contribution to the Group's revenue in the financial year 2024?
		Answer
		While the Group is unable to quantify the short-term financial impact of XEPA's EU GMP certification, the recognition enhances XEPA's reputation and credibility as a pharmaceutical manufacturer, contributing to a branding premium. The certification also supports the long-term strategy of securing XEPA product registrations internationally, while attracting potential contract manufacturing clients. Additionally, the certification strengthens the Group's ability to stay ahead of the constantly evolving regulatory curve, given the rigorous and stringent standards of EU GMP.
	10.	**Question**
		What was the total capital expenditure for installing the 3 solar panels and the cost savings arising from this installation?
		Answer
		The total investment in the Group's solar panels was approximately RM1.5 million for XEPA Melaka, $200,000 for the Singapore site, and RM1.2 million for Apex Malaysia in Subang. The renewable energy contributions from the 3 solar projects rose by 75.9% in 2024 compared with the previous year. The cost saving is more than RM700,000, with a payback period of about 3 to 4 years.

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

Member's Name	No.	Description
Chin Yok Fong	11.	**Question**
		In view of the marginal growth rate has been dropping over the years and year-on-year, are there any projections for the next 2 years from the Board of Directors ("**Board**") and Management?
		Answer
		During the post-pandemic years, growth was very strong following the lifting of social distancing measures. Consequently, the rate of respiratory illnesses increased, significantly contributing to the growth. Thereafter, the growth rate slowed, due to the earlier surge which had partially distorted the overall trend. The compounded annual growth rate ('CAGR') of the Group's revenue is between 7% to 8% since its IPO. Internally, the Group has not issued any forecast, but the Board expects the Management to achieve at least similar or better results annually, and the Management remains committed to delivering its best performance.

- End -