



**APEX HEALTHCARE BERHAD (473108-T)**

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011**

**(THE FIGURES HAVE NOT BEEN AUDITED)**

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2011**

	Note	3 MONTHS ENDED		PERIOD ENDED	
		30/09/2011	30/09/2010	30/09/2011	30/09/2010
		RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	9	<b>91,867</b>	<b>81,613</b>	<b>273,672</b>	<b>236,264</b>
Cost of sales		(68,829)	(59,914)	(202,594)	(173,378)
<b>Gross profit</b>		<b>23,038</b>	<b>21,699</b>	<b>71,078</b>	<b>62,886</b>
Other income		250	176	920	862
Selling & marketing expenses		(10,966)	(10,295)	(32,970)	(29,661)
Administrative expenses		(3,857)	(3,606)	(11,134)	(10,487)
Other expenses		(60)	(184)	(212)	(337)
Finance cost		(79)	(94)	(243)	(265)
Impairment loss on initial classification of asset (or disposal group) as held for sale	13	(2,200)	-	(2,200)	-
Share of results of associates	13	-	1,396	1,280	2,769
<b>Profit before tax</b>	9	<b>6,125</b>	<b>9,092</b>	<b>26,518</b>	<b>25,767</b>
Income tax expense	22	(1,502)	(1,410)	(6,059)	(5,118)
<b>Net profit for the period</b>		<b>4,623</b>	<b>7,682</b>	<b>20,459</b>	<b>20,649</b>
<b>Other comprehensive income / (expense)</b>					
Currency exchange differences on translating foreign entities		230	(435)	230	(435)
Revaluation increase of properties, net of deferred tax		-	-	-	(33)
<b>Total comprehensive income for the period</b>		<b>4,853</b>	<b>7,247</b>	<b>20,689</b>	<b>20,181</b>
<b>Net profit attributable to:</b>					
Owners of the parent		4,607	7,222	20,058	19,726
Minority interest		16	460	401	923
<b>Net profit for the period</b>		<b>4,623</b>	<b>7,682</b>	<b>20,459</b>	<b>20,649</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		4,835	6,793	20,286	19,264
Minority interest		18	454	403	917
<b>Total comprehensive income for the period</b>		<b>4,853</b>	<b>7,247</b>	<b>20,689</b>	<b>20,181</b>
<b>Earnings per share attributable to owners of the parent:</b>					
		<b>Sen</b>	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>
- Basic	31	<b>4.92</b>	<b>7.71</b>	<b>21.40</b>	<b>21.05</b>
- Diluted	31	<b>4.92</b>	<b>7.71</b>	<b>21.40</b>	<b>21.05</b>

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Group's Audited Financial Statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the Interim Financial Report.



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(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011**

**(THE FIGURES HAVE NOT BEEN AUDITED)**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2011**

		<u>Audited</u>
	As at	As at
Note	30/09/2011	31/12/2010
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	10	71,488
Investment properties		3,810
Intangible assets		1,235
Investment in associates	13	-
Available-for-sale investment		3,928
Deferred tax assets		614
		<u>81,075</u>
		<u>128,199</u>
<b>Current Assets</b>		
Inventories		48,540
Trade and other receivables		87,859
Derivatives		-
Deposits, bank and cash balances		17,796
		<u>154,195</u>
		<u>137,789</u>
Assets or disposal group classified as held for sale	13	48,154
		<u>202,349</u>
		<u>137,789</u>
<b>TOTAL ASSETS</b>		<b><u>283,424</u></b>
		<b><u>265,988</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Current Liabilities</b>		
Trade and other payables		66,273
Borrowings	26	2,267
Derivatives	27	6
Current tax payable		1,951
		<u>70,497</u>
		<u>54,830</u>
<b>Non-Current Liabilities</b>		
Borrowings	26	1,912
Deferred tax liabilities		7,045
		<u>8,957</u>
		<u>12,787</u>
<b>TOTAL LIABILITIES</b>		<b><u>79,454</u></b>
		<b><u>67,617</u></b>
<b>NET ASSETS</b>		<b><u>203,970</u></b>
		<b><u>198,371</u></b>
<b>EQUITY</b>		
<b>Equity attributable to owner of the parent</b>		
Share capital		93,717
Reserves		6,976
Retained earnings		89,940
		<u>190,633</u>
		<u>183,063</u>
<b>Minority interest</b>		<u>13,337</u>
		<u>15,308</u>
<b>TOTAL EQUITY</b>		<b><u>203,970</u></b>
		<b><u>198,371</u></b>
		<b>RM</b>
		<b>RM</b>
<b>Net Assets per share attributable to owner of the parent</b>		<b><u>2.03</u></b>
		<b><u>1.95</u></b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's Audited Financial Statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the Interim Financial Report.



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(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011**

**(THE FIGURES HAVE NOT BEEN AUDITED)**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2011**

		<u>Non-Distributable</u>		<u>Distributable</u>			
	Share	Share	Revaluation &	Retained		Minority	Total
	Capital	Premium	other reserves	Profits	Total	Interests	Equity
Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b><u>PERIOD ENDED 30 SEPTEMBER 2011</u></b>							
Balance at 1 January 2011	93,717	-	6,748	82,598	183,063	15,308	198,371
Net profit for the 9-months period	-	-	-	20,058	20,058	401	20,459
Other comprehensive income/(expense)	-	-	228	-	228	2	230
Total comprehensive income/(expense)	-	-	228	20,058	20,286	403	20,689
Purchase of equity interest from minority interests	12	-	-	(1,353)	(1,353)	(2,113)	(3,466)
Dividend paid to minority interest		-	-	-	-	(261)	(261)
Dividends	7	-	-	(11,363)	(11,363)	-	(11,363)
<b>Balance at 30 September 2011</b>	<b>8</b>	<b>93,717</b>	<b>-</b>	<b>6,976</b>	<b>89,940</b>	<b>13,337</b>	<b>203,970</b>
<b><u>PERIOD ENDED 30 SEPTEMBER 2010</u></b>							
Balance at 1 January 2010		74,974	5,305	7,188	75,081	162,548	9,835
Net profit for the 9-months period		-	-	-	19,726	19,726	923
Other comprehensive income/(expense)		-	-	(462)	-	(462)	(6)
Total comprehensive income/(expense)		-	-	(462)	19,726	19,264	917
Issue of bonus shares		18,743	(5,305)	-	(13,438)	-	-
Share issue expenses		-	-	-	(84)	(84)	(84)
Dividends	7	-	-	-	(11,902)	(11,902)	(11,902)
<b>Balance at 30 September 2010</b>		<b>93,717</b>	<b>-</b>	<b>6,726</b>	<b>69,383</b>	<b>10,752</b>	<b>180,578</b>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's Audited Financial Statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the Interim Financial Report.

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(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011****(THE FIGURES HAVE NOT BEEN AUDITED)****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 30 SEPTEMBER 2011**

	<b>PERIOD ENDED</b>	
	<b>30/09/2011</b>	<b>30/09/2010</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	<b>26,518</b>	<b>25,767</b>
Adjustments:		
Depreciation and amortization	4,893	4,616
Net profit on disposal of property, plant and equipment	(163)	(150)
Share of results of associates	(1,280)	(2,769)
Impairment loss on initial classification of the asset (or disposal group) as held for sale	2,200	0
Fair value adjustment on investment properties	-	63
Fair value changes of derivatives	53	(33)
Inventories written off and written down	267	236
Allowance for doubtful debts	891	243
Other non-cash items	63	137
Operating profit before working capital changes:	<b>33,442</b>	<b>28,112</b>
Inventories	(9,893)	498
Receivables	(13,165)	(11,845)
Payables	15,427	8,423
Cash generated from operations	<b>25,812</b>	<b>25,188</b>
Tax paid	(4,785)	(3,573)
<b>Net cash generated from operating activities</b>	<b>21,027</b>	<b>21,615</b>
<b>Cash flows from investing activities</b>		
Purchase of equity interest from minority interests	(3,466)	-
Dividends received from associate	661	-
Dividends paid to minority shareholders	(261)	-
Minority interests capital contribution	-	80
Purchase of property, plant and equipment & intangible assets	(7,021)	(6,835)
Proceeds from disposal of property, plant and equipment	179	150
Interest received	180	128
<b>Net cash used in investing activities</b>	<b>(9,728)</b>	<b>(6,477)</b>
<b>Cash flows from financing activities:</b>		
Term loans repaid	(4,761)	(2,057)
Dividends paid	(11,363)	(8,153)
Share issue expenses paid	-	(84)
Other financing activities paid	(243)	(381)
<b>Net cash used in financing activities</b>	<b>(16,367)</b>	<b>(10,675)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(5,068)</b>	<b>4,463</b>
<b>Cash and cash equivalents at the beginning of the financial period</b>	<b>22,738</b>	<b>19,950</b>
Currency translation difference	126	(219)
<b>Cash and cash equivalents at the end of the financial period</b>	<b>17,796</b>	<b>24,194</b>

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Group's Audited Financial Statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the Interim Financial Report.



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**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011  
(THE FIGURES HAVE NOT BEEN AUDITED)**

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2011**

**1 Basis of Preparation and Accounting policies**

The interim financial report has been prepared under the historical cost basis except for the following assets and liabilities which are measured at fair values: properties included within property, plant and equipment as disclosed in note 10, investment properties, and derivatives.

The Interim Financial Report is unaudited and has been prepared in compliance with FRS No.134, "Interim Financial Reporting" and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. It should be read in conjunction with the Group's most recent audited financial statements for the year ended 31 December 2010.

The significant accounting policies adopted are consistent with those adopted in the audited financial statements for the year ended 31 December 2010, except for the adoption of the following Financial Reporting Standards ("FRS") and Issues Committee ("IC") Interpretations:

Description	Effective for annual periods commencing on or after
FRS 1: First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3: Business Combinations (Revised)	1 July 2010
Amendments to FRS 2: Share-based Payment	1 July 2010
Amendments to FRS 5: Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 127: Consolidated and Separate Financial Statements	1 July 2010
Amendments to FRS 138: Intangible Assets	1 July 2010
Amendments to IC Interpretation 9 Reassessment of Embedded Derivatives	1 July 2010
IC Interpretation 12 Service Concession Arrangements	1 July 2010
IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17 Distributions of Non-cash Assets to Owners	1 July 2010
Amendments to FRS 132: Classification of Rights Issues	1 March 2010
Amendments to FRS 1: Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 7: Improving Disclosures about Financial Instruments	1 January 2011
Amendments to FRS 1: Additional Exemptions for First-time Adopters	1 January 2011
Amendments to FRS 1: Improvements to FRSs (2010)	1 January 2011
Amendments to FRS 2: Group Cash-settled share-based Payment Transactions	1 January 2011
Improvements to FRSs (2010)	1 January 2011
Amendments to FRS 7: Improvements to FRSs (2010)	1 January 2011
IC Interpretation 4 Determining whether an Arrangement contains a lease	1 January 2011
Amendments to IC Interpretation 13: Improvements to FRSs (2010)	1 January 2011
IC Interpretation 18 Transfer of Assets from Customers	1 January 2011
IC Interpretation 14 Prepayments of a Minimum Funding Requirement	1 July 2011
IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
FRS 124 : Related Party Disclosure	1 January 2012
IC Interpretation 15 Agreements for the Construction of Real Estate	1 January 2012

Except for the changes in accounting policies arising from the adoption of the revised FRS 3 and, the amendments to FRS 127, as well as the new disclosures required under the Amendments to FRS 7, the Board of Directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the changes in accounting policy on adoption of the revised FRS 3 and the amendments to FRS 127 which are effective for annual periods beginning on or after 1 July 2010 are described below.

The revised FRS 3 introduces a number of changes in the accounting for business combinations occurring after 1 July 2010. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. The Amendments to FRS 127 require that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments have been made to FRS 107 Statement of Cash Flows, FRS 112 Income Taxes, FRS 121 The Effects of Changes in Foreign Exchange Rates, FRS 128 Investments in Associates and FRS 131 Interests in Joint Ventures.

The changes from revised FRS 3 and Amendments to FRS 127 has affected the Group's acquisition of an additional 4% equity interest in First SGC Pte Ltd ("FSGC") from the minority interests for a cash consideration of S\$ 1.45 million equivalent to RM 3.5 million. This acquisition has been accounted for as an equity transaction as reflected in the Consolidated Statement of Changes in Equity.



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**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2011 (continued)**

2 Audit report qualifications of the preceding annual financial statements

The Auditors had reported without any qualifications on the Group's audited financial statements for the year ended 31 December 2010.

3 Seasonality or cyclicity of interim operations

The Group's interim operations are not affected materially by any seasonal or cyclical factors.

4 Unusual items

There were no unusual items that affected the assets, liabilities, equity, net income or cash flows for the period ended 30 September 2011.

5 Changes in estimates of amounts reported in prior interim periods of the current financial year or in prior financial year

There were no changes in estimates of amounts reported in the prior interim periods of the current financial year or prior financial year.

6 Issuances, cancellations, repurchases, resale and repayments of debt and equity securities

There were no issuance and/or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the period ended 30 September 2011.

7 Dividends paid

The amount of dividends paid during the current and previous interim periods are as follows:

	30/09/2011	30/09/2010
	RM'000	RM'000
<u>In respect of the financial year ended 31 December</u>		
2011: Interim Dividend of 5.50 sen gross per share less tax paid on 30-Sep-11	3,866	
2010: Final Dividend of 4.0 sen gross per share less tax and Special Tax-exempt Dividend of 5.0 sen per share paid on 23-Jun-11	7,497	-
2010: Interim Tax-exempt Dividend of 4 sen per share payable on 15-Oct-10		3,749
2009: Final Dividend of 4.5 sen gross per share less tax and Special Dividend of 10.0 sen gross per share less tax paid on 23-Jun-10	-	8,153
	<u>11,363</u>	<u>11,902</u>

8 Realised and Unrealised Profits/Losses Disclosure

	30/09/2011	31/12/2010
	RM'000	RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries:		
Realised	92,251	80,966
Unrealised	(1,846)	(1,373)
	<u>90,405</u>	<u>79,593</u>
Total share of retained profits /(accumulated losses) from associated companies		
Realised	19,170	18,795
Unrealised	-	-
	<u>109,575</u>	<u>98,388</u>
Less: Consolidation adjustments	(19,635)	(15,790)
Total group retained profits as per consolidated accounts	<u>89,940</u>	<u>82,598</u>

Note: Comparative figures are not required in the first financial year of complying with the Realised and Unrealised Profits/Losses Disclosure.





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(THE FIGURES HAVE NOT BEEN AUDITED)**

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2011 (continued)**

**9 Segment Information**

The Group concluded that the reportable operating segments determined in accordance with FRS 8 are materially the same as the business segments previously identified under FRS 114 based on information that internally is provided to the Chief Executive Officer, who is the Group's chief operating decision maker.

<b>OPERATING SEGMENTS</b>	Manufacturing	Wholesale, marketing and distribution	Investment holding	<b>GROUP</b>
<b>PERIOD ENDED 30/09/2011</b>	RM'000	RM'000	RM'000	RM'000
Total Revenue	63,772	241,395	15,515	320,682
Inter-segment revenue	(35,182)	-	(11,828)	(47,010)
External Revenue	28,590	241,395	3,687	<b>273,672</b>
Segment Results (external)	19,788	10,331	(2,463)	27,656
Unallocated corporate expenses				(895)
Finance costs				(243)
<b>Profit before tax</b>				<b>26,518</b>
<b>PERIOD ENDED 30/09/2010</b>	RM'000	RM'000	RM'000	RM'000
Total Revenue	56,627	194,237	11,814	262,678
Inter-segment revenue	(15,810)	-	(10,604)	(26,414)
External Revenue	40,817	194,237	1,210	<b>236,264</b>
Segment Results (external)	16,006	9,981	1,498	27,485
Unallocated corporate expenses				(1,453)
Finance costs				(265)
<b>Profit before tax</b>				<b>25,767</b>
<b>Segment assets</b>				
30-Sep-2011	71,746	145,991	64,491	<b>282,228</b>
31-Dec-2010	80,008	116,857	68,188	<b>265,053</b>

**10 Valuations of Property, Plant and Equipment**

The carrying value of land and buildings is based on a valuation carried out in the year ended 31 December 2009 by independent qualified valuers using the comparison and depreciated replacement cost methods to reflect their market value.

**11 Significant Post Balance Sheet Events**

On 4th November 2011, the Group's 70% owned subsidiary company, First SGC Pte Ltd, entered into a Sale and Purchase Agreement with Santai Science & Technology Co Ltd to dispose of its 49% equity stake in Xiamen Maidiken Science & Technology Co Ltd ('MDK') for a consideration of RMB 70 million. Completion is expected within 90 days of the approval from Department of Foreign Investment Administration of the Ministry of Commerce of the People's Republic of China.

Other than the above, there were no significant events that had arisen subsequent to the end of this current period.

**12 Changes in Group Composition**

The Group did not undertake any business combinations, acquisitions or disposals of subsidiaries and long-term investments, restructuring or discontinuation of operations during the current period ended 30 September 2011.

**13 Reclassification**

In the current quarter, the Board of Directors approved the plan to dispose the Group's investment in Associate, Xiamen Maidiken Science & Technology Co. Ltd, China and instructed Management to locate a buyer to sell the asset at a price that is fair and reasonable to Group. In accordance with FRS 5: Non-current Assets Held for Sale and Discontinued Operations, the investment has been reclassified to an Asset or Disposal Group classified as held for sale and re-measured at the lower of its carrying amount and fair value less costs to sell.

**14 Changes in Contingent liabilities or Contingent assets.**

There were no contingent liabilities or contingent assets of the Group since the end of the last annual balance sheet date.



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**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2011 (continued)**

**15 Capital Commitments**

Capital commitments of property, plant and equipment not provided for in the financial statements as at 30 September 2011 are as follows:

	RM'000
Authorised capital expenditure approved and contracted for	2,729
Authorised capital expenditure approved but not contracted for	4,062
	<u>6,791</u>

**16 Related Party Transactions**

There were no related party transactions during the period ended 30 September 2011.

**17 Review of Performance**

The Group's revenue for the third quarter of 2011 grew year on year by 13% to RM 91.8 million from RM 81.6 million for the same period last year. However, profit before tax of RM 6.1 million for the current quarter is 33% lower than the RM 9.1 million achieved for the same period in 2010. Year to date, the Group achieved profit before tax of RM 26.5 million on revenue of RM 273.7 million, representing increases of 3% and 16% respectively over that in 2010.

Core business operations performed well, with good growth in revenue and profit over 2010. The Group's manufacturing unit, Xepa<sup>SP</sup> performed well, supported by strong sales in the domestic and Singapore markets, with year to date revenue and profit before tax grew by 9% and 19% over 2010.

Revenue and profit at Apex Pharma wholesale, distribution and marketing unit likewise showed good growth of 27% and 24% respectively over 2010. The Group's own products under the AVEX, AVO, AGNESIA and KAP brands increased market share with a growing number of customers. AGNESIA and KAPS products were exported for the first time to Uganda. Revenue from Singapore operations under Apex Pharma Marketing Pte Ltd grew steadily, supported by newly acquired agencies.

In the current quarter, the Group decided to seek an exit for its investment in Associate, Xiamen Maidiken Science & Technology Co Ltd ('MDK') in China held by its 70% owned subsidiary, First SGC Pte Ltd ("FSGC") as MDK no longer fits the Group's long term strategic business goals. Key reasons include the inability of MDK to secure market access for the Group's product into the Chinese market and the Company's reduced effective equity interest of 16% in the key operating unit, Luyan (Fujian) Pharma Co Ltd. In accordance with the requirements of FRS 5: Non-current Assets Held For Sale and Discontinued Operations, the Group re-measured its investment to the lower of carrying amount and fair value less cost to sell resulting in an impairment of RM 2.2 million arising from estimated capital gain tax and transaction costs.

As previously announced on 4th November 2011, the Group's net proceeds of RM 33.1 million plus the dividend received to date of RM1.5 million from its investment in MDK represents a gain of RM 15.3 million above what the Group has invested in cash, or a return of 79.3% over the course of 6 years.

**18 Material changes in the profit before tax for the quarter**

Profit before tax for the current quarter is RM 6.1 million, which is 30% lower than the RM 8.8 million achieved in the immediate preceding quarter. This is attributed to the Group's decision to seek an exit for its investment in MDK, as elaborated in Note 17 above.

**19 Commentary**

**(a) Prospects**

Core operations performed well in the third quarter, driven by the Group's commitment and focus on product development, brand management, customer service and operational efficiency. The overall economic outlook remains uncertain, but barring further unforeseen circumstances, the Board is cautiously optimistic that performance for 2011 will be satisfactory.

**(b) Progress to achieve forecast revenue or profit estimate**

Not applicable.

**20 Statement by the Board of Directors' opinion on the achievability of forecast revenue or profit estimate**

Not applicable.

**21 Profit Forecast /Profit Guarantee**

Not applicable.





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**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011**

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**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2011 (continued)**

22 Income Tax Expense

	3 MONTHS ENDED		PERIOD ENDED	
	30/09/2011	30/09/2010	30/09/2011	30/09/2010
	RM'000	RM'000	RM'000	RM'000
In respect of current period:				
income tax	1,448	1,527	5,810	5,044
deferred tax	278	120	473	311
	1,726	1,646	6,283	5,354
In respect of prior period:				
income tax	(224)	(237)	(224)	(237)
deferred tax	-	-	-	-
	1,502	1,410	6,059	5,118

The effective tax rate for the financial period was marginally lower than the statutory tax rate principally due to the net of tax profits contributed by the Group's associated company.

23 Sale of Unquoted Investments and/or Properties

There were no sale of unquoted investments and/or properties during the period ended 30 September 2011.

24 Quoted Securities

(a) There were no acquisitions or disposals of quoted securities during the period ended 30 September 2011.

(b) There were no quoted securities held as at 30 September 2011.

25 Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 8th November 2011.

26 Group Borrowings and Debt Securities

	AS AT	
	30/09/2011	31/12/2010
	RM'000	RM'000
Short term bank borrowings		
Secured	-	61
Unsecured	2,267	2,779
Total	2,267	2,840
Long term bank borrowings		
Unsecured	1,912	6,612
Total	1,912	6,612

The Group did not have any non-current debt securities denominated in Ringgit Malaysia or foreign currency as at 30 September 2011.



**APEX HEALTHCARE BERHAD (473108-T)**

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011**

**(THE FIGURES HAVE NOT BEEN AUDITED)**

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2011 (continued)**

27 Derivatives

(a) The Group's derivatives as at 30 September 2011 are as follows -

Type of Derivatives Forward Currency Contracts	Contract / Notional Amount RM'000	Changes in Fair Value	
		Assets RM'000	Liabilities RM'000
<u>Less than 1 year</u>			
Sale of goods	2,375	-	(6)
Purchase of goods	-	-	-
	<u>2,375</u>	<u>-</u>	<u>(6)</u>

(b) The Group does not anticipate any market or credit risks arising from these derivatives.

(c) The cash requirements relating to these contracts is RM 2,375,000.

(d) There have been no changes since the end of the previous financial year in respect of the following:

(i) the types of derivative contracts entered into and the rationale for entering into such contracts, as well as the expected benefits accruing from these contracts;

(ii) the risk management policies in place for mitigating and controlling the risks associated with these derivative contracts; and

(iii) the related accounting policies.

28 Fair Value Changes of Financial Liabilities

As at 30 September 2011, the Group does not have any financial liabilities measured at fair value through profit or loss.

29 Material Litigations

There is no pending material litigation at the date of this report.

30 Dividends

(a) The interim dividend of 5.50 sen gross per share less 25% tax in respect of the financial year ending 31 December 2011 has been paid on 30th September 2011.

(b) The total dividend declared and paid to-date in the current financial year is 5.50 sen gross per share less tax. (Year 2010: Interim tax-exempt dividend of 4.00 sen gross per share).

31 Earnings per share

		3 MONTHS ENDED		PERIOD ENDED	
		30/09/2011	30/09/2010	30/09/2011	30/09/2010
<b><u>Basic Earnings per share</u></b>					
Profit after tax	RM'000	4,607	7,222	20,058	19,726
Weighted average number of ordinary shares in issue	'000	93,717	93,717	93,717	93,717
Basic earnings per share	sen	<b>4.92</b>	<b>7.71</b>	<b>21.40</b>	<b>21.05</b>
<b><u>Diluted Earnings per share</u></b>					
Profit after tax	RM'000	4,607	7,222	20,058	19,726
Weighted average number of ordinary shares in issue	'000	93,717	93,717	93,717	93,717
Diluted earnings per share	sen	<b>4.92</b>	<b>7.71</b>	<b>21.40</b>	<b>21.05</b>