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If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, solicitor, accountant, bank manager or other professional adviser immediately.

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APEX HEALTHCARE BERHAD

Registration No.: 199801016979 (473108-T)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

PROPOSED BONUS ISSUE OF UP TO 240,449,686 NEW ORDINARY SHARES IN APEX HEALTHCARE BERHAD ("AHB" OR THE "COMPANY") ("AHB SHARE(S)") ("BONUS SHARE(S)") ON THE BASIS OF 1 BONUS SHARE FOR EVERY 2 EXISTING AHB SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED BONUS ISSUE")

AND

EXTRACT OF NOTICE OF ANNUAL GENERAL MEETING ("AGM")

Adviser

UOBKayHian

UOB Kay Hian Securities (M) Sdn Bhd

Registration No.: 199001003423 (194990-K)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The resolution in respect of the above proposal will be tabled as Special Business at the Twenty-Fourth ("24th") AGM of AHB which to be held and conducted on a virtual basis through live streaming from the broadcast venue at Level 12, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia via the meeting platform at <https://meeting.boardroomlimited.my/> on Wednesday, 17 May 2023 at 10.00 a.m. or any adjournment thereof. The Notice of the 24th AGM together with the Form of Proxy will be circulated to you and the same are set out in the Annual Report of the Company for the financial year ended 31 December 2022 which are also available to be downloaded from the Company's website together with this Circular.

As a shareholder, you are encouraged to go online, participate and vote at the 24th AGM using the remote participation and voting facilities as the Company will be conducting its 24th AGM virtually via live webcast and online remote voting. If you wish to appoint a proxy to participate and vote on your behalf, you may deposit your Form of Proxy at the office of the Share Registrar, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia or alternatively, you may lodge your Form of Proxy by electronic means through Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com/>, not less than forty-eight (48) hours before the time set for holding the 24th AGM indicated below or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from participating the 24th AGM and voting in person at the 24th AGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Monday, 15 May 2023 at 10.00 a.m.

Date and time of the 24th AGM : Wednesday, 17 May 2023 at 10.00 a.m.

This Circular is dated 18 April 2023

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:-

"Act"	:	The Companies Act 2016
"AGM"	:	Annual General Meeting
"AHB" or the "Company"	:	Apex Healthcare Berhad
"AHB Group" or the "Group"	:	AHB and its subsidiary companies, collectively
"AHB Share(s)" or "Share(s)"	:	Ordinary shares in AHB
"Board"	:	The Board of Directors of AHB
"Bonus Share(s)"	:	Up to 240,449,686 new AHB Shares to be issued pursuant to the Proposed Bonus Issue
"Bursa Depository"	:	Bursa Malaysia Depository Sdn Bhd
"Bursa Securities"	:	Bursa Malaysia Securities Berhad
"Director(s)"	:	Director(s) of AHB and shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon:- (i) a director of AHB, its subsidiaries or holding company; and (ii) a chief executive of AHB, its subsidiaries or holding company
"Entitlement Date"	:	A date to be determined and announced later by the Board, on which the names of the shareholders of the Company must appear in the Record of Depositors of the Company as at 5.00 p.m. in order to participate in the Proposed Bonus Issue
"EPS"	:	Earnings per Share
"ESOS"	:	Executive Share Option Scheme of the Company implemented on 1 July 2016, being the scheme for the granting of ESOS Options to eligible executive employees and executive Directors of AHB Group, which are exercisable into new AHB Shares up to 30 June 2026
"ESOS Options"	:	The right of a grantee to subscribe for new AHB Shares pursuant to the contract constituted by the selected eligible executive employees' and executive Directors' acceptance under the ESOS. As at the LPD, there are a total of 3,225,000 outstanding ESOS Options granted under the ESOS which are exercisable into new AHB Shares
"FYE"	:	Financial year ended/ending
"Listing Requirements"	:	Main Market Listing Requirements of Bursa Securities

DEFINITIONS (CONT'D)

"LPD"	:	31 March 2023, being the latest practicable date prior to the printing and despatch of this Circular
"Market Day(s)"	:	Any day between Monday to Friday (inclusive), excluding public holidays, and a day on which Bursa Securities is open for trading of securities
"Maximum Scenario"	:	Assuming all of the 3,225,000 outstanding ESOS Options are exercised prior to the implementation of the Proposed Bonus Issue
"Minimum Scenario"	:	Assuming none of the 3,225,000 outstanding ESOS Options are exercised prior to the implementation of the Proposed Bonus Issue
"NA"	:	Net assets attributable to ordinary equity holders of the Company
"Proposed Bonus Issue"	:	Proposed bonus issue of new AHB Shares on the basis of 1 Bonus Share for every 2 existing AHB Shares held on the Entitlement Date
"Proposed Final & Special Dividend"	:	A recommended final single-tier dividend and special dividend of 3.5 sen and 2.0 sen respectively per AHB Share in respect of the FYE 31 December 2022, subject to shareholders' approval at the forthcoming AGM of the Company
"Record of Depositors"	:	A record of depositors established by Bursa Depository under the Rules of Bursa Depository
"RM" and "sen"	:	Ringgit Malaysia and sen, respectively
"UOBKH" or the "Adviser"	:	UOB Kay Hian Securities (M) Sdn Bhd
"VWAP"	:	Volume weighted average market price

All references to "**you**" or "**your(s)**" in this Circular are made to the shareholders, who are entitled to attend and vote at the AGM.

Unless specifically referred to, words denoting incorporating the singular shall, where applicable, include the plural and vice versa and words denoting incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day and date in this Circular shall be a reference to Malaysian time and date, respectively, unless otherwise specified. Any discrepancy in the figures included in this Circular between the amounts stated, actual figures and the totals thereof are due to rounding adjustments.

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EXECUTIVE SUMMARY

This Executive Summary highlights only the salient information of the Proposed Bonus Issue. You are advised to read this Circular in its entirety for further details and not to rely solely on this Executive Summary in arriving at a decision on the Proposed Bonus Issue before voting at the forthcoming AGM.

Key information	Description	Reference to Circular
Summary	The Proposed Bonus Issue of new AHB Shares on the basis of 1 Bonus Share for every 2 existing AHB Shares held on the Entitlement Date	Section 2
Rationale	<ol style="list-style-type: none">i. increase the number of AHB Shares held by the Company's shareholders at no cost to be incurred by the shareholders, while maintaining their percentage of equity shareholding held in the Company;ii. potentially result in an improved trading liquidity of the Shares traded in the market at an affordable share price without affecting the size of the market capitalisation of the Company; andiii. encourage greater participation by investors as well as potentially broadening the shareholder base of the Company.	Section 3
Approvals required and conditionality	<p>The Proposed Bonus Issue is conditional upon approvals being obtained from the following parties:-</p> <ol style="list-style-type: none">i. Bursa Securities, approval of which has been obtained vide its letter dated 3 April 2023; andii. the shareholders of AHB for the Proposed Bonus Issue to be tabled as special business at the AGM of the Company to be convened. The voting on the resolution pertaining to the Proposed Bonus Issue at the AGM will be taken via poll. <p>The Proposed Bonus Issue is not conditional upon any other proposals undertaken or to be undertaken by the Company.</p>	Section 6
Interested parties	None of the Directors and/ or major shareholders of the Company and/ or persons connected to them have any interest, either direct or indirect, in the Proposed Bonus Issue, save for their respective entitlements as shareholders of the Company under the Proposed Bonus Issue which are also available to all other shareholders of the Company.	Section 7
Board's recommendation	The Board, having considered all aspects including the rationale and justifications as well as effects of the Proposed Bonus Issue, is of the opinion that the Proposed Bonus Issue is in the best interest of the Company. Accordingly, the Board recommends that you vote in favour of the resolution pertaining to the Proposed Bonus Issue to be tabled at the forthcoming AGM of the Company.	Section 10



APEX HEALTHCARE BERHAD

Registration no. 199801016979 (473108-T)
(Incorporated in Malaysia)

Registered Office

1-5, Jalan TTC 1
Cheng Industrial Estate
75250 Melaka

18 April 2023

Board of Directors

Dr. Kee Kirk Chin (Chairman and Chief Executive Officer)
Robert Dobson Millner (Non-Independent Non-Executive Director)
Datuk Noharuddin Bin Nordin @ Harun (Senior Independent Non-Executive Director)
Heng Su-Ling Mae (Independent Non-Executive Director)
Datuk Phang Ah Tong (Independent Non-Executive Director)
Jackson Chevalier Yap-Kit-Siong (Independent Non-Executive Director)
Kee Kirk Chuen (Non-Independent Non-Executive Director)
Leong Khai Cheong (Independent Non-Executive Director)

To: The shareholders of Apex Healthcare Berhad

Dear Sir/ Madam,

PROPOSED BONUS ISSUE

1. INTRODUCTION

On 22 February 2023, UOBKH had, on behalf of the Board, announced that the Company had proposed to undertake a bonus issue of new AHB Shares on the basis of 1 Bonus Share for every 2 existing AHB Shares held on an entitlement date to be determined later.

On 22 February 2023, the Board had recommended the Proposed Final & Special Dividend subject to shareholders' approval at the forthcoming AGM of the Company. It is the intention of the Board to fix the Entitlement Date for the Proposed Bonus Issue after the entitlement date for the Proposed Final & Special Dividend, and as such, the Bonus Shares will not be entitled to the Proposed Final & Special Dividend.

On 3 April 2023, UOBKH had, on behalf of the Board, announced that Bursa Securities had, vide its letter dated 3 April 2023, resolved to approve the listing of and quotation for new AHB Shares to be issued pursuant to the Proposed Bonus Issue, subject to the conditions as set out in **Section 6** of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE THE SHAREHOLDERS OF AHB WITH THE RELEVANT INFORMATION ON THE PROPOSED BONUS ISSUE AS WELL AS TO SEEK THE APPROVAL FROM THE SHAREHOLDERS OF AHB FOR THE RESOLUTION PERTAINING TO THE PROPOSED BONUS ISSUE TO BE TABLED AT THE FORTHCOMING AGM. THE NOTICE OF AGM AND THE FORM OF PROXY ARE ENCLOSED IN THE ANNUAL REPORT OF THE COMPANY FOR THE FYE 31 DECEMBER 2022.

SHAREHOLDERS OF AHB ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDIX CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED BONUS ISSUE TO BE TABLED AT THE FORTHCOMING AGM.

2. DETAILS OF THE PROPOSED BONUS ISSUE

As at the LPD, the issued share capital of AHB is RM130,064,182 comprising 477,674,372 AHB Shares. In addition, as at the LPD, there are a total of 3,225,000 outstanding ESOS Options granted under the Company's ESOS which are exercisable into new AHB Shares up to 30 June 2026 under the Company's ESOS.

In conjunction with the Proposed Bonus Issue, the Company has undertaken not to grant any further ESOS Options to any eligible executive employees and executive Directors from 7 February 2023 (being the latest practicable date prior to the date of the announcement in relation to the Proposed Bonus Issue) until the completion of the Proposed Bonus Issue.

For information purpose, the Board had on 22 February 2023, proposed a final single-tier dividend and special dividend of 3.5 sen and 2.0 sen respectively per AHB Share in respect of the FYE 31 December 2022 subject to shareholders' approval at the forthcoming AGM of the Company to be convened. It is the intention of the Board to fix the Entitlement Date for the Proposed Bonus Issue after the entitlement date for the Proposed Final & Special Dividend, and as such, the Bonus Shares will not be entitled to the Proposed Final & Special Dividend.

2.1 Basis and number of Bonus Shares to be issued

The Proposed Bonus Issue entails an issuance of new AHB Shares on the basis of 1 Bonus Share for every 2 existing AHB Shares held by shareholders of AHB whose names appear in the Record of Depositors of the Company as at the Entitlement Date.

The aforesaid basis of 1 Bonus Share for every 2 existing AHB Shares was arrived at after taking into consideration the potential enhancement to the trading liquidity of AHB Shares traded in the market given the adjustment to the share price as well as the increase in number of AHB Shares pursuant to the Proposed Bonus Issue.

Pursuant to the Proposed Bonus Issue, a total of up to 240,449,686 Bonus Shares may be issued pursuant to the Proposed Bonus Issue under the Maximum Scenario. The actual number of Bonus Shares to be issued pursuant to the Proposed Bonus Issue will depend on the total number of issued Shares of the Company as at the Entitlement Date.

Fractional entitlements of the Bonus Shares arising from the Proposed Bonus Issue, if any, shall be dealt with in such manner as the Board shall in its absolute discretion deem fit and expedient, and to be in the best interest of the Company.

The Proposed Bonus Issue will not be implemented in stages over a period of time.

The share price of AHB Shares will be adjusted pursuant to the Proposed Bonus Issue. Purely for illustrative purpose only, the theoretical ex-bonus price of AHB Shares following the Proposed Bonus Issue is approximately RM2.2168, calculated based on the lowest of 3-month daily VWAP of AHB Shares up to and including the LPD of RM3.3252. Accordingly, the Proposed Bonus Issue is in compliance with Paragraph 6.30(1A)* of the Listing Requirements.

Note:-

* Paragraph 6.30(1A) of the Listing Requirements requires that "A listed issuer must ensure that its share price adjusted for a bonus issue is not less than RM0.50 based on the daily volume weighted average share price during the 3-month period before the application date ("**Pricing Condition**")."

2.2 Capitalisation of reserve

The Bonus Shares in respect of the Proposed Bonus Issue will be issued as fully paid, at nil consideration and without capitalisation of the Company's reserves.

Under the Act which came into effect on 31 January 2017, the concept of par value has been abolished. Pursuant thereto, there is no requirement and stipulation that cash consideration must be paid or transferred in connection with new issuance of shares. As a result, a bonus issue can now be undertaken either:-

- i. by way of capitalisation of the retained earnings or reserves of a company; or
- ii. without capitalisation, in a manner akin to a subdivision of shares.

Premised on the foregoing and the fact that the Act and the Constitution of the Company now permit the issuance of bonus shares either with or without increasing a Company's share capital, the Board has resolved that the Bonus Shares shall be issued as fully paid shares at nil consideration and without capitalisation of the Company's reserves.

As the Proposed Bonus Issue is undertaken without capitalisation from the Company's reserves, it will also allow the Board to preserve the Company's reserves with the aim to ensure that the Company has sufficient reserves to facilitate any future dividend payment of the Company.

2.3 Ranking of the Bonus Shares

The Bonus Shares will, upon allotment and issuance, rank *pari passu* in all respects with the then existing Shares. However, the Bonus Shares will not be entitled to any dividends, rights, allotments and/ or any other forms of distribution ("**Distribution**") where the entitlement date of such Distribution precedes the date of allotment and issuance of the Bonus Shares.

For avoidance of doubt, the Board had on 22 February 2023, recommended the Proposed Final & Special Dividend subject to shareholders' approval at the forthcoming AGM of the Company. It is the intention of the Board to fix the Entitlement Date for the Proposed Bonus Issue after the entitlement date for the Proposed Final & Special Dividend, and as such, the Bonus Shares will not be entitled to the Proposed Final & Special Dividend.

2.4 Listing of and quotation for the Bonus Shares

Approval has been obtained from Bursa Securities vide its letter dated 3 April 2023 for the listing of and quotation for the Bonus Shares to be issued pursuant to the Proposed Bonus Issue on the Main Market of Bursa Securities.

The Bonus Shares shall be listed and quoted on the Main Market of Bursa Securities on the next Market Day following the Entitlement Date.

3. RATIONALE AND JUSTIFICATIONS FOR THE PROPOSED BONUS ISSUE

The Board intends to undertake the Proposed Bonus Issue to reward the existing shareholders of the Company in the form of Bonus Shares for their loyalty and continuing support as the Proposed Bonus Issue serves to:-

- i. increase the number of AHB Shares held by the Company's shareholders at no cost to be incurred by the shareholders, while maintaining their percentage of equity shareholding held in the Company;
- ii. potentially result in an improved trading liquidity of the Shares traded in the market at an affordable share price without affecting the size of the market capitalisation of the Company; and

- iii. encourage greater participation by investors as well as potentially broadening the shareholder base of the Company.

In addition, the implementation of the Proposed Bonus Issue via the adoption of the enhanced bonus issue framework and without capitalisation of the Company's reserves is not expected to affect the Company's reserves and total NA of the Company.

4. EFFECTS OF THE PROPOSED BONUS ISSUE

4.1 Issued share capital

The proforma effects of the Proposed Bonus Issue on the issued share capital of AHB are set out below:-

	Minimum Scenario		Maximum Scenario	
	No. of Shares	RM	No. of Shares	RM
Issued share capital as at the LPD	477,674,372	130,064,182	477,674,372	130,064,182
Assuming all outstanding ESOS Options are exercised	-	-	3,225,000	7,262,820 ^{*1}
Reversal of share option reserve	-	-	-	1,662,972 ^{*2}
	477,674,372	130,064,182	480,899,372	138,989,974
Bonus Shares to be issued	238,837,186	- ^{*3}	240,449,686	- ^{*3}
Enlarged share capital	716,511,558	130,064,182	721,349,058	138,989,974

Notes:-

^{*1} Assuming all the outstanding ESOS Options are exercised in the following manner:-

No. of outstanding ESOS Options	Exercise price (RM)
285,000	1.18
528,000	1.82
842,000	2.08
760,000	2.71
810,000	2.66

^{*2} Adjusted for the corresponding reversal of share option reserve of approximately RM1.66 million pursuant to the exercise of all the outstanding ESOS Options

^{*3} As highlighted in **Section 2.2** of this Circular, the Bonus Shares in respect of the Proposed Bonus Issue will be issued as fully paid, at nil consideration and without capitalisation of the Company's reserves

4.2 NA per Share and gearing

Based on the latest audited consolidated statements of financial position of AHB as at 31 December 2022, the proforma effects of the Proposed Bonus Issue on the consolidated NA per Share and gearing of the Group are set out below:-

Minimum Scenario

	Audited as at 31 December 2022 RM'000	Subsequent events up to the LPD ^{*1} RM'000	After the Proposed Bonus Issue RM'000
Share capital	129,834	130,064	130,064
Share option reserve	1,637	1,663	1,663
Foreign currency translation reserve	18,205	18,205	18,205
Retained earnings	408,752	408,752	408,617 ^{*2}
Shareholders' funds/ NA	558,428	558,684	558,549
No. of Shares in issue ('000)	477,582	477,674	716,512
NA per Share (RM)	1.17	1.17	0.78
Total borrowings (RM'000)	9,500	9,500	9,500
Gearing ratio (times)	0.02	0.02	0.02

Notes:-

^{*1} After adjusting for the subsequent events:-

a. Exercise of 92,000 ESOS Options into new AHB Shares in the following manner:-

No. of exercised ESOS Options	Exercise price (RM)
50,000	1.82
42,000	2.08

b. Corresponding adjustment/ reversal to the share option reserve pursuant to the abovementioned granting/ exercise of ESOS Options

^{*2} After deducting the estimated expenses of RM135,000 relating to the Proposed Bonus Issue

Maximum Scenario

	Audited as at 31 December 2022 RM'000	Subsequent events up to the LPD ^{*1} RM'000	I Assuming full exercise of ESOS Options ^{*2} RM'000	II After I and the Proposed Bonus Issue RM'000
Share capital	129,834	130,064	138,990	138,990
Share option reserve	1,637	1,663	-	-
Foreign currency translation reserve	18,205	18,205	18,205	18,205
Retained earnings	408,752	408,752	408,752	408,617 ^{*3}
Shareholders' funds/ NA	558,428	558,684	565,947	565,812
No. of Shares in issue ('000)	477,582	477,674	480,899	721,349
NA per Share (RM)	1.17	1.17	1.18	0.78
Total borrowings (RM'000)	9,500	9,500	9,500	9,500
Gearing ratio (times)	0.02	0.02	0.02	0.02

Notes:-

*1 After adjusting for the subsequent events:-

a. Exercised of 92,000 ESOS Options into new AHB Shares in the following manner:-

No. of exercised ESOS Options	Exercise price (RM)
50,000	1.82
42,000	2.08

b. Corresponding adjustment/ reversal to the share option reserve pursuant to the abovementioned granting/ exercise of ESOS Options

*2 Assuming all the outstanding ESOS Options are exercised in the following manner:-

No. of outstanding ESOS Options	Exercise price (RM)
285,000	1.18
528,000	1.82
842,000	2.08
760,000	2.71
810,000	2.66

*3 After deducting the estimated expenses of RM135,000 relating to the Proposed Bonus Issue

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4.3 Substantial shareholders' shareholdings

The Proposed Bonus Issue will not have any effect on the substantial shareholding percentage as the Bonus Shares will be allotted on a pro-rata basis to all shareholders of the Company. However, there will be a proportionate increase in the number of Shares held by each substantial shareholder. The proforma effects of the Proposed Bonus Issue on the substantial shareholders' shareholdings in the Company are set out below:-

Minimum Scenario

Substantial shareholders	Shareholdings as at the LPD		After the Proposed Bonus Issue	
	Direct No. of shares	% ¹	Direct No. of shares	% ²
Apex Pharmacy Holdings Sdn Bhd	190,287,824	39.84	285,431,736	39.84
Washington H.Soul Pattinson and Company Limited	141,850,880	29.70	212,776,320	29.70
Xepa Holdings Sdn Bhd	4,505,600	0.94	6,758,400	0.94
Apex Holdings (Pte) Ltd	2,591,200	0.54	3,886,800	0.54
Xepa Holdings Pte Ltd	-	-	-	-
Kee Tah Peng @ Hee Teck Peng	-	-	-	-
Dr Kee Kirk Chin	5,281,248	1.11	7,921,872	1.11
Yang Liew Fang	-	-	-	-
Kee Kirk Chuen	937,500	0.20	1,406,250	0.20
Dr Kee Loo	-	-	-	-
United Engineers Limited	-	-	-	-
UE UMC Pte Ltd	-	-	-	-
Yanlord Land Group Limited	-	-	-	-
Zhong Sheng Jian	-	-	-	-
Yanlord Investment (Singapore) Pte Ltd	-	-	-	-
Yanlord Commercial Property Investments Pte Ltd	-	-	-	-
Yanlord Holdings Pte Ltd	-	-	-	-

Notes:-

¹ Based on the total issued shares of 477,674,372 in AHB

² Based on the enlarged total issued shares of 716,511,558 in AHB

³ Deemed interest by virtue of Section 8(4)(c) of the Act

Maximum Scenario

Substantial shareholders	Shareholdings as at the LPD				I Assuming full exercise of ESOS Options				II After I and the Proposed Bonus Issue			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	% ¹	No. of Shares	% ¹	No. of Shares	% ²	No. of Shares	% ²	No. of Shares	% ³	No. of Shares	% ³
Apex Pharmacy Holdings Sdn Bhd	190,287,824	39.84	-	-	190,287,824	39.57	-	-	285,431,736	39.57	-	-
Washington H.Soul Pattinson and Company Limited	141,850,880	29.70	-	-	141,850,880	29.50	-	-	212,776,320	29.50	-	-
Xepa Holdings Sdn Bhd	4,505,600	0.94	190,287,824 ⁴	39.84	4,505,600	0.94	190,287,824 ⁴	39.57	6,758,400	0.94	285,431,736 ⁴	39.57
Apex Holdings (Pte) Ltd	2,591,200	0.54	194,793,424 ⁴	40.78	2,591,200	0.54	194,793,424 ⁴	40.51	3,886,800	0.54	292,190,136 ⁴	40.51
Xepa Holdings Pte Ltd	-	-	197,384,624 ⁴	41.32	-	-	197,384,624 ⁴	41.04	-	-	296,076,936 ⁴	41.04
Kee Tah Peng @ Hee Teck Peng	-	-	197,384,624 ⁴	41.32	-	-	197,384,624 ⁴	41.04	-	-	296,076,936 ⁴	41.04
Dr Kee Kirk Chin	5,281,248	1.11	197,384,624 ⁴	41.32	5,686,248	1.18	197,384,624 ⁴	41.04	8,529,372 ⁵	1.18	296,076,936 ⁴	41.04
Yang Liew Fang	-	-	197,384,624 ⁴	41.32	-	-	197,384,624 ⁴	41.04	-	-	296,076,936 ⁴	41.04
Kee Kirk Chuen	937,500	0.20	197,384,624 ⁴	41.32	937,500	0.19	197,384,624 ⁴	41.04	1,406,250	0.19	296,076,936 ⁴	41.04
Dr Kee Loo	-	-	197,384,624 ⁴	41.32	-	-	197,384,624 ⁴	41.04	-	-	296,076,936 ⁴	41.04
United Engineers Limited	-	-	190,287,824 ⁴	39.84	-	-	190,287,824 ⁴	39.57	-	-	285,431,736 ⁴	39.57
UE UMC Pte Ltd	-	-	190,287,824 ⁴	39.84	-	-	190,287,824 ⁴	39.57	-	-	285,431,736 ⁴	39.57
Yanlord Land Group Limited	-	-	190,287,824 ⁴	39.84	-	-	190,287,824 ⁴	39.57	-	-	285,431,736 ⁴	39.57
Zhong Sheng Jian	-	-	190,287,824 ⁴	39.84	-	-	190,287,824 ⁴	39.57	-	-	285,431,736 ⁴	39.57
Yanlord Investment (Singapore) Pte Ltd	-	-	190,287,824 ⁴	39.84	-	-	190,287,824 ⁴	39.57	-	-	285,431,736 ⁴	39.57
Yanlord Commercial Property Investments Pte Ltd	-	-	190,287,824 ⁴	39.84	-	-	190,287,824 ⁴	39.57	-	-	285,431,736 ⁴	39.57
Yanlord Holdings Pte Ltd	-	-	190,287,824 ⁴	39.84	-	-	190,287,824 ⁴	39.57	-	-	285,431,736 ⁴	39.57

Notes:-

- ¹ Based on the total issued shares of 477,674,372 in AHB
- ² Based on the enlarged total issued shares of 480,899,372 in AHB
- ³ Based on the enlarged total issued shares of 721,349,058 in AHB
- ⁴ Deemed interest by virtue of Section 8(4)(c) of the Act
- ⁵ Assuming full exercise of the 405,000 outstanding ESOS Options held by Dr Kee Kirk Chin

4.4 Earnings and EPS

The Proposed Bonus Issue, which is expected to be completed by the second quarter of 2023, is not expected to have any material effect on the earnings of the Group for the FYE 31 December 2023. Notwithstanding that, the Group's EPS will be proportionately diluted due to the increase in the number of AHB Shares in issue upon completion of the Proposed Bonus Issue.

4.5 Convertible securities

Save for the ESOS Options, the Company does not have any other existing convertible securities as at the LPD.

Consequential to the Proposed Bonus Issue, the number and exercise price of the granted ESOS Options which have not been exercised prior to the Entitlement Date may be adjusted in accordance with the Company's by-laws governing the ESOS. Any such adjustment will only be finalised on the Entitlement Date and will be effective on the next Market Day after the Entitlement Date, and the relevant notification will be despatched to the holders of the ESOS Options at a later date.

As at the LPD, the Company has a total of 3,225,000 outstanding ESOS Options with the exercise prices as follows:-

<i>No. of outstanding ESOS Options</i>	<i>Exercise price (RM)</i>
285,000	1.18
528,000	1.82
842,000	2.08
760,000	2.71
810,000	2.66

Strictly for illustration purpose only, by adopting the weighted average exercise price for the outstanding ESOS Options and assuming the adjustment to the exercise price and additional number of ESOS Options had already been effected as at the LPD pursuant to the Proposed Bonus Issue, the said adjustment shall be computed as follows:-

Assuming the 3,225,000 outstanding ESOS Options carry the weighted average exercise price of RM2.25 per ESOS Option

$$\begin{aligned}\text{New exercise price} &= S \times \frac{A}{(A + B)} \\ &= \text{RM}2.25 \times \frac{477,624,372}{(477,624,372 + 238,837,186)} \\ &= \mathbf{RM1.50}\end{aligned}$$

$$\begin{aligned}\text{No. of additional AHB Shares relating to ESOS Option} &= \left(T \times \frac{(A + B)}{A} \right) - T \\ &= \left(3,225,000 \times \frac{(477,624,372 + 238,837,186)}{477,624,372} \right) - 3,225,000 \\ &= \mathbf{1,612,500}\end{aligned}$$

Whereby:-

- S = existing subscription price, i.e. price at which the grantee shall be entitled to subscribe for every new AHB Shares by exercising his/ her ESOS Option. For the illustration above, please take note that the weighted average exercise price has been adopted strictly for the computation above.
- T = existing number of AHB Shares relating to the ESOS Option
- A = the aggregate number of issued and fully paid-up AHB Shares immediately before such bonus issue or capitalisation issue
- B = the aggregate number of AHB Shares to be issued pursuant to any allotment to ordinary shareholders credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature and including any share premium account and capital redemption reserve fund)

5. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of AHB Shares as traded on Bursa Securities for the past 12 months from April 2022 to March 2023 are set out below:-

	High RM	Low RM
2022		
April	2.931	2.691
May	2.950	2.710
June	2.943	2.626
July	3.003	2.676
August	3.280	2.953
September	3.310	3.160
October	3.270	3.050
November	3.480	3.200
December	3.690	3.330
2023		
January	3.650	3.320
February	3.760	3.300
March	4.100	3.680
Last transacted market price as at 21 February 2023 (being the last transacted date prior to the announcement on the Proposed Bonus Issue)		RM3.44
Last transacted market price on the LPD		RM4.08

(Source: Bloomberg)

6. APPROVALS REQUIRED/ OBTAINED AND CONDITIONALITY

The Proposed Bonus Issue is conditional upon approvals being obtained from the following parties:-

- i. Bursa Securities, for the listing of and quotation for the Bonus Shares on the Main Market of Bursa Securities.

The approval of Bursa Securities was obtained vide its letter dated 3 April 2023 and subject to the following conditions:-

Conditions	Status of compliance
(a) AHB and UOBKH must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Bonus Issue	To be complied
(b) UOBKH to inform Bursa Securities upon the completion of the Proposed Bonus Issue	To be complied
(c) UOBKH to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Bonus Issue is completed	To be complied
(d) AHB is required to make the relevant announcements pursuant to Paragraphs 6.35(2)(a)&(b) and 6.35(4) of the Listing Requirements	To be complied
(e) AHB/UOBKH to furnish Bursa Securities with a certified true copy of the resolution passed by the shareholders at a general meeting for the Proposed Bonus Issue	To be complied
(f) Payment of outstanding processing fee based on the market value of the Bonus Shares to be listed (based on the adjusted price), if applicable. In this respect, the Company is required to furnish Bursa Securities a cheque drawn to the order of Bursa Securities for the outstanding processing fee together with a copy of the details of the computation of the amount of fees payable	To be complied, if applicable
ii. The shareholders of AHB for the Proposed Bonus Issue to be tabled as special business at the forthcoming AGM of the Company to be convened. The voting on the resolution pertaining to the Proposed Bonus Issue at the AGM will be taken via poll.	

The Proposed Bonus Issue is not conditional upon any other proposals undertaken or to be undertaken by the Company.

7. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/ OR PERSONS CONNECTED TO THEM

None of the Directors and/ or major shareholders of the Company and/ or persons connected to them have any interest, either direct or indirect, in the Proposed Bonus Issue, save for their respective entitlements as shareholders of the Company under the Proposed Bonus Issue which are also available to all other shareholders of the Company.

8. ESTIMATED TIMEFRAME FOR COMPLETION AND TENTATIVE TIMETABLE FOR IMPLEMENTATION

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Board expects the Proposed Bonus Issue to be completed by the second quarter of 2023. The tentative timetable in relation to the Proposed Bonus Issue is set out below:-

Month	Events
17 May 2023	<ul style="list-style-type: none">• Convening of Twenty-Fourth ("24th") AGM of the Company
2 June 2023	<ul style="list-style-type: none">• Entitlement date for the Proposed Final & Special Dividend
Early June 2023	<ul style="list-style-type: none">• Announcement on the Entitlement Date for the Proposed Bonus Issue
End June 2023	<ul style="list-style-type: none">• Entitlement Date for the Proposed Bonus Issue• Listing of and quotation for the Bonus Shares on the Main Market of Bursa Securities

9. PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Bonus Issue (being subject matter in this Circular), the Board is not aware of any other outstanding proposals which have been announced but not yet completed as at the date of this Circular.

10. DIRECTORS' RECOMMENDATION

The Board, having considered all aspects including the rationale and justifications as well as effects of the Proposed Bonus Issue, is of the opinion that the Proposed Bonus Issue is in the best interest of the Company. Accordingly, the Board recommends that you vote in favour of the resolution pertaining to the Proposed Bonus Issue to be tabled at the forthcoming AGM of the Company.

11. AGM

The 24th AGM of the Company will be held and conducted on a virtual basis through live streaming from the broadcast venue at Level 12, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia via the meeting platform at <https://meeting.boardroomlimited.my/> on Wednesday, 17 May 2023, at 10.00 a.m., for the purpose of considering and, if thought fit, passing with or without modifications, the ordinary resolution to give effect to the Proposed Bonus Issue under the agenda of Special Business as set out in the Notice of 24th AGM and the Form of Proxy which are also available to be downloaded from the Company's website.

As a shareholder, you are encouraged to go online, participate and vote at the 24th AGM using the remote participation and voting facilities. If you wish to appoint a proxy to participate and vote on your behalf, you may deposit your Form of Proxy at the office of the Share Registrar, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia or alternatively, you may lodge your Form of Proxy by electronic means through Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com/>, not less than forty-eight (48) hours before the time set for holding the 24th AGM or at any adjournment thereof. The lodging of the Form of Proxy shall not preclude you from participating the 24th AGM and voting in person at the 24th AGM should you subsequently wish to do so.

12. FURTHER INFORMATION

Shareholders are advised to refer to the appendix set out in this Circular for further information.

Yours faithfully,
For and on behalf of the Board
APEX HEALTHCARE BERHAD

DR. KEE KIRK CHIN
Chairman and Chief Executive Officer

FURTHER INFORMATION**1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Board, and the Directors collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

2. CONSENT

UOBKH, being the Adviser for the Proposed Bonus Issue, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

3. DECLARATION OF CONFLICT OF INTERESTS

UOBKH has given its written confirmation that as at the date of this Circular, there is no situation of conflict of interests that exists or is likely to exist in relation to its role as the Adviser to AHB for the Proposed Bonus Issue.

4. MATERIAL COMMITMENTS

Save as disclosed below, as at the LPD, the Board is not aware of any material commitments incurred or known to be incurred by the Group, upon becoming enforceable, may have a material impact on the financial results/ position of the Group:-

	Amount RM'000
Property, plant and equipment	
- Authorised capital expenditure approved and contracted for	10,062
- Authorised capital expenditure approved but not contracted for	4,627
Total	<u>14,689</u>

5. CONTINGENT LIABILITIES

As at the LPD, the Board is not aware of any contingent liabilities incurred or known to be incurred which, upon becoming enforceable, may have a material impact on the financial results/ position of the Group.

6. MATERIAL LITIGATION

As at the LPD, the Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board is not aware and has no knowledge of any proceedings pending or threatened against the Group, or of any facts likely to give rise to any proceedings, which might materially or adversely affect the financial position or business of the Group.

FURTHER INFORMATION

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of the Company at 1-5, Jalan TTC 1, Cheng Industrial Estate, 75250 Melaka, Malaysia during ordinary business hours from Monday to Friday (except public holidays) from the date of this Circular up to the date of the forthcoming AGM of the Company:-

- i. Constitution of AHB;
- ii. Audited consolidated financial statements of AHB Group for the past 2 financial years up to the FYE 31 December 2022; and
- iii. The letter of consent and declaration of conflict of interests referred to in **Sections 2 and 3** above, respectively.

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APEX HEALTHCARE BERHAD

Registration No.: 199801016979 (473108-T)
(Incorporated in Malaysia)

EXTRACT OF THE NOTICE OF TWENTY-FOURTH ("24TH") ANNUAL GENERAL MEETING ("AGM") OF APEX HEALTHCARE BERHAD ("AHB" OR THE "COMPANY") WILL BE HELD AND CONDUCTED ON A VIRTUAL BASIS THROUGH LIVE STREAMING FROM THE BROADCAST VENUE AT LEVEL 12, MENARA SYMPHONY, NO. 5, JALAN PROF. KHOO KAY KIM, SEKSYEN 13, 46200 PETALING JAYA, SELANGOR DARUL EHSAN, MALAYSIA ON WEDNESDAY, 17 MAY 2023 AT 10.00 A.M.

As Special Business

ORDINARY RESOLUTION 8

PROPOSED BONUS ISSUE OF UP TO 240,449,686 NEW ORDINARY SHARES IN THE COMPANY ("AHB SHARE(S)" OR "SHARE(S)") ("BONUS SHARE(S)") ON THE BASIS OF 1 BONUS SHARE FOR EVERY 2 EXISTING AHB SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED BONUS ISSUE")

"THAT subject to all approvals being obtained from the relevant regulatory authorities and parties (if required), authority be and is hereby given to the Board of Directors of the Company ("**Board**") to issue up to 240,449,686 new AHB Shares to the entitled shareholders whose names appear in the Record of Depositors of the Company as at the close of business at 5.00 p.m. on the entitlement date to be determined later on the basis of 1 Bonus Share for every 2 existing AHB Shares held by such shareholders on that date ("**Proposed Bonus Issue**");

THAT the fractional entitlements of the Bonus Shares arising from the Proposed Bonus Issue, if any, shall be dealt with by the Board in such manner as it may in its absolute discretion deem expedient and in the best interest of the Company;

THAT the Bonus Shares shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing AHB Shares, save and except that the Bonus Shares shall not be entitled to any dividends, rights, allotments and/ or other distributions which may be declared, made or paid to shareholders of the Company, the entitlement date of which precedes the date of allotment and issuance of the Bonus Shares;

*The entitlement date for the Proposed Bonus Issue will be fixed after the entitlement date for the proposed final single-tier dividend and special dividend of 3.5 sen and 2.0 sen respectively per ordinary share for the financial year ended 31st December 2022 ("**Proposed Final & Special Dividend**"), and as such, the Bonus Shares will not be entitled to the Proposed Final & Special Dividend.*

AND THAT the Board be and is hereby authorised to sign and execute all documents to give effect to the Proposed Bonus Issue with full power to assent to any conditions, modifications, variations and/ or amendments in any manner as may be required or imposed by the relevant authorities and to take all steps and do all acts and things in the manner as the Board may consider necessary or expedient in order to implement, finalise and give full effects to the Proposed Bonus Issue."