

APOLLO FOOD HOLDINGS BERHAD

Registration No. 199401005792 (291471-M)

(Incorporated in Malaysia)

Minutes of the 31st Annual General Meeting (“AGM”) of the Company held at **Function Room Key 1 & 2, Level 7, St Giles Southkey Hotel, Mid Valley Southkey, 1, Persiaran Southkey 1, Kota Southkey, 80150 Johor Bahru, Johor Darul Ta’zim, Malaysia** on **Thursday, 9 Oct 2025** at **10.00 a.m.**

PRESENT	:	<u>As per Attendance Sheet</u>
		Holder : 15
		Corporate Representative : 1
		Director as Holder : 1
		Director not a Holder : 4
		Proxy also Holder : 1
		Proxy : 7
		Guests : 4
		<i>(Inclusive of 1 representative from Tricor Corporate Services Sdn Bhd, 2 representatives from Messrs KPMG PLT and 1 Scrutineers Solutions Sdn Bhd)</i>
IN ATTENDANCE	:	Ms Wong Chee Yin, Company Secretary
CHAIRMAN	:	Dato’ Cheah See Yeong took the Chair and called the Meeting to order at 10.00 a.m. after receiving the Company Secretary’s confirmation that the requisite quorum was present.
NOTICE	:	The Notice convening the AGM, as stated in the Annual Report and properly delivered to the shareholders, was taken as read.

CHAIRMAN’S ADDRESS

Dato’ Chairman welcomed all the Directors, shareholders, proxies and representatives to the Meeting and to ensure a smooth conduct of the Meeting, the Board had agreed that the Company’s Managing Director, Mr Cheah Jia Ming (“Mr Jia Ming”), would assist the conduct of today’s meeting.

On behalf of the Board, Mr Jia Ming took the shareholders, proxies and representatives through the business as outlined in the Notice of the Meeting dated 28 August 2025.

Mr Jia Ming further informed the members that pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the notice of general meetings must be voted by poll. Scrutineers Solutions Sdn Bhd was appointed to act as Scrutineer to validate the votes cast at the Meeting. The poll was conducted after the Meeting had deliberated all agenda items.

Ordinary Resolutions 1 to 7 would require a simple majority of more than 50% votes from those shareholders present in person or by proxies and voting at the Meeting.

Mr Jia Ming further outlined the flow of the Meeting, first tabling the resolutions, after which the Board would hold a Q&A session from the floor. If there were overlapping questions, they would be grouped with similar ones, and consolidated responses would be provided.

He then proceeded the meeting as follows:

ORDINARY BUSINESS:

1. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2025

Mr Jia Ming informed the Meeting that this agenda item (1) was meant for discussion only, as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements (“AFS”), and thus, it would not be put to a vote.

He then announced that the AFS for the financial year ended 30 April 2025 together with the Directors’ Report and Auditors’ Report thereon be duly received.

2. RE-ELECTION OF DIRECTORS PURSUANT TO THE COMPANY’S CONSTITUTION

Mr Jia Ming informed the shareholders present that item 2 (a) to (b) of the agenda were re-election of directors retiring in accordance with Clauses 76(3) of the Company’s Constitution. All of the retiring Directors had offered themselves for re-election.

(a) RESOLUTION 1: RE-ELECTION OF DATO' CHEAH SEE YEONG WHO RETIRES BY ROTATION PURSUANT TO CLAUSE 76(3) OF THE COMPANY'S CONSTITUTION

Mr Jia Ming proposed the following motion to the meeting for consideration:

“To re-elect Dato' Cheah See Yeong, who retires in accordance with Clause 76(3) of the Constitution of the Company.”

As the poll on this resolution will be conducted later, Mr Jia Ming proceeded to the next item of the agenda.

(ii) **RESOLUTION 2: RE-ELECTION OF MR JOHNSON KANDASAMY A/L DAVID NAGAPPAN WHO RETIRES BY ROTATION PURSUANT TO CLAUSE 76(3) OF THE COMPANY'S CONSTITUTION**

Mr Jia Ming proposed the following motion to the meeting for consideration:

"To re-elect Mr Johnson Kandasamy A/L David Nagappan, who retire pursuant to Clause 76(3) of the Constitution of the Company."

As the poll on this resolution will be conducted later, Mr Jia Ming proceeded to the next item of the agenda.

3. PAYMENT OF DIRECTORS' FEES FOR EACH EXECUTIVE DIRECTORS

The meeting proceeded to Ordinary Resolution 3 of Item 3 of the agenda that was to approve the payment of Directors' fees for each Executive Director for the financial year ending 30 April 2026 as specified on the Explanatory Note 3 of the Notice of 31st AGM on page 7 of the Annual Report 2025, to the meeting for consideration.

As the poll on this resolution will be conducted later, Mr Jia Ming proceeded to the next item of the agenda.

4. PAYMENT OF DIRECTORS' FEES FOR EACH NON-EXECUTIVE DIRECTOR FOR THE PERIOD COMMENCING 1 MAY 2025 UNTIL THE NEXT ANNUAL GENERAL MEETING TO BE HELD IN YEAR 2026

The meeting proceeded to Ordinary Resolution 4 of Item 4 of the agenda that was to approve the payment of Directors' fees for each Non-Executive Director for the period commencing 1 May 2025 until the next annual general meeting to be held in year 2026 as specified on the Explanatory Note 4 of the Notice of 31st AGM on page 8 of the Annual Report 2025, to the meeting for consideration.

As the poll on this resolution will be conducted later, Mr Jia Ming proceeded to the next item of the agenda.

5. PAYMENT OF DIRECTORS' BENEFITS

The meeting proceeded to Ordinary Resolution 5 of Item 5 of the agenda that was to approve the payment of Directors' benefits at the capping amount of RM250,000 for the period from 9 October 2025 until the next Annual General Meeting to be held in year 2026 as specified on the Explanatory Note 5 of the Notice of 31st AGM on page 8 of the Annual Report 2025, to the meeting for consideration.

As the poll on this resolution will be conducted later, Mr Jia Ming proceeded to the next item of the agenda.

6. RE-APPOINTMENT OF AUDITORS

The meeting proceeded to Ordinary Resolution 6 of Item 6 of the agenda that Messrs. KPMG PLT be hereby re-appointed as Auditors of the Company for the financial year ending 30 April 2026 at a fee to be agreed upon with the Directors and to hold office until the conclusion of the next Annual General Meeting, to the meeting for consideration. The retiring Auditors had indicated their willingness for re-appointment.

As the poll on this resolution will be conducted later, Mr Jia Ming proceeded to the next item of the agenda.

SPECIAL BUSINESS

7. PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK

The meeting proceeded to Ordinary Resolution 7 of Item 7 of the agenda that to approve the Proposed Renewal of Authority for Share Buy-Back. The details of the Proposed Renewal of Authority for Share Buy-Back was stated in the Statement which had been sent to shareholders on 28 August 2025.

The motion was proposed to the meeting for consideration.

As the poll on this resolution will be conducted later, Mr Jia Ming proceeded to the next item of the agenda.

8. TO TRANSACT ANY OTHER BUSINESS

Mr Jia Ming informed that no notice had been received for any other business to be transacted in accordance with the Company's Constitution and the Companies Act, 2016.

As there were no more matters to be discussed, the Meeting proceeded to the Q&A session.

Mr Jia Ming had responded to the questions raised by Minority Shareholders Watch Group (MSWG) vide its letter dated 3 October 2025 and the questions raised by members in the query box as annexed herewith as Appendix "A".

VOTING SESSION

Since the Q&A session had been dealt with, Mr Jia Ming invited the Share Registrar to guide the shareholders and proxies through the polling procedures, and the voting session was conducted in 10 minutes.

ADJOURNMENT OF MEETING

Mr Jia Ming then adjourned the meeting at 11:10 a.m. for the counting of the votes and thereafter, validation of the poll results by the Scrutineer.

RESUMPTION OF MEETING

The Chairman resumed the meeting at 11.40 a.m. after receiving the poll results from the Scrutineer.

POLL RESULT

The Scrutineer proceeded with reading out the poll results as follows:

Resolution(s)	Vote For		Vote Against	
	No. of Units	%	No. of Units	%
Ordinary Resolution 1	63,443,502	100.0000	0	0.0000
Ordinary Resolution 2	60,309,002	95.0669	3,129,500	4.9331
Ordinary Resolution 3	63,420,502	100.0000	0	0.0000
Ordinary Resolution 4	63,420,502	100.0000	0	0.0000
Ordinary Resolution 5	63,420,502	100.0000	0	0.0000
Ordinary Resolution 6	63,443,502	100.0000	0	0.0000
Ordinary Resolution 7	63,443,502	100.0000	0	0.0000

POLL RESULT (cont'd)

Based on the poll result, the Chairman declared that all the resolutions 1 to 7 were duly carried. The Company Secretary be authorised to make the relevant announcement to Bursa Malaysia Securities Berhad on the outcome of the Meeting after the trading hours.

CLOSE OF MEETING

There being no other business, the Meeting closed at 11.41 a.m. with a vote of thanks to the Chair.

SIGNED AS A CORRECT RECORD

DATO' CHEAH SEE YEONG

CHAIRMAN

Date : 20 November 2025

MINORITY SHAREHOLDERS WATCH GROUP (“MSWG”)
QUESTIONS AND ANSWERS

The following questions from the MSWG, which were vide its letter dated 3 October 2025, and the answers were expressed therein.

OPERATIONAL & FINANCIAL MATTERS

Q1: Apollo Food delivered remarkable financial performance in FY2025 with record-high revenue and core net profit. Revenue grew 17% year-on-year to RM298.4 million, while core net profit increased by 15% y-o-y to RM39.8 million, excluding a one-off gain of RM19.5 million recorded in FY2024 from the disposal of investment properties.

However, Apollo's revenue for the first quarter ended 31 July 2025 of FY2026 declined by 10% y-o-y to RM65.068 million, while net profit dropped 34% y-o-y to RM6.36 million.

With the key focus of revitalizing sales and marketing capabilities in FY2026, how will the topline perform, notwithstanding the short-term setback? Additionally, how will the export market, especially Indonesia, perform in FY2026?

Board's Response:

The decline in revenue in the first quarter ended 31 July 2025 (“1Q FY2026”) was primarily due to softer export sales, coupled with muted domestic sales as we realigned our distribution model. Net profit was further impacted by higher operating costs incurred to support our future growth initiatives. Despite the decline, our topline performance for 1Q FY2026 was broadly within expectations, given the seasonal softness typically experienced in the first and fourth quarters.

On the domestic front, our business is currently in a transitional phase as we strengthen our distribution model. We are reconfiguring our distribution network in partnership with robust and agile distributors who are well aligned with our long-term growth strategy. While this strategic shift temporarily affected domestic sales in the quarter, we are confident that it will deliver lasting benefits, enabling wider market reach and greater operational agility. Early indicators from this transition have already shown encouraging progress and we expect positive momentum in the coming quarters.

Export sales in 1Q FY2026 were impacted by lower demand, especially from our primary Indonesian distributor on the back of the weakening macro environment and Rupiah, with some indication of accelerated inventory acquisition in the preceding quarter. Despite these short-term headwinds, Indonesia remains a key market for Apollo, and we are cautiously optimistic of positive contribution from this market as conditions stabilise.

We believe that the measures we are putting in place to revitalise sales and marketing, coupled with the distribution network reconfiguration, will strengthen our business going forward.

Q2: *Apollo outlined three key focuses with strategic initiatives to be implemented in FY2026, i.e., modernising distribution channels, enhancing production capabilities and revitalising brand presence in FY2026 (page 44 of Annual Report 2025).*

a) *Modernising distribution channels*

Apollo announced that “a more modern and structured route-to-market strategy aimed at achieving broader product reach” was introduced in FY2025. Accordingly, Apollo products are now available at several well-established retail outlets (page 46 of AR2025).

i. Please explain in detail the “modern and structured strategy” implemented.

Board's Response:

Since the new management came on board, we have begun to implement various initiatives to optimise sales, drive deeper market penetration and create a solid base for a long-term sustainable business. We have shifted from a previously reactive approach to a proactive marketing and sales approach beginning in FY2025.

A key initiative we are undertaking is to strengthen our distribution model. The decision addresses three critical challenges inherent in the previous structure:

- 1) Price inconsistency and inflation: The existing multi-layered intermediary structure leads to retail price inflation, resulting in inconsistent and elevated consumer selling prices for Apollo's products. This dynamic compromises consumer value perception and market competitiveness.

- 2) Limited distribution control and misaligned incentives: Apollo currently experiences limited control over its distribution network, with wholesalers often acting with objectives misaligned to Apollo's growth agenda. This results in unpredictable demand forecasting and poor visibility into market performance.
- 3) Infrastructure and scalability constraints: The existing wholesalers' infrastructure is often inadequate, creating a limitation on scalability and hindering efficient growth execution across regions.

To effectively resolve these issues, we are reconfiguring our distribution network to partner with robust, agile distributors possessing significant FMCG trade experience. These key partners will serve as the primary intermediaries connecting Apollo, wholesalers and retailers. This structured partnership is designed to:

- 1) Improve market penetration: The new distributors will focus on building deeper, more consistent penetration of Apollo's products within their designated regions. Apollo's market presence shall expand beyond our traditional general trade segment into modern trade channels as well.
- 2) Enhance strategic intelligence: They will also provide comprehensive, timely market intelligence, which is essential for reinforcing our strategic direction and adapting to market dynamics.

This reconfiguration is a necessary step to establish greater control over Apollo's value chain, standardize pricing, and build a more predictable and scalable business model, providing Apollo with a solid foundation for long-term growth.

ii. What tangible differences or improvements, e.g., number of store presence, number of distributor/retail partners, had the Management observed before and after these strategic initiatives?

Board's Response:

We have streamlined and strengthened our distributor network with new partners who have more robust infrastructure (eg. systems, warehousing and sales teams)

as well as stronger FMCG and packaged food experience. This has allowed us to gain much better insights into our geographical presence, key market segments, sales data, demand planning as well as market intelligence. We have now expanded our presence beyond our traditional general trade segment into modern trade channels, with Apollo products now available in well-established retail chains and supermarkets such as 99 Speedmart, Econsave, AEON, Lotus and Mydin, among others. These initiatives strengthen our product visibility, widens our reach to a broader customer base, and enhances accessibility for end-consumers.

iii. What are the “new growth opportunities” identified by the now expanded commercial team (page 42 of AR 2025)?

Board’s Response:

An immediate actionable priority is to significantly improve Apollo's product market penetration. While Apollo retains strong brand recognition in Malaysia, market penetration has been neglected historically. The ongoing reconfiguration of our distribution network is specifically designed to address this challenge and provide the necessary platform for expansion. Furthermore, we will concurrently begin a strategic reinvestment in the Apollo brand. This initiative will involve launching high-impact brand visibility campaigns and accelerating marketing content activations to re-engage consumers and support the increased product availability driven by the optimized distribution model.

Beyond Indonesia, we are also assessing opportunities to expand into other export markets, with a particular focus on our regional neighbours as well as other halal-centric markets.

(b) Enhancing production capabilities

Overall operational efficiency improved to 80% in FY2025 from 65% previously (page 46 of AR2025).

i. What are the variables included in the computation of operational efficiency? In turn, what measures contributed to the significant improvement in efficiency?

Board's Response:

The key driver in improving operational efficiency is enhancing the utilisation rates of our production lines. This is achieved through measures such as better demand and supply planning and coordination, better production process planning and increase in working shifts.

ii. Accordingly, what were the respective utilisation rates and production outputs for the layer cake and wafer manufacturing facility in FY2025 and FY2024?

Board's Response:

Utilisation.rates	FY2025	FY2024
Wafer	63%	56%
Cake	96%	80%

iii. Meanwhile, please explain how legacy layout constraints affect the wafer manufacturing line from achieving optimal production capacity in FY2025 (page 46 of AR2025). How does the Management plan to resolve this bottleneck?

Board's Response:

Current layout of the wafer production line is not optimal due to space constraints which prevents more efficient production processes to be implemented. As part of our budgeted capex plan of RM100mn-RM120mn for FY2026, a portion of this will be allocated to the enhancement of the wafer manufacturing facility which is expected to increase utilization rate and reduce inefficiencies at the same time.

iv. Referring to the acquisition of property, plant and equipment totalled RM16.95 million in FY2025 (page 79 of AR2025), what are the assets under construction that amounted to RM14.89 million?

Board's Response:

This is primarily in respect of deposits being placed for equipment for new layer cake lines as well as costs incurred for construction of new office and retail store.

v. Looking into FY2026, how much capital expenditure is earmarked for the planned investments in manufacturing and warehousing capability (page 46 of AR2025)?

Board's Response:

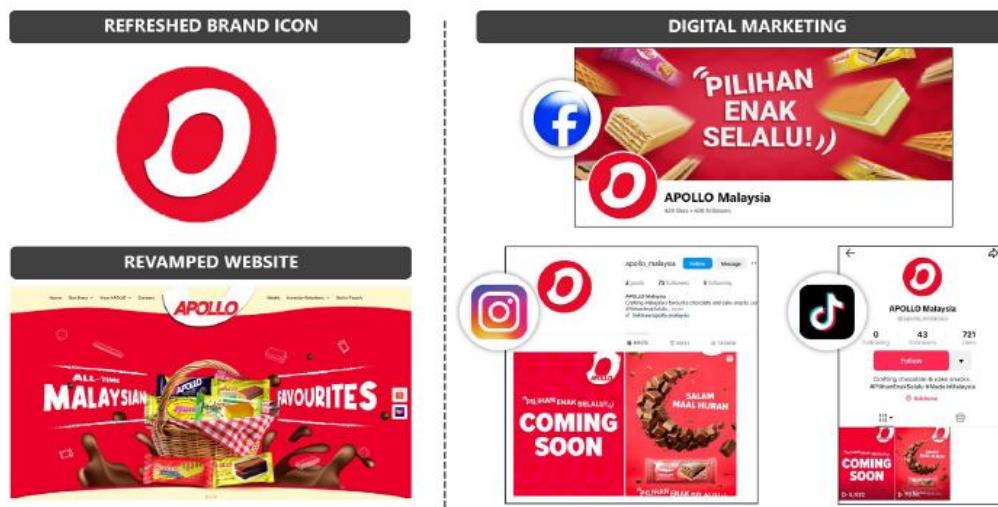
In FY2026, we have budgeted RM100mil – RM120mil in capital expenditure, primarily aimed at expansion of the layer cake line, capacity optimisation at the wafer manufacturing facility, and enhancements to supporting infrastructure.

(c) Revitalising brand presence

What were the refreshed marketing initiatives introduced in FY2025? Kindly illustrate these activities in the form of images and/or video for better shareholders' understanding.

Board's Response:

Brand Refresh



New Brand Outlets

Located at Mid Valley Megamall (Kuala Lumpur) and Mid Valley Southkey (Johor Bahru)



PICK-A-Licious @ Mid Valley Southkey



PICK-A-Licious @ Mid Valley KL

More active customer activations through eg sampling and store displays



In your opinion, what are typical market impressions of Apollo products, and how does the Management intend to reshape these perceptions?

Board's Response:

With more than four decades of history, Apollo has long been recognised for offering trusted, affordable, and nostalgic confectionery products that have been part of many consumers' lives for decades. While this heritage is a source of pride, we also recognise that some may perceive the brand as traditional and less contemporary compared to newer entrants in the market.

Management sees this as an opportunity to refresh and strengthen the brand's relevance, building on the trust we have earned over the years. The launch of 'Apollo 2.0' marked an important step in reshaping perceptions, with enhanced product quality, updated packaging, and a more modern brand presentation designed to appeal to a broader and younger demographic while retaining our loyal customers. We will continue to invest in product innovation, brand communication, and improved visibility through modern retail channels to position Apollo as both a heritage brand and one that resonates with today's consumers.

Q3. *As part of its ongoing transformation journey, the Group continued to enhance production efficiency and manage costs more effectively. These integrated efforts have contributed to improved financial performance, underpinned by higher plant utilisation and increased production output (page 42 of AR2025).*

However, in relation to cost management, we note from page 71 of AR2025 that:

- A decline in gross profit margin from 28.5% in FY2024 to 27.5% in FY2025 as the cost of sales increased in line with higher revenue***
- Distribution expenses have increased by RM3.548 million or 77.8%;***
- Although administrative expenses have decreased by RM4.165 million or 14.4%, there were other expenses totalling RM1.796 million incurred in FY2025 but none in FY2024.***

Please explain the Group's overall cost management strategy vis-à-vis the above observations. Additionally, please illustrate the measures implemented to effectively manage costs during the year.

Board's Response:

Apart from active management of our raw material prices to mitigate cost of sales increase, (elaborated more in the next section) the increase in distribution expenses is due to higher transportation costs in line with higher sales as well as more advertising and promotional activities in FY2025. Other expenses totalling RM1.8m in FY2025 represents mainly forex losses arising from the strengthening ringgit. Going forward, we have implemented budgetary cost controls and initiatives to reduce wastage, as well as negotiating with vendors for better pricing.

Q4. *Raw material costs, particularly for key ingredients such as sugar, flour, dairy, and cocoa, form a significant portion of the Group's cost structure. Any sharp*

fluctuation in commodity prices can directly impact the Group's gross profit margins (page 47 of AR2025).

To what extent can the Group pass over to customers the increase in raw material costs? How often does the Group revise its product prices and when was the last revision in prices?

Board's Response:

Raw material costs for key ingredients such as sugar, flour, dairy, and cocoa form a significant part of our cost structure, and we monitor these trends very closely. To help cushion the impact of price volatility, we practise strategic procurement, build long-term relationships with trusted suppliers, diversify sourcing where possible, and time our purchases carefully based on market trends.

While we work hard to absorb cost fluctuations through efficiency gains and operational improvements, there are occasions when price adjustments become necessary to sustain healthy margins. Our last revision was in September 2024, when prices were adjusted by about 7% due to a rise in cocoa costs. Even with this adjustment, Apollo products remain competitively priced and affordable compared to many of our peers, giving us some flexibility to make measured adjustments if needed. We do not follow a fixed schedule for price reviews but instead assess each situation carefully to balance market conditions with the interests of our customers.

SUSTAINABILITY MATTERS

Q1: *We note that in the Sustainability Statement (pages 49 to 63 of AR2025), there is no proper disclosure of material sustainability matters, and there is neither a materiality matters matrix or any form of disclosure on the prioritisation of materiality matters.*

There is also no disclosure of a performance data table for nine common sustainability matters in a prescribed format, as required under Part B - Disclosure of common sustainability matters of Annexure Practice Note 9A-A.

According to Paragraph 4.1(a) of Practice Note (A), a Group 2 listed issuer must ensure that the Sustainability Statement in the annual report issued for the financial year ending on or after 31 December 2024 complies with the requirements in Part A and Part B of Annexure PN9A-A.

Board's Response:

We appreciate the feedback on our Sustainability Statement and recognise that, as we are still at the early stage of our sustainability journey, there is room to further enhance our reporting. Some of the elements required under Part B of Annexure PN9A-A were disclosed, and these include, among others, the absence of confirmed incidents of anti-corruption, the number of beneficiaries from our community initiatives, details of our energy consumption, the absence of workplace fatalities, and the volume of water used.

The Group remains committed to enhancing the quality, depth, and transparency of our sustainability reporting. We have already begun reviewing our internal processes and will engage external consultants to strengthen our materiality assessment and data-collection practices. These initiatives will enable us to present a comprehensive materiality matrix and the required performance data tables in our next Sustainability Statement.

Q2:

	FY2022	FY2023	FY2024	FY2025
% of employee turnover	19.34%	20.40%	24.55%	34.67%

(page 60 of AR 2025)

a) ***Since FY2022 to FY2025, the Group has experienced a consistent rise in employee turnover rates. What were the key underlying reasons driving this trend? In addition, how does the Management manage and mitigate the risks of such turnover in terms of business continuity, employee well-being, and long-term sustainability of operations?***

Board's Response:

The Group is undergoing a strategic transformation to strengthen our foundation for long-term growth. As part of this revamp, we have introduced new human capital, department structures, more data-driven approaches, and refreshed business priorities to enhance our competitiveness.

It is not uncommon for workforce adjustments to occur during such transitions. Some long-serving employees may choose to move on as they feel less aligned with the performance-oriented culture we are cultivating. While change can be challenging, we respect their contributions and departures, and we remain

committed to treating all employees with sensitivity, fairness and care throughout this process.

At the same time, these changes have provided opportunities to bring in new talent with fresh perspectives, stronger digital capabilities, and skills that support our transformation goals. We believe this natural workforce evolution will help strengthen the Group's culture, accelerate execution of our growth strategies, and improve long-term sustainability.

b) *The Group has highlighted automation as part of its operational strategy. What progress has been made in automation initiatives? To what extent have these measures effectively reduced the reliance on manual labour and helped address challenges posed by high employee turnover?*

Board's Response:

We are very mindful of the importance of incorporating automation in our operational processes and strategy going forward. Key automation initiatives are planned with the upcoming installation of the new layer cake lines as well as capacity optimisation at the wafer production lines. This will help reduce reliance on manual labour and mitigate the risk of high employee turnover.

c) *Apollo disclosed a significant increase in employee training hours — 6,757 hours compared to 1,064 hours previously (page 60 of AR2025). Was this increase mainly due to the need to train new recruits arising from higher turnover, or part of a broader talent development and upskilling strategy to support the Group's long-term sustainability goals?*

Board's Response:

The significant increase in total training hours reflects a combination of factors. While part of the increase was driven by the need to onboard and train new recruits arising from higher turnover, the larger portion stemmed from our deliberate investment in talent development and upskilling initiatives to support our long-term growth and goals.

In FY 2025, we have placed greater emphasis and increased training on food safety and handling, halal compliance, inventory management, digitisation initiatives as well as the company's vision and mission going forward to build a future-ready workforce.

CORPORATE GOVERNANCE MATTERS

Q1: 1. *Practice 4.4 of MCCG - Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.*

Apollo's response: The Board reviewed its performance in addressing the Company's material sustainability risks and opportunities annually. A Sustainability and Risk Management Committee is established to monitor and review all the sustainability matters of the Company.

MSWG's Comments: In the absence of a formal materiality sustainability assessment in FY2025 to determine material sustainability matters that are important to Apollo's stakeholders (page 55 of AR2025), how was the performance of the Board and senior management meaningfully assessed in this area?

Additionally, what sustainability-related criteria were incorporated in the assessment? On what basis were the sustainability risks and opportunities identified and reviewed?

Board's Response:

Although a formal material sustainability risk assessment has not been undertaken yet, the Sustainability and Risk Management Committee do cover key sustainability matters that are critical to our day to day operations such as environmental controls, food safety, occupational safety and health as well as anti-bribery and corruption and social obligations. Going forward, we will assess, with the help of external consultants, the incorporation of sustainability related criteria in the assessment of Board and senior management performance.

Q2: Practice 5.9 of MCCG - The board comprises at least 30% women directors.

Apollo's response: During the financial year, there is only one (1) woman director, namely Ms Foo Swee Eng, sitting on the Board. The Board will continue its endeavour to meet the gender diversity target of 30% women directors' participation. (page 28 of Corporate Governance Report 2025)

MSWG's comments: What are the challenges, if any, faced by the Company in sourcing for women directors and when does it plan to apply Practice 5.9?

Board's Response:

The Board fully supports the 30% women directors' target and recognises the importance of gender diversity in enhancing Board deliberations. Whilst we are committed to meeting this threshold, it is equally important to appoint a candidate who not only fulfils the diversity requirement but also brings the right experience, expertise, and fresh perspectives to the Board.

We believe that Board appointments should be made with due care to ensure that every director contributes meaningfully to the Group's long-term strategy and governance. The Nomination Committee continues to actively identify and evaluate suitable women candidates who can add value while reflecting the diversity we aspire to achieve.

We hope to achieve the 30% women representation in the foreseeable future and will continue to pursue this goal as part of our commitment to good corporate governance.

FROM THE FLOOR
QUESTIONS AND ANSWERS

The following questions were raised, and the answers were expressed therein.

Q1: *LIM CIAN YAI posted the following questions:*

a) *Would like to understand more about the Distribution configuration model? So in management point of view, how long is it going to see the full stabilise of the new distribution model?*

Board's Response:

For transition of the distributors, it comprises of few phases. Planning/due diligence took about 6 to 8 months in FY2025; as distributor swap executed in late FY2025 through early FY2026; stabilization phase ongoing to monitor performance and compliance, expected to conclude by end of the current quarter or early Q3, followed by optimization. Overall transition is not expected to exceed one financial year. However, the Board expected outcomes include wider market reach and improved market penetration through larger distributor sales forces.

b) *What will be the layer cake capacity due to constraints of process as compared to wafer in order to meet the market demand?*

Board's Response:

Layer cakes are at 96 to 100% full utilization and the two upcoming layer cake lines are almost fully automated end-to-end, reducing manpower needs. Layer cake demand exceeds supply; with two new lines expected to increase capacity by 40% upon commissioning. Wafers is at lower utilization rate, and the demand is not 100%, but there are a lot more room to create new products. Management is also studying new product development and to boost the demand for wafers.

c) *As I have seen such "Pick-A-Licious" retail stores in KL too, however I would like to know if it is going to be a long-term plan to the Company and how about the cost of setting up and what are benefits of such retail stores.*

Board's Response:

"Pick-A-Licious" retail stores launched with pick-and-mix selection to enhance visibility; function as revenue-generating advertising rather than major profit centers. We are not sure whether it will be long term but it will be monitored and see the performance. In terms of the cost, each outlet is about RM200K to RM300K for the set-up cost.

Q2: *HAN HING SIEW posted the following question:*

Referring to the MDNA, with the increase in sales or revenue of 70%, profit by 30% which were commendable and the payout to the shareholders was also good and with all the strong key management in place.

(i) In FY2025, approximately 73% of total revenue was generated from the Malaysia market, while the remaining of 27% was from the Indonesia market, so will Management focus more in Malaysia or whether also in other countries particularly ASEAN?

Board's Response:

The focus currently will still be local market and Indonesia market. Before exploring other markets, we will ensure all this groundwork, the fundamentals are done and in place, then it would be easier for us to go in to other markets to command for better positioning. It wouldn't be seen in FY2026, but until we are certain in more aggressively in diversifying our export markets.

(ii) In terms of CAPEX, how is it funded or otherwise?

Board's Response:

For CAPEX of RM100 to RM200 million, Management would be looking at debt to fund it as currently the Company's gearing is zero and at a ratio of 70% and cash of 30%. We are currently studying and getting proposals from the banks.

(iii) About the GP margin, FY2025 was 27.5% and FY2024 was 28.5% where there's a dropped due to raw material prices that may not be easy to control, so what type of products that the Company can sell to push and generate higher margin?

Board's Response:

As for GP margin deteriorating, we are aligning it as 27% is not where we want to be. Ideally, Management's target is 30% for GP margin. We don't want to just adjust the pricing even though that's the easier way to do it. If the pricing is adjusted, we may lose in volume, and the implication would be bigger. We want to make sure before we can adjust our pricing, whether through new product or existing product, we need to make sure the quality is improved and there are no complaints in terms of products from customers. Currently, there is a step towards premiumization in reducing the number of products in a pack, but bigger size which allows us to do our pricing differently and move towards higher margins, which must be done gradually. This is only the first step of new products and there will be more new products in the pipeline. We also need to have the capacity and a better production environment. So, this needs to be done step by step, to move towards better margin.