

Questions and Answers

The following questions from the Minority Shareholders Watch Group ("MSWG"), which were received on 03/10/2023, and the answers were expressed therein.

Q1: *The Group's revenue jumped 36.56% from RM 188.27M in FY 2022 to RM 257.11 m in FY 2023. How much of this revenue improvement was due to price adjustment? Also, please provide a segmental revenue breakdown of the Group's revenue by geographical regions*

Board's Response:

The revenue improvement for FY 2023 was due to the rise in market demand which resulted in higher sales since the border and all economic sectors in Malaysia reopened in April 2022. Of the total revenue, RM 175.82M and RM 75.71M are from Malaysia and ASEAN (excluding Malaysia respectively), whereas the remaining RM 5.58M is from other countries.

Q2: *Besides higher sales, what were the reasons for the 217.45% increase in profit before tax from RM9.97M in FY2022 to RM31.65M in FY2023?*

Board's Response:

The increase in profit before tax was mainly due to higher sales. Besides that, the Group has improved its strategies in cost saving and better productivity.

Q3. *How many store keeping units (SKUs) does Apollo have, and what are the top three best-selling SKUs? How many new products were launched in FY2023?*

Board's Response:

The sales value of the Group's store keeping units are evenly spread. There are no new products launched during the financial year.

- Q4. What were the top three raw materials or ingredients used by the Group in FY2023? What are the price trends of these materials in the current financial year to date, compared to those in FY2023? Does the Board expect the strong earnings achieved in FY2023 to be sustainable in FY2024?**

Board's Response:

In FY2023, the top three raw materials used by the Group are sugar, flour and eggs. In the current financial year, the price of raw materials remained stable. The Group will continue to monitor the price closely and to assure that the quality of raw materials is maintained. Further, the Group is optimistic that it will continue to achieve satisfactory results through implementation of prudent measures and improvement in operational efficiency with focus on product and service quality.

After the completion of answering the questions from the Minority Shareholders Watch Group ("MSWG"), Chairman proceeded to answer the pre-questions raised by the shareholders before the commencement of the AGM.

- Q5. Mr Shahril Izwan Bin Mohd Shaharoni posted the following:**
- a) Is there any door gift?**
 - b) Thank you top management for all the hard work. May I know will there be doorgift for this AGM?**

Board's Response:

The Company does not practise giving door gifts anymore.

Q6. Mr Ng Wei Zhen posed the following:

- a) What are the management plans to rebrand the products to be more well-known among the younger generations?**

Board's Response:

The Group is consistently providing sponsorship of the Company's products to educational institutions to promote brand awareness and exposure. The Group believes that such sponsorship is an effective way to promote Apollo's products among the younger generations.

Questions and Answers

The following questions from the shareholders, which were received during live session, and the answers were expressed therein.

Q1. Ms Koh Chooi Peng posted the following:

- a) The gross profit margin for FY2023 improved further to 25.15% compared to 20.25% in FY2022. Despite the high raw material price, there is an increase in gross profit margin. (1) What are the reason(s) for the increase? (2) Will Apollo be able to sustain the current 25% Gross Profit Margin in FY2024 based on current cost of sales?**
- b) In "Risk Overview" - "Changes in Consumers' Preferences" (page 34 of AR), it is stated that the Group is aware of the shift in consumer's preference and will consider producing healthier products..." (1) What are the "healthier products" currently produced by Apollo/ (2) Please provide details of new healthier product which Apollo intend to introduce in the near future.**
- c) Please provide the breakdown of the revenue attributed to exports in FY2023 and FY2022. Which are the Top 3 countries Apollo products are exported to?**
- d) Apollo has not been making notable Capex in the past few years. (1) What is the current average capacity utilisation of the manufacturing plants? (2) Are there any plans to further automate the manufacturing process to increase productivity? (3) What is the planned capex budgeted for FY2024?**

Board's Response:

- a) FY2023, despite the higher raw material price, there is an increase in the gross profit margin as the Company had adjusted the selling price and better productivity. The current gross profit margin can be sustained should the cost of sales, especially the raw material costs remained stable.
- b) In order to meet the requirement of healthier products, the Company is looking into reducing the fat and sugar content of its products.
- c) The main top 3 countries Company's products are exported to Indonesia, Asean countries and Eastern Middle East Countries.
- d) The current average capacity utilisation of the manufacturing plants is 65%. The further automation plan is still under consideration by the Company. There are no major budgeted capital expenditure for financial year 2024.

The further automation plan is still under consideration by the Company. There are no major budgeted capital expenditure for financial year 2024.