

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

MINUTES OF THE TWENTY-SECOND ANNUAL GENERAL MEETING (“**AGM**”) OF THE COMPANY HELD AND CONDUCTED ENTIRELY ON A VIRTUAL BASIS THROUGH LIVE STREAMING FROM THE BROADCAST VENUE AT THE MEETING ROOM TR12-R02, 12TH FLOOR, MENARA SYMPHONY, NO. 5 JALAN PROF. KHOO KAY KIM, SEKSYEN 13, 46200 PETALING JAYA, SELANGOR DARUL EHSAN, MALAYSIA ON THURSDAY, 20TH MAY 2021 AT 10:00 A.M.

PRESENT:-

DIRECTORS

Datuk Phang Ah Tong (Chairman of the Meeting)

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

¹ Dr. Kee Kirk Chin

- Chairman and Group Chief Executive Officer (“**CEO**”)

¹ Mr Robert Dobson Millner

- Non-Independent Non-Executive Director

¹ Ms Heng Su-Ling Mae

- Independent Non-Executive Director

¹ Mr Jackson Chevalier Yap-Kit-Siong

- Independent Non-Executive Director

¹ Mr Kee Kirk Chuen

- Non-Independent Non-Executive Director

ABSENT WITH APOLOGIES

Datuk Noharuddin Bin Nordin @ Harun

- Senior Independent Non-Executive Director

IN ATTENDANCE

Ms Chan Yoke Peng

- Company Secretary

¹ Mr Tan Hing Tai

- Chief Operating Officer

¹ Mr Ch’ng Kien Peng

- Senior Vice President

¹ Ms Chiew Woon Wui

- Financial Controller

¹ Mr Edwin Francis

- Messrs Ernst & Young PLT

BY INVITATION

Ms Wong Mei Ling	-	Vice President, Corporate Affairs
Ms Tan Ping Sin	-	Boardroom Corporate Services Sdn. Bhd.
Mr Raymond Wong	-	Boardroom Corporate Services Sdn. Bhd.

Note

¹ Joined via online platform at <https://web.lumiagm.com>

The shareholders and proxyholders (collectively referred to as “**Members**”) who attended and participated in the AGM remotely via online platform at <https://web.lumiagm.com> are set out in the Attendee List attached and shall form an integral part of these Minutes.

CHAIRMAN

The Chairman of the Board of Directors (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-Second (“**22nd**”) AGM.

Dr. Kee Kirk Chin informed the Meeting that in view of the travel restrictions imposed by the Malaysian Government and various countries, as well as the need to minimise risk by not assembling the Board members and Senior Management at a single location, most of the Board members including himself would be participating in this AGM remotely. Therefore, the Board unanimously elected Datuk Phang Ah Tong (“**Datuk Phang**”), the Independent Non-Executive Director of the Company as Chairman of this AGM pursuant to Clause 75 of the Company’s Constitution. Dr. Kee then handed over the chair to Datuk Phang.

Datuk Phang took over as the Chairman of the Meeting and extended a warm welcome to all Members and invitees present at the 22nd AGM of the Company conducted through live streaming and online remote participation by using remote participation and voting (“**RPV**”) facilities which was in compliance with Section 327 of the Companies Act 2016 and Clause 64 of the Constitution of the Company. Datuk Chairman also informed the Meeting that the online AGM was to support the Malaysian Government’s advice on social distancing and not having mass gatherings to curb the spread of coronavirus disease (“**COVID-19**”) infection in the country.

The registered shareholders, proxies and the corporate representatives were reminded that as discussion that transpired in this AGM was deemed confidential, any photography, screenshot, or any form of visual or audio recording, whilst the live streaming 22nd AGM was conducted, was therefore strictly prohibited.

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 10:00 a.m..

Datuk Chairman proceeded to introduce the other Board members, Chief Operating Officer, Senior Vice President, Financial Controller and the representatives of Messrs Ernst & Young PLT, the External Auditors of the Company who joined the 22nd AGM remotely to the shareholders.

At this juncture, Datuk Chairman extended his apology on behalf of Datuk Noharuddin Bin Nordin @ Harun, the Senior Independent Non-Executive Director who is also the Chairman of the Nomination Committee for not being able to attend the 22nd AGM.

Datuk Chairman then introduced the Company Secretary, who was present together with him at the Broadcast Venue.

After the introduction, the Meeting was briefed on an overview of the financial performance, operations and achievements of the Group for the financial year ended 31st December 2020.

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

NOTICE OF MEETING

With the consent of the Members, the Notice convening the 22nd AGM having been circulated within the prescribed period was taken as read.

SUMMARY OF PROXIES FORMS RECEIVED

As part of good governance, Datuk Chairman reported that the Company had received in total forty (40) proxy forms from the shareholders of the Company for a total of Three Hundred Fifty-Four Million Five Hundred Twenty-Five Thousand Nine Hundred and Sixty-Nine (354,525,969) ordinary shares representing 74.55% of the issued shares capital of the Company.

Out of those, there were twenty-seven (27) shareholders who had appointed the Chairman of the Meeting as proxy to vote on their behalf and the shares so represented were Three Hundred Forty-Eight Million Eight Hundred Seventy-One Thousand Three Hundred and Forty-Seven (348,871,347) ordinary shares representing 73.36% of the issued shares capital of the Company.

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

POLLING AND ADMINISTRATIVE GUIDE

Datuk Chairman informed the Meeting that pursuant to Paragraph 8.29A of the Main Market Listing Requirements 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, Datuk Chairman then demanded for a poll to be taken for all the resolutions set forth in the Notice of the 22nd AGM.

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

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

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

After the briefing on the polling procedure, Datuk Chairman proceeded with business on the agenda and went through each of the motions set out in the Notice of the 22nd AGM.

DISCUSSION ITEM

- AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2020

The Audited Financial Statements together with the Reports of the Directors and Auditors of the Company for the financial year ended 31st December 2020 (“**Audited Financial Statements**”) having been circulated to all the shareholders of the Company within the statutory period were taken as read.

Datuk 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.

Datuk Chairman declared that the Audited Financial Statements of the Company for the financial year ended 31st December 2020 had been duly tabled and received by the shareholders.

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

Datuk Chairman went through the remainder motions set out in the Notice of the 22nd 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 Members before and during the AGM via messaging window. The questions raised were addressed by Dr. Kee, the Group CEO. The questions from the Members and replies were set out in Appendix I attached hereto.

After addressing the questions received, Dr. Kee Kirk Chin handed the chair back to Datuk Chairman. At this juncture, Datuk Chairman informed the Meeting of the closure of question and answer session and the Company would respond to those questions that were not taken up during the Meeting as detailed in Appendix II attached hereto via email. These answers will also be published on the Company's corporate website.

VOTING SESSION

Datuk Chairman invited the Members to cast their votes at that point in time if the Members have not submitted their votes earlier and informed that the voting session would be closed after 10 minutes. It was noted that Datuk Chairman was appointed to act as proxies for a number of shareholders and he would vote according to the instructions given.

Datuk Chairman further informed the Meeting that the outcome of the poll would be announced after the short break as it would take some time for the Independent Scrutineers to tabulate the results of the poll. The Meeting was then adjourned at 11:13 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 11:28 a.m. for the declaration of the results of the poll.

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POLL RESULTS

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

ORDINARY RESOLUTION 1

- FINAL SINGLE-TIER DIVIDEND FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2020

Ordinary Resolution 1	Vote For		Vote Against		Results
	No. of Shares	%	No. of Shares	%	
<i>To approve a final single-tier dividend of 2.8 sen per ordinary share for the financial year ended 31st December 2020</i>	359,332,508	99.9999	511	0.0001	Carried

It was RESOLVED:-

“That the payment of a final single-tier dividend of 2.8 sen per ordinary share for the financial year ended 31st December 2020 be and is hereby approved.”

ORDINARY RESOLUTION 2

- DIRECTORS’ FEES FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2020

Ordinary Resolution 2	Vote For		Vote Against		Results
	No. of Shares	%	No. of Shares	%	
<i>To approve the payment of Directors’ fees of RM535,800 for the financial year ended 31st December 2020</i>	353,031,441	99.8673	469,130	0.1327	Carried

It was RESOLVED:-

“That the Directors’ fees of RM535,800 only for the financial year ended 31st December 2020 be and is hereby approved for payment to the Directors.”

ORDINARY RESOLUTION 3**- RE-ELECTION OF DIRECTOR - MS HENG SU-LING MAE**

Ordinary Resolution 3	Vote For		Vote Against		Results
	No. of Shares	%	No. of Shares	%	
<i>To re-elect Ms Heng Su-Ling Mae who retires by rotation pursuant to Clause 95 of the Constitution of the Company</i>	356,098,140	99.1008	3,231,179	0.8992	Carried

It was RESOLVED:-

“That the retiring Director, Ms Heng Su-Ling Mae be and is hereby re-elected as Director of the Company.”

ORDINARY RESOLUTION 4**- RE-ELECTION OF DIRECTOR - DATUK NOHARUDDIN BIN NORDIN @ HARUN**

Ordinary Resolution 4	Vote For		Vote Against		Results
	No. of Shares	%	No. of Shares	%	
<i>To re-elect Datuk Noharuddin Bin Nordin @ Harun who retires by rotation pursuant to Clause 95 of the Constitution of the Company</i>	358,602,319	99.8098	683,480	0.1902	Carried

It was RESOLVED:-

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

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ORDINARY RESOLUTION 5
- RE-APPOINTMENT OF AUDITORS

Ordinary Resolution 5	Vote For		Vote Against		Results
	No. of Shares	%	No. of Shares	%	
<i>To re-appoint Messrs Ernst & Young PLT as the Auditors of the Company and to authorise the Directors to fix their remuneration</i>	358,622,987	99.8060	696,960	0.1940	Carried

It was RESOLVED:-

“That the retiring Auditors, Messrs 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 FOR THE DIRECTORS TO ALLOT AND ISSUE SHARES

Ordinary Resolution 6	Vote For		Vote Against		Results
	No. of Shares	%	No. of Shares	%	
<i>Authority under Sections 75 and 76 of the Companies Act 2016 for the Directors to allot and issue shares</i>	358,829,526	99.8609	499,793	0.1391	Carried

It was RESOLVED:-

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

THAT the Directors be and are also 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.”

ORDINARY RESOLUTION 7

- AUTHORITY FOR MS HENG SU-LING MAE TO CONTINUE IN OFFICE AS INDEPENDENT DIRECTOR

Ordinary Resolution 7	Vote For		Vote Against		Results
	No. of Shares	%	No. of Shares	%	
<i>Authority for Ms Heng Su-Ling Mae to continue in office as Independent Director</i>	201,674,772 (Tier 1)	100.0000	-	-	Carried
	154,422,868 (Tier 2)	97.9502	3,231,679	2.0498	Carried

It was RESOLVED:-

“That Ms Heng Su-Ling Mae be and is hereby retained as an Independent Director of the Company, in accordance with the Malaysian Code on Corporate Governance until the conclusion of the next Annual General Meeting.”

SPECIAL RESOLUTION

- PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY

Special Resolution	Vote For		Vote Against		Results
	No. of Shares	%	No. of Shares	%	
<i>Proposed Amendments to the Constitution of the Company</i>	358,825,586	99.9887	40,633	0.0113	Carried

It was RESOLVED:-

“That the Amendments to the Constitution of the Company, details as set out in the Appendix marked “A” annexed hereto, be and are hereby approved.”

CONCLUSION OF THE MEETING

There being no other matters, the Meeting concluded at 11:33 a.m. with a vote of thanks to the Chair.

SIGNED AS A CORRECT RECORD

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CHAIRMAN

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

QUESTIONS AND ANSWERS (“Q&A”) SESSION DURING THE TWENTY-SECOND GENERAL MEETING OF THE COMPANY HELD ON 20TH MAY 2021

Shareholder's Name	No.	Description
Sharn Lee	1.	Question
		Has Apex Healthcare contributed to the community in response to COVID-19?
		Answer
		Corporate social responsibility is an important pillar of the Group's sustainability efforts. In response to the pandemic, the Group contributed RM250,000 worth of protective suits, face shields and hoods to Hospital Kuala Lumpur on 5th May 2020, RM20,000 to the COVID-19 Pandemic Fund administered by Mercy Humanitarian Fund to support affected marginalised groups and donated hand sanitizers and face masks to support healthcare and police front liners in Melaka. Overall, the contributions made by the Group to the community in year 2020 amounted to approximately RM338,000, a large part of which is for pandemic-related causes.
Sharn Lee	2.	Question
		Has the Board considered putting the audit out for a competitive tender rather than just re-appointing the existing auditors?
		Answer
		The Board notes that Messrs Ernst & Young PLT ('EY') has been the incumbent auditor since year 2003. On a yearly basis, the Board and Audit Committee undertake the evaluation and appointment or re-appointment of the Group's external auditor based on several key factors which are as below:- (i) <u>Professional Competency</u> EY is one of the top four audit firms globally with vast experience and resources to

		<p>manage a large clientele from varied business sectors. EY has proven to be competent and has consistently rendered value-added professional services to the Group, as ascertained by the Audit Committee.</p> <p>(ii) <u>Competitive Audit Fees</u></p> <p>The Audit Committee secures and reviews independent and competitive quotations from the Big 4 audit firms once every three (3) years and the fees of EY are consistently assessed to be the most competitive at each review.</p> <p>(iii) <u>Independence</u></p> <p>EY strictly observes the By-laws on Professional ethics, conduct and practice of the Malaysian Institute of Accountants and the international code of ethics for professional accountants. Engagement partners are rotated periodically and the current EY audit engagement partner, Mr Edwin Francis is the fifth (5th) EY audit partner of the Group since year 2003.</p>
	<p>3.</p>	<p>Question</p> <p>What is SPP NOVO’s utilization rate thus far? And what is the targeted timeline for additional production lines?</p> <p>Answer</p> <p>Capacity utilisation for our solid production plants declined 17% to 62% because overall demand for medicines in private GP clinics and private hospitals fell sharply because of the pandemic. In this regard, utilisation of SPP NOVO has not risen because the pandemic has dampened demand. Consequently, no new manufacturing lines were added to SPP NOVO in year 2020.</p>
	<p>4.</p>	<p>Question</p> <p>What are the challenges to secure more manufacturing contracts?</p>

	<p>Answer</p> <p>While we have global certifications to secure global manufacturing contracts, more time and resources are required to market our capabilities to potential customers.</p> <p>A reasonable length of time is needed to realise contracts, and we cannot expect instant results. Once commercial and manufacturing terms are agreed with a customer, the process of technical transfer begins. This is where the customer’s formula and manufacturing process is transferred to our site. Trial batches are then produced to ensure correct specifications and stability. When this is all completed, documentation is submitted to regulatory authorities in both Malaysia and the target country for approval. The first shipment and invoicing can only take place after approvals are obtained in both source and target countries. Typically, this process takes between 2.5 to 3 years for each contract manufactured product.</p> <p>These are the challenges to securing and realising more manufacturing contracts.</p>
	<p>5. Question</p> <p>Please shed some light on the Alor Gajah land procurement.</p> <p>Answer</p> <p>In the fourth quarter of 2019, the Group entered into a conditional Sale and Purchase Agreement to acquire 18.75 acres of freehold industrial land at HICOM Pegoh Industrial Park, Alor Gajah for a total purchase consideration of RM20.4 million. As Xepa’s current site at Cheng Industrial Estate Melaka is fully built up, the new site provides the Group a large tract of land for future plant expansion in order to sustain long term growth. The Group has made progress payments totalling RM7.2 million as at 31st December 2020. At this point in time, the Group has not committed to any firm development plans for this site.</p>
	<p>6. Question</p> <p>How is the experience thus far in vaccination distribution?</p>

	<p>Answer</p> <p>The Group has cold chain (2-8 degrees Celsius) pharma distribution capabilities and currently wholesale and distribute 56 types of vaccines in Malaysia and 25 in Singapore. In response to growing volumes, we expanded our cold chain capabilities in both Malaysia and Singapore in the fourth quarter of 2020.</p> <p>Specifically, we do not currently distribute COVID-19 vaccines. There might be distribution opportunities for us if and when COVID-19 vaccines secure regulatory approval for sale to the private sector in Malaysia and Singapore. Currently, COVID-19 vaccinations are Government funded programs worldwide and organised nationally.</p>
	<p>7. Question</p> <p>What are the challenges during the process of raw material procurements during the pandemic period of time?</p> <p>Answer</p> <p>Initially in year 2020, there were some supply chain challenges, resulting in higher cost for some raw materials and lengthened delivery times. The Group planned ahead and had sufficient raw materials throughout the Movement Control Order period and for the medium term. Towards the middle of year 2020, supply chains have largely normalised. However, the current crisis in India has renewed concerns about supply chain integrity for active pharmaceutical ingredients essential for manufacturing. The Group is taking steps to build inventory and diversify sources.</p>
	<p>8. Question</p> <p>Referring to Annual Report page 21 “Malaysia’s healthcare industry has grown by 17% (CAGR) for the past 5 years”. Apex Healthcare grew ~6% top-line during the said period. Please comment on the disparity.</p>

	<p>Answer</p> <p>The 17% compound annual growth rate (“CAGR”) refers to healthcare industry as a whole which includes services such as hospitals, clinics and healthcare travel. This was cited in the article in The Star entitled "Focus on healthcare travel" on 11th December 2020.</p> <p>With respect to pharmaceuticals, as cited by Affin Hwang Capital in its report “Sector: Update on Healthcare” dated 22nd March 2018, pharmaceutical sales (prescription and OTC drugs) in Malaysia grew steadily at a 10-year CAGR of 10. In this regard, our 20-year CAGR for revenue is 9.12%, which is very much in line with industry growth.</p>
<p>9.</p>	<p>Question</p> <p>Could Apex Healthcare play a more strategic role in response to the pandemic by leveraging on its extensive Singapore healthcare industry experience?</p> <p>Answer</p> <p>The Group played an active private sector role in supporting the national responses to the pandemic in both Malaysia and Singapore. At the onset of the pandemic, when there were acute shortages of thermometers, medical masks and hand sanitizers, the Group urgently mobilised its network of regional contacts to import many container loads of supplies for customers in both countries. Xepa also rapidly formulated and produced alcohol hand-sanitizers to meet market shortages. The Group believes this is the fastest new product launch in Xepa’s history, from formulation to market sales.</p> <p>During the pandemic, the Group also kept all distribution channels and manufacturing operations open through all stages of the MCO in Malaysia and Circuit Breaker in Singapore. The staff continued working on site and in the field despite infection risks, in order to ensure that the availability of essential medicines and other medical and surgical supplies is not compromised.</p>

Shareholder’s Name	No.	Description
Wong Yee Hui	10.	Question
		<p>The Chairman in his letter was talking about enhancing our cold chain storage and distribution capability & capacity to ensure our readiness as distributor of COVID-19 and vaccines. Any chance that we could be involved in the distribution of any of these COVID 19 vaccines? What about possibility of being contract manufacturer for one of these vaccines?</p>
		Answer
		<p>The Group has cold chain (2-8 degrees Celsius) pharma distribution capabilities and currently wholesale and distribute 56 types of vaccines in Malaysia and 25 in Singapore. In response to growing volumes, the Group expanded our cold chain capabilities in both Malaysia and Singapore in the fourth quarter of 2020.</p> <p>Currently, COVID-19 Vaccinations are Government funded programs worldwide and organised nationally. There does not appear to be distribution opportunities for the Group currently. However, distribution opportunities may arise if and when COVID-19 vaccines secure regulatory approval for sale to the private sector in Malaysia and Singapore. From what the Group sees so far, regular booster shots may be needed in the foreseeable future, and this is likely to create private sector opportunities.</p> <p>We do not manufacture sterile injectables and cannot undertake ‘fill and finish’ or contract manufacturing of vaccines.</p>
	11.	Question
		<p>Our SPP Novo is securing more & more GMP certification from Australia & Europe. Can we expect some big contracts to come our way from these big markets beyond our first shipment to Australia expected this year?</p>

		<p>Answer</p> <p>The timeline from the initial contact with the customer to the first shipment of contract manufactured drugs can take between 2.5 to 3 years. The process has been answered in a previous question. The Group is currently working on more contracts and hope that these can lead to bigger orders in the future, but not in this current year.</p>
	<p>12.</p>	<p>Question</p> <p>Our own branded products now account for 27.3% of sales in 2020. What is our target of this % going forward? We have also boosted our R&D spending by 12.1% in 2020. Is there a target of R&D spending as % of sales do we have in mind? What kind of drugs are we looking to introduce in the next 3 years?</p> <p>Answer</p> <p>The percentage of the Group Brands in the total revenue mix is 27.3% for year 2020. This is slightly lower when compared to year 2019 because the Group supplied a good volume of pandemic related products urgently to many customers at the start of the pandemic. These do not carry Group Brands. The Group aims to increase the percentage of Group Brands to well over 50%.</p> <p>The research & development (“R&D”) spending is increasing year on year and the Group aims to raise it to 5% of Xepa’s revenue. Currently, it is under 4%. At this point in time, the key therapeutic areas are Respiratory, Dermatology and Cardiovascular and new drugs will be added to strengthen the product offerings in these categories. The Group is also directing R&D resources to exploring new therapeutic areas and towards the expansion of the range of over-the-counter products.</p>
	<p>13.</p>	<p>Question</p> <p>Can you talk a bit about the outlook of our orthopaedic division in the coming year? Where do you see opportunities and challenges coming from?</p>

		<p>Answer</p> <p>The 40% associate company is engaged in the contract manufacturing of orthopaedic devices for multinational companies. Its three (3) key customers are Smith & Nephew, Wright Medical and DJO. 2020 Revenue grew 6.1% over year 2020 to reach RM 133.8 million. The Group recognised RM 8.7 million as its 40% share of earnings in year 2020.</p> <p>Generally, demand for orthopaedic devices is expected to grow at a steady compound annual growth rate of 3.8%, driven primarily by an ageing population. Most segments of the market are mature and established. In order to do better, the Group has to add new production capabilities to widen the product offering. These were planned and confirmed before the onset of pandemic and progressively installed throughout year 2020. However, the Group now expects that this newly installed capacity may not be fully utilised in year 2021 because of subdued demand due to the continued pandemic, and the higher fixed costs will impact profit margins in the short term.</p>
	<p>14.</p>	<p>Question</p> <p>We are grateful for the total dividend of 4.5 sen if the proposed dividend of 2.8sen is approved in this AGM. But given the very substantial built up in net cash to RM152 million and major capex cycle being over, can we expect much higher dividend payout this year as the low yielding cash reserves will otherwise dilute our ROE?</p> <p>Answer</p> <p>The Group has paid dividends twice a year since its IPO in 2000 and the Group intends to maintain this as best it can. The Group raised the final dividend to 2.8 sen per share to reward shareholders because of the strong financial performance in year 2020. In all, total dividends paid and payable by the Group in respect of financial year 2020 is 4.5 sen per ordinary share, 21.6% increase over the 3.7 sen paid in respect of financial year 2019.</p>

		The Group is continually assessing opportunities to increase shareholder value, including investments in new ventures and acquisitions of established businesses. The cash position puts the Group in a strong position to capitalise on opportunities when they arise. The Board will consider higher dividends if the cash reserves are not deployed into operations or new investments.
Shareholder's Name	No.	Description
Franklin Tan	15.	Question
		Addressing liquidity. Same issues year in year out seems all shareholders holding tight.
	Answer	
	The Group has undertaken bonus issue of new shares on four (4) occasions, as well as a private placement since its IPO in year 2000 in an effort to improve liquidity. The second round of Executive Share Option Scheme launched in year 2016 has also added 6.35 million new shares into the market. Total issued shares stand at approximately 475 million at the end of year 2020. The number of shareholders has also increased from 2,589 in May 2020 to 4,158 in March 2021, indicating improving liquidity. The Board notes the concern and will continue to consider options to improve trading liquidity.	
16.	Question	
	With cash of RM 172 million, need to deploy capex for expansion or M&A, accretive acquisitions will make sense. Higher cash will also reduce overall ROE.	
	Answer	
The high level of cash in the Group is also the result of close monitoring and management of working capital. While Inventory Turnover and Trade Payables Credit Days have largely remained the same as year 2019, Trade Receivables Credit Days have improved significantly from 74 to 63 days.		
As mentioned in an answer to a previous question, the Group is continually assessing opportunities to		

		increase shareholder value, including investments in new ventures and acquisitions of established businesses. The cash position puts the Group in a strong position to capitalise on opportunities when they arise. The Board will consider higher dividends if the cash reserves are not deployed into operations or new investments.
	17.	<p>Question</p> <p>With covid, any plans to broaden range of products / OBM or acquire into new markets.</p> <p>Answer</p> <p>COVID-19 has affected demand for the products of the Group, especially with the low number of patients at GP clinics and private hospitals in the second half of year 2020. While the Group initiated cost leaning exercises to match expenses with lower revenue, it actually increased expenditure in research and development to deepen the pipeline of new products that will come on stream in the future. As mentioned earlier, besides the main therapeutic areas, the Group is developing products in new therapeutic classes and also broadening the portfolio of over-the-counter offerings to the market.</p>
	18.	<p>Question</p> <p>Discuss the new plant expansion and products/payback.</p> <p>Answer</p> <p>By referring to the new plant expansion of SPP NOVO, it has been earlier discussed the lower capacity utilization of SPP NOVO because of COVID-19 and that no additional production capacity was added in year 2020. However, the Group is actively evaluating capacity expansion through additional production lines and monitoring the market closely. The Group will ensure that the addition of new production lines will be made at the best time to match production capacity to demand.</p> <p>The Group is now using SPP NOVO for high volume solid products in its portfolio. In terms of payback, the original forecast is a period of six (6) to seven (7) years, but this will now be pushed out</p>

		<p>because of lower demand caused by the pandemic. It is important to say that without SPP NOVO, the Group will have no capacity for growth, and SPP NOVO was also designed to maximize the last available plot of land at Cheng Industrial Estate. So there are other considerations besides payback period.</p>
	19.	<p>Question</p> <p>How to position Apex in SEA over the next few years, long term plan and capex involved.</p> <p>Answer</p> <p>The Group is currently operating mainly in Malaysia and Singapore and have sales and representative offices in Myanmar and Vietnam. The Group is now present in a total of 19 countries worldwide with a concentration in South East Asia.</p> <p>The vision of the Group is to grow Apex Healthcare from our current positioning in South East Asia into a pharmaceutical healthcare company with a Global perspective. This means creating a global presence for its products, including the developed economies.</p> <p>To this end, the European Union GMP and Australian TGA certifications for XEPA has opened new doors for the Group and enabled contract manufactured drugs to be exported to Japan and Australia in recent years.</p> <p>For its own Group Brand products to have a global presence, the Group will be increasing research and development expenditure to create specialty products that are globally relevant and competitive. Therefore, significant expenditure in the future will not be limited to traditional areas like plant and machinery, but also towards the acquisition of intellectual property such as product formulations and patents.</p>
		<p>Shareholder’s Name</p>
		<p>No.</p>
		<p>Description</p>
Dr Lai Yoon Kee	20.	<p>Question</p> <p>First of all I wish to congratulate Dr Kee the Chairman and CEO and his management team for</p>

	<p>the increase in Revenue and Pre-tax Profit for the year 2020 despite the very tough operating conditions due to the Covid pandemic.</p> <p>Going forward what are the steps that the Company plan to undertake to maintain or improve this growth since:-</p> <p>(a) it appears that the Pandemic is going to stay here for a long time and disrupt manufacturing activities</p> <p>(b) the Government will be cutting back on its purchase of medicines, including generics</p>
	<p>Answer</p>
	<p>The disruption to manufacturing activities is discussed as below:-</p> <p>The current crisis in India has renewed concerns about supply chain integrity for active pharmaceutical ingredients essential for manufacturing. The Group has taken steps to build inventory and diversify sources and will continue to do so.</p> <p>Another key concern for manufacturing, and also the distribution warehouses, is to ensure a safe workplace for the staff. The Group has established strict safe management procedures to reduce the risk of staff infections, which includes mandatory declaration of contact history, active contact tracing, testing and self-quarantine. This has led to unavoidable increase in costs as quarantine and reduced Work Hours will result in lower productivity.</p> <p>Government related sales are mainly in Malaysia and Singapore and amounted to 10.7% of Group revenue, or about RM 75 million. It is slightly higher than the previous year. The Group does not expect Governments to cut back significantly on purchases of medicines. However, should this happen, the Group does not expect a very material impact on the Group’s revenue as Government related sales account for only 10.7% of Group revenue.</p>

	<p>Having said that, maintaining and improving on growth in year 2021 will be challenging. The Group did well in year 2020 because the Group was able to secure large sales of pandemic related products brought about by acute market shortages at the start of the pandemic. The Group does not expect this to recur in year 2021. The gradual recovery in demand that started in the second half of year 2020 is now at risk, with the emergence of variants, rising cases and the return of tightening measures in its key markets. Until widespread vaccination is achieved and proven effective, the Group expects year 2021 to be challenging.</p>
21.	<p>Question</p> <p>The Company did extremely well to obtain GMP from the Australian TGA and EU GMP for its SPP NOVO plant. Will the Company consider entering into the two largest markets China and USA?</p> <p>Answer</p> <p>China and the United States of America (“USA”) are the markets that the Group intends to target in the future. The pathway to obtaining regulatory certifications for these two markets are different and require commitment of significant resources. The Group intends to first maximise opportunities in the European Union and Australia. With the experience gained from supplying these two developed economies, the Group will plan for entry into China and USA in the future.</p>
22.	<p>Question</p> <p>Businesses across all sectors are investing in digital capabilities and artificial intelligence to link their supply chain all the way to the final users. Can you tell us the Group's investments in this area over the recent past and whether more resources will be allocated in the years ahead? Has the Group explored the acquisition of a pure Digital/AI Tech company to accelerate this process?</p> <p>Answer</p> <p>The Group sees digital capabilities as a critical lever to drive sustained growth and performance. To link its supply chain all the way to final users, in the last three (3) years the Group has rolled out B2C</p>

		<p>platforms in both Malaysia and Singapore, enabling the Group to reach consumers directly and for them to purchase from the Group. In fact, the Group has a special Annual General Meeting offer for shareholders at our B2C platform in Malaysia right now. The Group has also established a successful B2B platform in Singapore, which sees growing online transactions year on year. The B2B platform is now being rolled out in Malaysia. Besides these, the in-house team of IT engineers are working on more initiatives.</p> <p>Besides reaching final users, the Group is investing significant resources to digitise internal processes. Examples include the Electronic Quality Management System at Xepa and the harmonisation of the ERP, Human Resource and Customer Relationship Management systems in key subsidiaries in the Group. The use of AI and Robotic Process Automation is currently being studied and the Board will consider the acquisition of a tech company if this can accelerate its digital transformation.</p>
Shareholder’s Name	No.	Description
William Cheah	23.	Question
		I like to find out whether the company will provide eWallet credit (i.e. TnG/Boost/GrabPay) as a token (in lieu of refreshments during physical AGM) of appreciation to minority shareholders?
		Answer
		<p>In line with the Group’s measures to contain operating expenses, given the challenging and uncertain economic outlook caused by the COVID-19 pandemic, the Group is not providing eWallet credit as a token for shareholders who participate in the virtual AGM.</p> <p>This year, however, a special offer to purchase products is available to all shareholders through the Group’s on-line Apex Pharmacy at www.apexpharmacy.com.my.</p>

Shareholder’s Name	No.	Description
Tan Eng Seong	24.	Question
		How many new products were launched in 2020? How much did you spend on Research and Development?
		Answer
		<p>For new products, the Group had launched six (6) pharmaceutical products in year 2020, and the top three (3) in terms of sales are Recadin, to reduce the risk of strokes and heart attacks, Zanaflox, an antibacterial eyedrop and Rovastin, an anticholesterol drug. Historically, the Group launched an average of six (6) to eight (8) new pharmaceutical products annually.</p> <p>In addition, the Group also launched three (3) new consumer healthcare products by extending the range of Agnesia products to include feminine and antibacterial personal care products. In response to the pandemic, the Group rapidly formulated and launched its own brands of Hennson medical masks and Xepa hand sanitizer products.</p> <p>The research and development expenditure has been addressed in a previous question.</p>
Shareholder’s Name	No.	Description
Veiven Goon	25.	Question
		Other income increased to MYR 9.2 million from MYR 6.7 million in 2019. Can the Board provide some details on the major components of "Other Income"? Which items were the main contributors for the increase from the previous year?
		Answer
The increase in Other Income is mainly due to the grants received by the Singapore subsidiaries under the Jobs Support Scheme funded by the Singapore Government. This is a scheme to assist local companies through the pandemic. 32% of the Group revenue is generated by the Singapore subsidiaries and the total grants received amounted to RM3.3 million.		

	26.	Question	Cash on hand (cash, bank balances and short term deposits) has increased to MYR172.9 million. What are the plans for the utilisation of this cash? Will the Management consider increasing the dividend for 2021?
		Answer	It has been addressed in a previous question.
	27.	Question	What is the contribution of e-commerce sales to total revenue? What are the company's strategies to increase its e-commerce sales?
		Answer	By e-commerce, it refers to revenue that is generated through the B2B and B2C portals available in both Malaysia and Singapore. This is 1.2% of Group Revenue, or about RM8.5 million. While this is low, it is growing year on year. The Group has several strategies to increase e-commerce sales. First, the in-house team of IT engineers is continually working to improve the user friendliness and speed of its own B2B and B2C portals. Ease of use and convenience are key factors in moving the customers to ordering and transacting through e-commerce. Second, the Group offers attractive offers and pricing for e-commerce transactions. This is to encourage greater sign up and conversion. Third, the Group places its products on external e-commerce platforms such as Lazada, Shopee in order to widen the reach.
	28.	Question	Kindly comment on the efforts of the company to secure projects to distribute the Covid vaccines in Malaysia & Singapore.
		Answer	It has been already addressed in a previous question.

Shareholder’s Name	No.	Description
Dr Ong Mei Lin	29.	Question
	Revenue growth is 1.4%. How did Profit before Tax (‘PBT’) grow by 5.8% to reach RM 70 million?	
	Answer	
	Profit before tax grew better than revenue for a few reasons. Firstly, operating expenses were lower because of cost leaning. Secondly, Other Income rose 36.6% from Government Job Support Grants received by Singapore subsidiaries and contract development fees received. Third, the share of earnings from associate company rose 18.6% to RM 8.7 million and finally, finance cost is 27.8% lower as borrowings were paid down.	
	30.	Question
	Please update on SPP NOVO and progress with Government Tenders.	
	Answer	
	It has been answered in a previous question.	
	31.	Question
	How many new products were launched in 2020? How much did you spend on Research and Development?	
	Answer	
	It has been answered in a previous question.	
32.	Question	
What were the main drivers of revenue growth in 2020?		
Answer		
In the first quarter, the Group saw heightened demand as customers stockpiled inventory at the onset of the pandemic, resulting in the highest quarterly revenue achieved of RM193.3 million.		
In the second quarter, revenue was boosted by the sale of pandemic related products such as medical masks, thermometers and sanitizers amounting to RM28.4 million due to acute market shortages, while demand for regular items declined as the		

		<p>pandemic took hold. Sale of pandemic related products amounted to a total of RM32 million in the first half of year 2020.</p> <p>In the third quarter, the Group saw continued low demand especially for the key respiratory products as the incidence of cough and colds remained low with social distancing.</p> <p>In the fourth quarter, sales showed signs of a gradual recovery with improving consumer confidence and activity.</p>
Shareholder’s Name	No.	Description
Chuen How Sim	33.	Question
		There's a sentence in the AR that says, “The second EU GMP certification secured by XEPA”. What actually does it mean by "second" EU GMP? Does it mean SPP novo now has 2 active EU GMP cert? Any advantage?
		Answer
		Xepa was awarded the European Union (“EU”) GMP certificate on 1st September 2017 which certifies that its manufacturing processes and quality system are in compliance with EU standards. The EU certification covers all dosage forms manufactured by Xepa. At that time, the new Solid dosage plant SPP NOVO was not completed. The second EU GMP certification secured by Xepa in January 2020 was specifically for SPP NOVO, ensuring that the entire plant is EU GMP certified. There is no specific advantage in having two (2) active EU GMP certifications.
	34.	Question
		Does Apex have a decent amount of inventory level? (considering the Covid situation is getting worse now)
		Answer
		Inventory level at XEPA, the manufacturing subsidiary, increased by twenty-four (24) Inventory Days from end of year 2019 to the end of year 2020. This is due to increased purchases of raw materials in order to ensure supply stability. The Group is

		continuing to build inventory in year 2021 as the pandemic shows no sign of abating.
	35.	Question
		Does the current Covid situation in India affect the API export to your company? Do you also source API from other countries like China as an alternative?
		Answer
		The current crisis in India has renewed concerns about supply chain integrity for active pharmaceutical ingredients (“API”) essential for manufacturing. As mentioned earlier, the Group is actively building inventory and diversifying sources. China is one of the countries that the Group sources its API from.

- End -

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

**QUESTIONS AND ANSWERS (“Q&A”) RESPONDED TO
SHAREHOLDERS/PROXYHOLDERS VIA EMAIL AFTER THE TWENTY-
SECOND GENERAL MEETING OF THE COMPANY HELD ON 20TH MAY
2021**

Shareholder's Name	No.	Description
Yap Yik Yong	1.	Question
		Should there be another full lockdown in the country? What's the Board's strategies towards it?
	Answer	
	If there is another full lockdown, it will drastically affect businesses and disrupt supply chains. Cost rationalization and reconfiguration of business operations and strategies to allow us to flourish in the New Normal is imperative. Strategic management of cash flow and working capital is exigent amid the pandemic. We will continue to innovate our offerings and processes and mobilize our network of regional contacts to capitalize on opportunities offered by the pandemic. Most importantly, we will engage with our employees to keep connected, motivated and productive at all times.	
	2.	Question
		How does the rises of COVID-19 cases affecting the Company?
	Answer	
	COVID-19 has affected demand for our products, especially with the low number of patients at GP clinics and private hospitals in the second half of last year. While we initiated cost leaning exercises to match expenses with lower revenue, we actually increased expenditure in research and development to deepen the pipeline of new products that will come on stream in the future. Besides our main therapeutic areas, we are developing products in new therapeutic classes and also broadening our portfolio of OTC offerings to the market. Initially in 2020, there were some supply chain challenges, resulting in higher cost for some raw materials and lengthened delivery times. We planned ahead and had sufficient raw materials	

		<p>throughout the MCO period and for the medium term. Towards the middle of last year, supply chains have largely normalised. However, the current crisis in India has renewed concerns about supply chain integrity for active pharmaceutical ingredients essential for manufacturing. We are taking steps to build inventory and diversify sources.</p> <p>We play an active private sector role in supporting the national responses to the pandemic in both Malaysia and Singapore. At the onset of the pandemic, when there were acute shortages of thermometers, medical masks and hand sanitizers, we urgently mobilised our network of regional contacts to import many container loads of supplies for customers in both countries. Xepa, our manufacturing subsidiary, also rapidly formulated and produced alcohol hand-sanitizers to meet market shortages. This is the fastest new product launch in Xepa’s history, from formulation to market sales.</p> <p>During the pandemic, we also kept all distribution channels and manufacturing operations open through all stages of the MCO in Malaysia and Circuit Breaker in Singapore. Our staff continued working on site and in the field despite infection risks, in order to ensure that the availability of essential medicines and other medical and surgical supplies is not compromised.</p>
Shareholder’s Name	No.	Description
Benedict Lopez	3.	<p>Question</p> <p>Two directors of the board also sit on the boards of other companies and are involved in other organisations. Can they effectively serve the company when they are also on the boards of other companies and serving in other organisations?</p> <p>Answer</p> <p>More than two of our directors sit on the boards of other companies.</p> <p>The commitment, including time commitment, to effectively discharge their role as a Director on the Board of Apex Healthcare Berhad is assessed annually by the Nomination Committee and</p>

	<p>approved by the Board. All the directors attended every scheduled Board and Board Committee meetings in 2020.</p> <p>All of our directors also comply with Paragraph 15.06 of Bursa Malaysia’s Main Market Listing Requirements which states that a director of a listed issuer must not hold more than 5 directorships in listed issuers.</p> <p>In this regard, the Board is satisfied that all our Directors meet the demands and expectations of their role and the quality of directorship and governance is not compromised by their representation on the boards of other companies.</p>
	<p>4. Question</p> <p>What is the justification for both to be paid such high directors’ remuneration, especially when shareholders are paid so low dividends?</p> <p>Answer</p> <p>Our guiding principles for the remuneration of Directors dictate that the level of remuneration should reflect the experience and level of responsibilities undertaken by the Director concerned, taking into account any additional responsibilities undertaken such as chairmanship of a Board Committee or as the Senior Independent Director.</p> <p>Each year, the Remuneration Committee obtains published comparative data on directors’ fees from companies in the same industry, as well as companies of equivalent market capitalization, to justify any adjustments. The Remuneration Committee ensures that directors’ fees are within these ranges in order to be in line with market norms.</p> <p>We raised the final dividend to 2.8 sen per share to reward shareholders because of our strong financial performance in 2020. In all, total dividends paid and payable by the Group in respect of financial year 2020 is 4.5 sen per ordinary share, 21.6% increase over the 3.7 sen paid in respect of financial year 2019. As mentioned by our CEO at the AGM, the Board will consider higher dividends if funds cannot be deployed into the business.</p>

	5.	<p>Question</p> <p>What is their expertise/experience in the pharmaceutical and healthcare sector to justify them being board members?</p> <p>Answer</p> <p>Currently, the majority of Directors have expertise or experience in the pharmaceutical and healthcare sector prior to their appointment. The Board is of the firm belief that it should not be comprised only of Directors with expertise and experience in pharmaceutical or the healthcare sector, as diverse multi-industry experience contributes significantly to the quality of decision-making and board effectiveness. The Board is of the view that it currently has a good mix of expertise and skills amongst its members and values diversity.</p>
Shareholder's Name	No.	Description
Ee Bee Chu	6.	<p>Question</p> <p>(a) New installed cold-chain start to make contribution to top and bottom line? (b) If any, since when is it start to contribute? (c) How many % in coming future? (d) SPP novo capacity available and usage?</p> <p>Answer</p> <p>(a) We have cold chain (2-8 degrees Celsius) pharma distribution capabilities and currently wholesale and distribute 56 types of vaccines in Malaysia and 25 in Singapore. In response to growing volumes, we expanded our cold chain capabilities in both Malaysia and Singapore in Q4 2020.</p> <p>(b) & (c) Currently, COVID-19 Vaccinations are Government funded programs worldwide and organised nationally. There does not appear to be distribution opportunities for us currently. However, distribution opportunities may arise if and when COVID-19 vaccines secure regulatory approval for sale to the private sector in Malaysia and Singapore. From what we see so far, regular booster shots may be needed in the foreseeable future, and this</p>

		<p>is likely to create private sector opportunities.</p> <p>(d) Capacity utilization for our solid production plants declined 17% to 62%, because overall demand for medicines in private GP clinics and private hospitals fell sharply because of the pandemic. In this regard, utilization of SPP NOVO has not risen because the pandemic has dampened demand. Consequently, no new manufacturing lines were added to SPP NOVO in 2020.</p> <p>We are now using SPP NOVO for high volume solid products in our portfolio. In terms of payback, the original forecast is a period of 6-7 years, but this will now be pushed out because of lower demand caused by the pandemic. Without SPP NOVO, we will have no capacity for growth, and SPP NOVO was also designed to maximise the last available plot of land at Cheng Industrial Estate.</p> <p>Nevertheless, we are actively evaluating capacity expansion through additional production lines and monitoring the market closely. We will ensure that the addition of new production lines will be made at the best time to match production capacity to demand.</p>
Shareholder’s Name	No.	Description
Loke Yoon Hoe	7.	Question
		On page 17 of Apex Annual Report, it is mentioned that APS increased its cold chain capabilities. Has this got anything to do with covid vaccines? Thank you.
		Answer
		We have cold chain (2-8 degrees Celsius) pharma distribution capabilities and currently wholesale and distribute 56 types of vaccines in Malaysia and 25 in Singapore. In response to growing volumes for this business, we expanded our cold chain capabilities in both Malaysia and Singapore in Q4 2020.

		Currently, COVID-19 Vaccinations are Government funded programs worldwide and organised nationally. There does not appear to be distribution opportunities for us currently. However, distribution opportunities may arise if and when COVID-19 vaccines secure regulatory approval for sale to the private sector in Malaysia and Singapore. From what we see so far, regular booster shots may be needed in the foreseeable future, and this is likely to create private sector opportunities.
Shareholder's Name	No.	Description
Chua Song Yun	8.	<p>Question</p> <p>Referring to the profit and loss statement, our group reported lower gross profit, however was lifted by higher other income, lower administrative expenses, and lower selling and marketing expenses. Can management please explain:-</p> <p>(a) What contributed to the higher other income? (b) What causes the lower administrative expenses? (c) Why does selling and marketing expenses drop? (d) Are these sustainable?</p> <p>Answer</p> <p>(a) The higher other income is mainly due to the grants received by our Singapore subsidiaries under Jobs Support Scheme funded by the Singapore Government. The total grants received is RM 3.3million. This was addressed in the AGM.</p> <p>(b) The lower administrative expense is mainly due to the active cost management measures with the reduction in travelling costs and the deferment of certain repair and maintenance activities.</p> <p>(c) The selling and marketing expenses declined with the migration of our Advertising and Promotional activities to digital platforms amid the challenges in Y2020. The Group conducted 2 national continuing medical education for doctors and pharmacies under SHINE [Supporting Healthcare Improvement & Nurturing Excellence] via webinars. Sales</p>

		<p>commission and travelling costs have also reduced.</p> <p>(d) Some of the reduction in expenses will be sustained for as long as the pandemic lasts. As addressed in the AGM, the Group has actually stepped-up expenditure and investments in other areas to drive initiatives which sustains medium to long term growth.</p>
	9.	<p>Question</p> <p>Section "B5 Known Trends and Events" on Page 14 of the annual report has mentioned that higher operation expenses of SPP NOVO may impact the group's operations in 2021. Can management please elaborate what is causing SPP NOVO experiencing higher operating cost, and how long will this situation last?</p> <p>Answer</p> <p>SPP NOVO adds an additional 70% of built-up floor space to the existing plant, resulting in higher operational costs. Other than depreciation costs, our facility maintenance and electricity costs have increased by 50%. Nevertheless, the cost impact is tapering off as we move to the second year of operation of SPP NOVO as revenue rises. In the larger scheme of things, the impact of higher operating costs will lessen with sustained revenue growth, and this is dependent on how quickly the COVID-19 pandemic abates.</p>
	10.	<p>Question</p> <p>Inflation is a new concern for the global market, does our company experience rising ingredient prices and higher product sourcing prices? Are we able to pass through these rising costs to customers?</p> <p>Answer</p> <p>Thank you for the concern. The inflation, steep climb of commodity prices and global logistic challenges are added factors to the rising of ingredients prices. As we are taking steps to mitigate the rising costs by active sourcing for competitive supplier, we do have plans to share a portion of these rising costs to the customer at the right time in the near future.</p>

Shareholder’s Name	No.	Description
Sim Chuen How	11.	Question
	There's a sentence in the AR that says, “The second EU GMP certification secured by XEPA”. What actually does it mean by "second" EU GMP? Does it mean SPP novo now has 2 active eu gmp cert? Any advantage?	
	Answer	
	Xepa was awarded the first EU GMP certificate on 1st September 2017 which certifies that its manufacturing processes and quality system are in compliance with EU standards. The EU certification covers all dosage forms manufactured by Xepa. At that time, the new Solid dosage plant SPP NOVO was not completed. The second EU GMP certification secured by Xepa in January 2020 was specifically for SPP NOVO, ensuring that the entire plant is EU GMP certified. There is no specific advantage in having 2 active EU GMP certifications.	
	12.	Question
	Does Apex have a decent amount of inventory level? (considering the Covid situation is getting worse now)	
	Answer	
	Inventory level at XEPA, our manufacturing subsidiary, increased by 24 Inventory Days from end 2019 to the end of 2020. This is due to increased purchases of raw materials in order to ensure supply stability. We are continuing to build inventory in 2021 as the pandemic shows no sign of abating.	
	13.	Question
Does the current Covid situation in India affect the API export to your company? Do you also source API from other countries like China as an alternative?		
Answer		
The current crisis in India has renewed concerns about supply chain integrity for active pharmaceutical ingredients essential (‘API’) for manufacturing. We are actively building inventory		

		and diversifying sources. China is one of the countries that we source our API from.
Shareholder's Name	No.	Description
Ng Ah Lek	14.	Question
		Virtual AGM has been convenient for shareholders who live faraway. In line with technology adoption and to encourage greater participation, may the management continue to offer the option for remote participation even after the pandemic?
		Answer
		Yes, we intend to continue offering the option for remote participation.
Shareholder's Name	No.	Description
Rusmin	15.	Question
		Does Apex manufacture pharmaceutical drugs for external parties? Can you share the product and client names? So far I only noticed Eye Mo and the orthopaedics stuffs.
		Answer
		We do contract manufacture products for a number of external parties as our factory production and laboratory facilities are PIC/S, ISO 17025, ISO 9001:2015, ISO 13485 and GDPMD, and EU GMP certified. In addition, we secured GMP clearance from the Australian TGA. We contract manufacture for a number of local and overseas customers and the disclosure of the products and names are restricted by confidentiality clauses in our contract manufacturing agreements.
		Question
16.	What are the top 3 revenue contributors by brands?	
		Answer
		The top 3 revenue contribution by Group brands in Y2020 are:-
		(a) XEPA;
		(b) AVO PHARMA; and
		(c) HENNSON.

(Registration No. 199801016979 (473108-T))

- Questions and Answers (“Q&A”) responded via email after the Twenty-Second Annual General Meeting held on 20th May 2021

	17.	<p>Question</p> <p>EpiCrest Sdn Bhd was acquired in Dec 2019? What is it for since it is dormant?</p> <p>Answer</p> <p>Yes, EpiCrest Sdn Bhd was acquired on 18th December 2019. It is currently dormant as initial business plans for this subsidiary did not materialise. It will be activated at an opportune time.</p>
Shareholder's Name	No.	Description
Loo Yeo Ming	18.	<p>Question</p> <p>Boardroom not up to date as request shareholder to put in cds account no and my friend key in wrong cds no and not approved after we check today.</p> <p>Answer</p> <p>CDS Account number is a unique number assigned to a person (investor) upon the opening of his or her CDS Account to trade securities in Malaysia via the respective Investment Bankers (Brooking Firms). Bursa Malaysia Depository Sdn Bhd (BMD) verifies the validity of the CDS Account number against NRIC / Passport / Company Registration Numbers of the Investor when securities are bought / traded / subscribed via the Opened Market / Rights Issue / Dividend Reinvestment Plan / ESOS.</p> <p>Our share registrar, Boardroom Share Registrar Sdn Bhd, adheres to the same mechanics as BMD as a form of Security Confirmation to ensure validity of the participant(s) of the General Meeting. Boardroom will verify the CDS Account number and the respective NRIC / Passport / Company Registration Numbers against the General Meeting Records of Depositors (ROD) provided by BMD as at stipulated date to ensure the validity of the participant(s).</p> <p>Your concern has been forwarded to Boardroom Share Registrar for their follow up.</p>
Shareholder's Name	No.	Description
Cheong Seng Tin	19.	<p>Question</p> <p>Kindly send me a printed copy of the annual report. I would also request for the e vouchers to all of the participants, thank you, and wish the company</p>

		<p>moving to a very bright future ahead, all of us stay safe and healthy.</p>
		<p>Answer</p> <p>The printed copy of our Annual Report has been sent to you.</p> <p>In line with the Group’s measures to contain operating expenses, given the challenging and uncertain economic outlook caused by the COVID-19 pandemic, we are not providing e-vouchers as a token for shareholders who participate in the virtual AGM.</p> <p>This year, however, a special offer to purchase products is available to all shareholders through our on-line Apex Pharmacy at www.apexpharmacy.com.my. Our Apex Pharmacy team will contact you.</p>
Shareholder’s Name	No.	Description
Lee Kong Fui	20.	<p>Question</p> <p>In special resolution 8 there are a number of proposals. How does a shareholder vote if he or she does not agree with one or more of the proposal but agree with the rest?</p>
		<p>Answer</p> <p>We see all the proposed changes to our Constitution as integral to the revised Constitution as a whole. We regret to say that it is not practical for us to adopt a separate resolution for every change proposed as there are numerous changes throughout the Constitution to ensure consistency.</p>
Shareholder’s Name	No.	Description
Lee Eng Shan	21.	<p>Question</p> <p>What is the targeted capex for Alor Gajah plant, and the timeline of which?</p>
		<p>Answer</p> <p>In the fourth quarter of 2019, the Group entered into a conditional Sale and Purchase Agreement to acquire 18.75 acres of freehold industrial land at HICOM Pegoh Industrial Park, Alor Gajah for a total purchase consideration of RM 20.4 million. As Xepa’s current site at Cheng Industrial Estate</p>

	<p>Melaka is fully built up, the new site provides the Group a large tract of land for future plant expansion in order to sustain long term growth.</p> <p>At this point in time, we have not committed to any firm development plans for this site. We will ensure that expansion of production or warehousing capacity at the Alor Gajah site will be timed to match capacity with future, and such plans will be disclosed when they are firm.</p>
22.	<p>Question</p> <p>Given the widespread vaccination expected afterwards, does it mean the flu (and related) cases generally to reduce going forward?</p> <p>Answer</p> <p>At present, there is no clinical evidence on the effects of COVID-19 vaccination on the incidence of influenza (flu). We do not know the impact on the incidence of flu due to widespread COVID-19 vaccination. As both COVID-19 disease and flu are caused by transmission through contact and droplets, precautionary measures such as adoption of safe hygiene practices, wearing of face mask and social distancing are important actions that can prevent viral infection. The number of flu cases can be reduced if we continue to take such precautionary measures.</p>

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

DETAILS OF AMENDMENTS TO THE CONSTITUTION OF THE COMPANY

1. By amending Clause 8 of the Constitution by amending definition of words as follows:-

Existing Provisions		Amendments	
Bursa Depository	Bursa Malaysia Depository Sdn. Bhd. (Company No. 165570-W) including any further change of name.	Bursa Depository	Bursa Malaysia Depository Sdn. Bhd. including any further change of name.
Company	Apex Healthcare Berhad (Company No. 473108-T).	Company	Apex Healthcare Berhad.
Exchange	Bursa Malaysia Securities Berhad (Company No. 635998-W) and/or any other Exchange on which the Company is listed.	Exchange	Bursa Malaysia Securities Berhad and/or any other Exchange on which the Company is listed.

2. By amending Clause 10(d) of the Constitution of the Company as follows:-

Existing Clause	Amendments
10(d)without limiting the generality of Sections 75 and 76 of the Act, the Company must not issue any ordinary shares or other securities with rights of conversion to ordinary shares if those shares or securities, when aggregated with any such shares or securities which the Company has issued during the preceding twelve (12) months, exceeds ten per centum (10%) of the total number of issued shares (excluding treasury shares, if any) of the Company, except where the shares or securities are issued with the prior shareholders' approval in a general meeting of the precise terms and conditions of the issue; and	10(d)subject to the Listing Requirements and without limiting the generality of Sections 75 and 76 of the Act, the Company must not issue any ordinary shares or other securities with rights of conversion to ordinary shares, except where the shares or securities are issued with the prior shareholders' approval in a general meeting of the precise terms and conditions of the issue; and

3. By inserting the following new Clauses 64A and 64B immediately after the existing Clause 64:-

Existing Clause	Amendments
New	<p>64A. (a) If authorised by the Board in its sole discretion, and subject to such guidelines and procedures as the Board may adopt, the members not physically present at a general meeting where the Chairman of the general meeting is physically present, may, by means of remote communication:-</p> <ul style="list-style-type: none"> (i) participate in such general meeting; and (ii) be deemed present in person at such general meeting, be counted in the quorum and be entitled to vote at such general meeting. <p>(b) the general meeting shall be duly constituted and its proceedings shall be valid if the Chairman of the general meeting is satisfied that adequate facilities are available throughout the general meeting to ensure that members participating in the general meeting through remote communication are able:-</p> <ul style="list-style-type: none"> (i) to participate in the matters for which such general meeting has been convened; (ii) to communicate (whether by use of microphones, loudspeakers, audio-visual communication equipment, typed texts or any form of

Existing Clause	Amendments
	<p>electronic means which allows the members to raise any questions and/or express their views on the matters); and</p> <p>(iii) to vote on matters submitted to the members.</p>
<p>New</p>	<p>64B. If it appears to the Chairman of the general meeting that:-</p> <p>(a) the facilities at the main venue or broadcast venue; or</p> <p>(b) the means used for the remote communication;</p> <p>have become inadequate for the purposes referred to in Clause 64A, then the Chairman of the general meeting shall, without the consent of the members at the general meeting, interrupt or adjourn the general meeting. All businesses as conducted at that general meeting up to the adjournment shall be valid and the provisions of Clause 74 shall apply to that adjournment.</p> <p>No interruption or termination of any remote communication or the inability of a member to participate in a general meeting by way of remote communication shall invalidate any general meeting held using such remote communications or any such general meeting.</p> <p>The Board may request the members, proxies or representatives wanting to attend a general meeting to comply with security procedures which the Board deemed appropriate. The Board may, at its absolute discretion, refuse entry to, or remove from, a general meeting, a</p>

Existing Clause	Amendments
	<p>member, proxy or representative who does not comply with the security procedures. Security procedures may include member, proxy or representative not being allowed into a general meeting with recording or broadcasting devices or an article which the Chairman of the general meeting considers as to be dangerous, offensive, or liable to cause disruption.</p>

4. By inserting the following new Clause 65A immediately after the existing Clause 65:-

Existing Clause	Amendments
<p>New</p>	<p>65A. (1) Subject to the Act, where a general meeting is convened by the Directors, they may, in their absolute discretion, cancel the general meeting or postpone the holding of the general meeting to a date and time determined by them or change the place for the meeting. The cancellation or postponement of a general meeting is subject to the Listing Requirements and other requirements by the Exchange.</p> <p>This Clause shall not apply to a meeting convened in accordance with Sections 310 and 311 of the Act by a member or members unless with the consent of such member or members only.</p> <p>(2) Notice of cancellation or postponement or change of place of a general meeting must state the reason for cancellation or postponement and such a notice shall be:-</p>

Existing Clause	Amendments
	<p>(a) published in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper in Malaysia;</p> <p>(b) given to the Exchange and given in other manner required by the Listing Requirements or other requirements by the Exchange, and</p> <p>(c) subject to the Act and the Listing Requirements, given in any other manner determined by the Board.</p> <p>(3) A notice of postponement of a general meeting must specify:-</p> <p>(a) the postponed date and time for the holding of the meeting;</p> <p>(b) a place for the holding of the meeting which may be either the same as or different from the place specified in the notice convening the meeting; and</p> <p>(c) if the meeting is to be held in two (2) or more places, the technology that will be used to facilitate the holding of the meeting in that manner.</p> <p>The new time and place specified in the notice of postponement will be taken to be the time and place for the meeting as if specified in the notice which called the meeting originally.</p>

Existing Clause	Amendments
	<p>(4) The only business that may be transacted at a general meeting the holding of which is postponed is the business specified in the original notice convening the general meeting.</p> <p>(5) Whereby the terms of an instrument appointing a proxy or attorney or an appointment of a representative:-</p> <p>(a) the appointed person is authorised to attend and vote at a general meeting to be held on or before a specified date; and</p>

Existing Clause	Amendments
	<p>(b) the date for holding the general meeting is postponed to a date later than the date specified in the instrument of proxy, power of attorney or appointment of representative, then, by force of this Clause, that later date is substituted for and applies to the exclusion of the date specified in the instrument of proxy, power of attorney or appointment of representative. However, this does not apply if the member appointing the proxy, attorney or representative gives notice in writing to the Company at the Office or another address (including electronic address) specified in the notice of meeting to the contrary not less than twenty-four (24) hours before the time to which the holding of the meeting has been postponed.</p> <p>(6) The non-receipt of notice of cancellation or postponement of a meeting of members by, or the accidental omission to give notice of cancellation or postponement of a meeting of members to, any person entitled to receive notice shall not invalidate any resolution passed or proceedings at a postponed meeting or the cancellation or postponement of a meeting.</p>

Existing Clause	Amendments
	(7) If the Directors are required to convene and arrange to hold a general meeting as a result of a request by members in accordance with Section 311 of the Act, the meeting may be cancelled by the Directors if the members who requisitioned the meeting withdraw their requests prior to the date of the meeting.

5. By amending Clause 73 of the Constitution of the Company as follows:-

Existing Clause	Amendments
<p>73. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as otherwise provided, three (3) members present in person shall be a quorum. For the purposes of constituting a quorum:-</p> <p>(i) one or more representatives appointed by a corporation shall be counted as one member; or</p> <p>(ii) one or more proxies appointed by a person shall be counted as one member.</p>	<p>73. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as otherwise provided, three (3) members present in person or represented by proxy shall be a quorum. For the purposes of constituting a quorum:-</p> <p>(i) one or more representatives appointed by a corporation shall be counted as one member; or</p> <p>(ii) one or more proxies appointed by a person shall be counted as one member.</p>

6. By amending Clause 88 of the Constitution of the Company as follows:-

Existing Clause	Amendments
<p>88. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited at the Office or</p>	<p>88. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited at the Office or</p>

<p>at such other place within Malaysia as is specified for that purpose in the notice convening the meeting, not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting as the case may be, at which the person named in the instrument proposes to vote, and in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default, the instrument of proxy shall not be treated as valid. The Company may specify a fax number and may specify an electronic address in the notice of meeting, for the purpose of receipt of proxy appointments subject to the Rules, regulations and laws at that time specified therein.</p>	<p>at such other place within Malaysia as is specified for that purpose in the notice convening the meeting, not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting as the case may be, at which the person named in the instrument proposes to vote, and in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default, the instrument of proxy shall not be treated as valid. The Company may specify a fax number and may specify an electronic address in the notice of meeting, for the purpose of receipt of proxy appointments subject to the Rules, regulations and laws at that time specified therein. A member is not precluded from attending the meeting in person after lodging the instrument of proxy and such attendance shall automatically revoke the authority granted to the proxy. Any termination of a person's authority to act as a proxy shall be notified in writing and received by the Company at the Office before the commencement of the meeting.</p>
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7. By amending Clause 123 of the Constitution of the Company as follows:-

Existing Clause	Amendments
<p>123. Directors may participate in a meeting of Directors by means of conference telephone, conference videophone or any similar or other communications by electronic means.</p>	<p>123. Directors may participate in a meeting of Directors by means of conference telephone, conference videophone or any similar or other communications by electronic means of which all persons participating in the meeting are able to hear and speak to each other throughout the meeting. Such participation shall be deemed to be</p>

	physically present at the meeting of Directors.
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8. By amending Clause 125 of the Constitution of the Company as follows:-

Existing Clause	Proposed Amendments
125. A meeting at which one or more of the Directors attends by electronic means is deemed to be held at such place as the Directors shall at the said meeting resolve. In the absence of a resolution as aforesaid, the meeting shall be deemed to be held at the place, if any, where a majority of the Directors attending the meeting are physically present, or in default of such a majority, the place at which the Chairman of the meeting is physically present.	125. A meeting at which one or more of the Directors attends by electronic means shall be deemed to be held at such place as shall be agreed upon by the Directors attending the meeting.

9. By amending Clause 126 of the Constitution of the Company as follows:-

Existing Clause	Amendments
126. Subject to the Act, all business transacted in the manner provided above by electronic means shall for the purpose of this Constitution be deemed to be validly and effectively transacted at a meeting of the Board PROVIDED that at least one (1) of the Directors present at the meeting was at such place as resolved or deemed (as the case may be) pursuant to Clause 125 for the duration of the meeting. All information and documents must be made equally available to all participants prior to or at/during the meeting.	126. Subject to the Act, all business transacted in the manner provided above by electronic means shall for the purpose of this Constitution be deemed to be validly and effectively transacted at a meeting of the Board. All information and documents must be made equally available to all participants prior to or at/during the meeting.

10. By amending Clause 144 of the Constitution of the Company as follows:-

Existing Clause	Amendments
<p>144. Notwithstanding any provisions to the contrary contained in this Constitution, any member of a committee may participate at a committee meeting by way of telephone and video conferencing or by means of other communication equipment whereby all persons participating in the meeting are able to hear each other, in which event such member shall be deemed to be physically present at the meeting whether for the purposes of this Constitution or otherwise. A member participating in a meeting in the manner aforesaid may also be taken into account in ascertaining the presence of a quorum at the meeting. Any meeting held in such manner shall be deemed to be held at such place as shall be agreed upon by the members attending the meeting PROVIDED that at least one (1) of the members present at the meeting was at such place for the duration of that meeting.</p>	<p>144. Notwithstanding any provisions to the contrary contained in this Constitution, any member of a committee may participate at a committee meeting by way of telephone and video conferencing or by means of other communication equipment whereby all persons participating in the meeting are able to hear each other, in which event such member shall be deemed to be physically present at the meeting whether for the purposes of this Constitution or otherwise. A member participating in a meeting in the manner aforesaid may also be taken into account in ascertaining the presence of a quorum at the meeting. Any meeting held in such manner shall be deemed to be held at such place as shall be agreed upon by the members attending the meeting.</p>

11. By inserting the following new Clause 149A immediately after the existing Clause 149:-

Existing Clause	Proposed Amendments
<p>New</p>	<p>149A. For the avoidance of doubt, any document or instrument transmitted by any technology purporting to include a signature and/or electronic or digital signature, including but not limited to signing with a platform such as DocuSign, of any of the following persons:-</p> <p>(a) a holder of shares;</p>

	<p>(b) a Director;</p> <p>(c) an alternate Director;</p> <p>(d) in the case of a corporation, which is a holder of shares, its Director or Secretary or a duly appointed attorney or duly authorised representative;</p> <p>shall in the absence of express evidence to the contrary available to the person relying on such document or instrument at the relevant time, be deemed to be a document or instrument signed by such person in the terms in which it is received.</p>
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12. By amending Clause 168 of the Constitution of the Company as follows:-

Existing Clause	Amendments
<p><u>CAPITALISATION OF PROFITS</u></p> <p>168. The Company in general meeting may upon the recommendation of the Directors resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and accordingly that the sum be set free for distribution amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by those members respectively or paying up in full unissued shares or debentures of the Company to be allotted and distributed, credited as fully paid-up</p>	<p><u>BONUS ISSUES AND CAPITALISATION OF PROFITS AND RESERVES</u></p> <p>168. The Director may, with the sanction of an ordinary resolution of the Company:-</p> <p>(a) issue bonus shares for which no consideration is payable to the Company to the persons registered as holders of shares in the Register or (as the case may be) the Record of Depositors at the close of business on:-</p> <p>(i) the date of the ordinary resolution (or such other date as may be specified therein or determined as therein provided); or</p> <p>(ii) such other date as may be determined by the Directors,</p>

<p>to and amongst the members in the proportion aforesaid, or partly in the one way and partly in the other, and the Directors shall give effect to such resolution. Subject to the Act, amount standing to the credit of the capital redemption reserve may, for the purposes of this Clause, be applied in paying up of unissued shares to be issued to members as fully paid bonus shares or any other members as set out in the Act.</p>	<p>in the proportion to their then holdings of shares; and/or</p> <p>(b) capitalise any sum standing to the credit of any of the Company's reserve accounts or any sum standing to the credit of profit and loss account by appropriating such sum to the persons registered as holders of shares in the Register or (as the case may be) in the Record of Depositors at the close of business on:-</p> <p>(i) the date of the ordinary resolution (or such other date as may be specified therein or determined as therein provided); or</p> <p>(ii) such other date as may be determined by the Directors,</p> <p>in proportion to their then holdings of shares and applying such sum on their behalf in paying up in full unissued shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, unissued shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid.</p> <p>The Directors may do all acts and things considered necessary or expedient to give effect to any such bonus issue or capitalisation under this Clause, with full power to the Directors to make such provisions as they think fit for any fractional</p>
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	<p>entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the members concerned). The Directors may authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for any such bonus issue or capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.</p> <p>In addition and without prejudice to the power to capitalise profits and other moneys provided for by this Clause, the Directors shall have the power to issue shares for which no consideration is payable and to capitalise any undistributable profits or other monies of the Company not required for the payment or provision of any dividends on any shares entitled to cumulative or noncumulative preferential dividends (including profits or other monies carried and standing to any reserve or reserves) and to apply such profits or other monies in paying up in full, in each case on terms that such shares shall, upon issue, be held by or for the benefit of participants of any share option scheme or plan implemented by the Company and approved by members in general meeting and on such terms as the Directors shall think fit.</p>
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13. By inserting the following new Clause 178(2) immediately after the existing Clause 178 and that the existing Clause 178 be re-numbered as Clause 178(1):-

Existing Clause	Amendments
<p>178. Save as may be provided by the Act, no member shall be entitled to enter into or inspect any premises or property of the Company or to require disclosure of any information in respect of any detail of the Company's trading, manufacturing or any matter which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the members to communicate to the public.</p>	<p>178. (1) Save as may be provided by the Act, no member shall be entitled to enter into or inspect any premises or property of the Company or to require disclosure of any information in respect of any detail of the Company's trading, manufacturing or any matter which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the members to communicate to the public.</p> <p>(2) Director(s) or officer(s) of the Company shall be entitled, if he thinks fit, to decline to answer any questions concerning the business of the Company which may be put to him on any occasion (including during any meeting of the Company) on the ground that the answer to such question would disclose or tend to disclose the trade secrets of the Company.</p>