

For Immediate Release

Apex Healthcare Registers 44% Increase in Net Profit for Q4 FY21

- **Q4 FY21** profit after tax increased by 44.2% to RM20.73 million compared to the same period last year, on the back of RM197.7 million in revenue (Q4 FY20: RM161.6 million).
- **FY21** revenue increased by 10.3% to RM770.8 million, profit after tax increased by 6.1% to RM59.4 million, compared to FY20.
- **FY21** proposed increased final dividends of 3 sen (2.8 sen in FY20) and special dividends of 6 sen subject to shareholders' approval

Kuala Lumpur, 23 February 2022 — One of Malaysia's leading manufacturers and distributors of pharmaceutical and consumer healthcare products, Apex Healthcare Berhad ("Apex Healthcare" or "the Group"), recorded a profit after tax of RM20.7 million for Q4 FY21 ending 31 December 2021, representing a 44.2% increase as compared to the corresponding period last year. The Group's revenue in the same period registered a jump of 22.3% to RM198 million from RM162 million recorded in Q4 FY20.

For FY21 ended 31 December 2021, the Group recorded revenue growth of 10.3% to RM770.8 million from RM698.7 million achieved in the same period in 2020. The Group's FY21 profit after tax improved by 6.1% to RM59.4 million from RM56.0 million recorded in FY20.

Commenting on its financial performance, Apex Healthcare Berhad's Chairman and CEO, Dr Kee Kirk Chin said, ***"The Group registered commendable growth in revenue and profits towards the second half of last year, mainly attributed to increased market demand for pharmaceuticals, consumer healthcare products and medical devices. Covid-19 is now evolving largely as a community respiratory illness with milder symptoms for the majority of cases, and this has led to a significant rise in demand, especially for our market leading range of products for coughs and colds. Since the start of the pandemic, we were responding rapidly to meet changing market needs, by quick sourcing and supplying of new in-demand products such as face masks, hand sanitisers, thermometers, antigen test kits and oximeters. This is in addition to new products that were launched during the year,***

which further expanded our portfolio of off-patent generic medicines for both prescription and over-the-counter (OTC) categories.”

Apex Healthcare’s core business is in the development, manufacturing and distribution of pharmaceuticals, consumer healthcare products and medical devices. Through its associate, the Group also undertakes contract manufacturing of orthopedic devices and surgical instruments for global multinational companies. Its comprehensive distribution network covers more than 14,500 hospitals, pharmacies, clinics, medical centres and other customers in Malaysia and Singapore, leveraging on its 8 warehouses located in both countries. The Group currently distributes and exports its products to 18 international markets, including Singapore, Hong Kong, Japan, Australia and other Southeast Asian countries, to name a few.

“Apex Healthcare will continue to focus on strengthening its fundamentals, leveraging its experience and network reach, to sustain business growth and support the community for their healthcare needs. As we move into 2022, Apex Healthcare will focus on 3 key priorities – growing the market share of our Group brands, seizing market opportunities through rapid supply of in-demand healthcare products and tapping into the prospects for new contract manufacturing partnerships. We are cognisant that the pandemic continues to bring about various challenges such as supply chain disruptions, workforce infections, elevated raw materials and freight costs, emergence of new variants, amongst other challenges. But we remain steadfast and cautiously optimistic on the growth prospects for the Group, as we celebrate our 60th year in the business, and aim to continuously create value for our shareholders and stakeholders,” concluded Dr Kee.

The Board of Directors at Apex Healthcare has proposed an increased final single-tier dividend of 3.0 sen per share in respect of FY21 ended 31 December 2021, to be tabled for shareholders’ approval at the upcoming Annual General Meeting. The Board has also proposed a special single-tier dividend of 6.0 per sen to return funds in excess of current business needs and in conjunction with the 60th anniversary of the founding of Apex Healthcare.

As of 31 December 2021, Apex Healthcare’s market capitalisation stood at RM1.28 billion.

Apex Healthcare Berhad is a leading healthcare group headquartered in Malaysia, with operating subsidiaries in Malaysia and Singapore, and offices in Vietnam and Myanmar. Founded in 1962 as a retail pharmacy in Melaka, our core expertise today is in the development, manufacturing, sales and marketing, distribution and wholesaling of pharmaceuticals, consumer healthcare products and medical devices. Apex Healthcare is listed on the Main Board of Bursa Malaysia.

Entering its 60th year of operations, Apex Healthcare's key objective is to be a global pharmaceutical healthcare group based in ASEAN, working with esteemed business partners to offer pharmaceuticals, consumer healthcare products and medical devices to our valued customers in the community. Powering this objective is the Group's mission of ensuring that in all aspects, business operations are "Restoring Health, Enhancing Life" always.

The portfolio of healthcare products offered by Apex Healthcare comprises pharmaceuticals, consumer healthcare products and medical devices that carry proprietary Group Brands as well as those of valued business partners for whom the Group provides regulatory, sales, marketing and distribution services. The key proprietary Group Brands are XEPA, AVO, AGNESIA, AEVA and HENNSON. Products bearing these brands as well as those contract manufactured for business partners are exported to 18 countries worldwide.

Apex Healthcare employs over 1,500 employees, including the headcount of the associated company, operating manufacturing plants in Melaka and Penang for pharmaceuticals and orthopaedic devices respectively and a network of 8 distribution warehouses and depots throughout Malaysia and Singapore. The Group's business operations are organized into 3 divisions: Manufacturing, Distribution and Corporate.

In **Manufacturing**, the key subsidiary is Melaka based Xepa-Soul Pattinson (M) Sdn Bhd ("Xepa"), an European Union ('EU') and Australian Therapeutic Goods Administration ('TGA') GMP certified manufacturer of generic pharmaceuticals. Xepa's manufacturing plant is in Cheng Industrial Estate on a 10-acre site comprising approximately 39,000 square metres of production plants, laboratories, warehouses, and offices. Xepa's range of products encompasses an array of therapeutic areas including respiratory system products such as cough and cold preparations, antihistamines and anti-asthmatics, cardiovascular drugs including anti-hypertensives, gastrointestinal products, musculoskeletal and nervous system preparations, dermatologicals and ophthalmologicals in the form of tablets, capsules, oral liquid and suspensions, creams, ointments and sterile eyedrops.

In **Distribution**, the key subsidiaries are Apex Pharmacy Marketing Sdn Bhd and Apex Pharma Marketing Pte Ltd, leading pharmaceutical wholesalers and distributors in Malaysia and Singapore respectively. Operating out of premises purpose-designed and licensed for pharmaceutical logistics, their comprehensive network of more than 14,500 customer accounts spanning Malaysia and Singapore comprising hospitals, clinics, independent and chain pharmacies, supermarkets and health stores, enables products to reach customers, namely doctors, pharmacists, nutritionists, retailers, and ultimately the patients or consumers seamlessly and in a timely manner. To widen the reach of our proprietary brands in Distribution, ABio Marketing Sdn Bhd serves to develop and manage another portfolio of Group branded healthcare products focused on primary care.

In **Corporate**, the key operating business is 40% associate company Straits Apex Group Sdn Bhd (“Straits”), a Penang based United States Food & Drug Administration (‘US FDA’) certified contract manufacturer of orthopaedic devices for multinational orthopaedic companies. Straits produces a wide range of orthopaedic devices which includes screws, plates, nails and components for joint replacements, as well as surgical instruments essential for the management of traumatic and chronic musculoskeletal disorders. All contract manufactured products are exported and used by healthcare professionals in over a hundred countries worldwide under customer brands.
