



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

(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2012**

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

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2012**

	Note	3 MONTHS ENDED		PERIOD ENDED	
		31/03/2012	31/03/2011	31/03/2012	31/03/2011
		RM'000	RM'000	RM'000	RM'000
			<u>(restated)</u>		<u>(restated)</u>
<b>Revenue</b>		<b>104,126</b>	<b>92,822</b>	<b>104,126</b>	<b>92,822</b>
Cost of sales		(75,824)	(67,584)	(75,824)	(67,584)
<b>Gross profit</b>		<b>28,302</b>	<b>25,238</b>	<b>28,302</b>	<b>25,238</b>
Other income		331	268	331	268
Selling & marketing expenses		(11,914)	(11,053)	(11,914)	(11,053)
Administrative expenses		(4,342)	(3,519)	(4,342)	(3,519)
Other expenses		(13)	(83)	(13)	(83)
Finance cost		(37)	(81)	(37)	(81)
Share of results of associates net of tax		-	831	-	831
<b>Profit before tax</b>	8	<b>12,327</b>	<b>11,601</b>	<b>12,327</b>	<b>11,601</b>
Income tax expense	22	(5,990)	(2,485)	(5,990)	(2,485)
<b>Net profit for the period</b>		<b>6,337</b>	<b>9,116</b>	<b>6,337</b>	<b>9,116</b>
<b>Other comprehensive income:</b>					
Foreign currency translation, representing other comprehensive income net of tax		-	-	-	-
<b>Total comprehensive income for the period</b>		<b>6,337</b>	<b>9,116</b>	<b>6,337</b>	<b>9,116</b>
<b>Net profit attributable to:</b>					
Owners of the parent		6,320	8,874	6,320	8,874
Non-controlling interest		17	242	17	242
<b>Net profit for the period</b>		<b>6,337</b>	<b>9,116</b>	<b>6,337</b>	<b>9,116</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		6,320	8,874	6,320	8,874
Non-controlling interest		17	242	17	242
<b>Total comprehensive income for the period</b>		<b>6,337</b>	<b>9,116</b>	<b>6,337</b>	<b>9,116</b>
<b>Earnings per share attributable to owners of the parent:</b>					
		Sen	Sen	Sen	Sen
- Basic	30	<b>6.74</b>	<b>9.47</b>	<b>6.74</b>	<b>9.47</b>
- Diluted	30	<b>6.74</b>	<b>9.47</b>	<b>6.74</b>	<b>9.47</b>

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to the Interim Financial Statements.



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

(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2012**

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2012**

	Note	As at 31/03/2012 RM'000	As at 31/12/2011 RM'000 <u>(restated)</u>	As at 1/1/2011 RM'000 <u>(restated)</u>
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, plant and equipment		74,643	76,112	69,223
Investment properties		3,500	3,518	3,810
Intangible assets		1,199	1,218	1,285
Investment in associates		-	-	49,594
Deferred tax assets		811	748	359
Available-for-sale financial asset		3,928	3,928	3,928
		<u>84,081</u>	<u>85,524</u>	<u>128,199</u>
<b>Current Assets</b>				
Inventories		44,623	43,098	38,914
Trade and other receivables		97,002	86,380	75,578
Derivative financial instruments	25	18	-	47
Deposits, bank and cash balances		62,295	22,802	23,250
		<u>203,938</u>	<u>152,280</u>	<u>137,789</u>
Non-current assets held for sale		-	50,245	-
		<u>203,938</u>	<u>202,525</u>	<u>137,789</u>
<b>TOTAL ASSETS</b>		<b><u>288,019</u></b>	<b><u>288,049</u></b>	<b><u>265,988</u></b>
<b>EQUITY AND LIABILITIES</b>				
<b>Current Liabilities</b>				
Borrowings	24	2,267	2,267	2,840
Derivative financial instruments		-	12	-
Trade and other payables		71,374	63,887	50,846
Current tax payable		2,724	1,005	1,144
		<u>76,365</u>	<u>67,171</u>	<u>54,830</u>
<b>Non-Current Liabilities</b>				
Borrowings	24	778	1,345	6,612
Deferred tax liabilities		5,150	6,899	5,682
		<u>5,928</u>	<u>8,244</u>	<u>12,294</u>
<b>TOTAL LIABILITIES</b>		<b><u>82,293</u></b>	<b><u>75,415</u></b>	<b><u>67,124</u></b>
<b>NET ASSETS</b>		<b><u>205,726</u></b>	<b><u>212,634</u></b>	<b><u>198,864</u></b>
<b>EQUITY</b>				
<b>Equity attributable to owners of the parent</b>				
Share capital		93,717	93,717	93,717
Reserves		460	460	-
Retained earnings	10	111,441	105,121	89,833
		<u>205,618</u>	<u>199,298</u>	<u>183,550</u>
Non-controlling interest		108	13,336	15,314
<b>TOTAL EQUITY</b>		<b><u>205,726</u></b>	<b><u>212,634</u></b>	<b><u>198,864</u></b>
		<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Net Assets per share attributable to owners of the parent</b>		<b><u>2.19</u></b>	<b><u>2.13</u></b>	<b><u>1.96</u></b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction the accompanying explanatory notes attached to the Interim Financial Statements.



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

(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2012**

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2012**

Note	Share Capital RM'000	Non-Distributable		Distributable		Non-controlling Interests RM'000	Total Equity RM'000
		Share Premium RM'000	Revaluation & other reserves RM'000	Retained Profits RM'000	Equity attributable to owners of the parent total RM'000		
<b>PERIOD ENDED 31 MARCH 2012</b>							
Balance at 1 January 2012	93,717	-	460	105,121	199,298	13,336	212,634
Total comprehensive income	-	-	-	6,320	6,320	17	6,337
Transaction with owners							
Disposal of non-current asset held for sale by non-controlling interest	-	-	-	-	-	(13,245)	(13,245)
Dividends on ordinary shares	-	-	-	-	-	-	-
Total transaction with owners	-	-	-	-	-	(13,245)	(13,245)
<b>Balance as at 31 March 2012</b>	<b>93,717</b>	<b>-</b>	<b>460</b>	<b>111,441</b>	<b>205,618</b>	<b>108</b>	<b>205,726</b>
<b>PERIOD ENDED 31 MARCH 2011 (restated)</b>							
Balance as at 1 January 2011	93,717	-	-	89,833	183,550	15,314	198,864
Total comprehensive income	-	-	-	8,874	8,874	242	9,116
Transaction with owners							
Acquisition of additional interest in existing subsidiary	-	-	-	(1,353)	(1,353)	(2,113)	(3,466)
Dividends on ordinary shares	-	-	-	-	-	-	-
Total transaction with owners	-	-	-	(1,353)	(1,353)	(2,113)	(3,466)
<b>Balance as at 31 March 2011</b>	<b>93,717</b>	<b>-</b>	<b>-</b>	<b>97,354</b>	<b>191,071</b>	<b>13,443</b>	<b>204,514</b>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to the Interim Financial Statements.



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

(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2012**

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31 MARCH 2012**

	<b>PERIOD ENDED</b>	
	<b>31/03/2012</b>	<b>31/03/2011</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		<b>(restated)</b>
Profit before tax	<b>12,327</b>	<b>11,601</b>
Adjustments:		
Depreciation and amortization	1,845	1,654
Net profit on disposal of property, plant and equipment	(56)	(28)
Share of results of associates net of tax	-	(831)
Fair value changes of derivative financial instruments	(31)	11
Inventories written off and written down	51	126
(Reversal)/Allowance for doubtful debts	(24)	130
Interest paid	37	81
Other non-cash items	(31)	(62)
Operating profit before working capital changes:	14,118	12,682
Inventories	(1,575)	(3,941)
Receivables	(10,597)	(13,458)
Payables	7,512	14,720
Cash generated from operations	9,458	10,003
Tax paid	(1,632)	(1,579)
<b>Net cash generated from operating activities</b>	<b>7,826</b>	<b>8,424</b>
<b>Cash flows from investing activities</b>		
Proceeds from the disposal of non-current assets held for sale	32,547	-
Acquisition of non-controlling interest	-	(3,466)
Repayment of capital injection to non-controlling interest	(24)	-
Purchase of property, plant and equipment & intangible assets	(339)	(1,720)
Proceeds from disposal of property, plant and equipment	57	28
Interest received	31	62
<b>Net cash generated/(used) in investing activities</b>	<b>32,272</b>	<b>(5,096)</b>
<b>Cash flows from financing activities:</b>		
Term loans repaid	(567)	(628)
Other financing activities paid	(37)	(81)
<b>Net cash used in financing activities</b>	<b>(604)</b>	<b>(709)</b>
<b>Net increase in cash and cash equivalents</b>	<b>39,494</b>	<b>2,619</b>
<b>Cash and cash equivalents at 1 January</b>	<b>22,802</b>	<b>22,738</b>
<b>Cash and cash equivalents at the end of the financial period</b>	<b>62,296</b>	<b>25,357</b>

**The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the accompanying explanatory notes attached to the Interim Financial Statements.**



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

(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2012  
(THE FIGURES HAVE NOT BEEN AUDITED)**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2012**

**1 First-time adoption of Malaysian Financial Reporting Standards ("MFRS")**

These unaudited condensed consolidated interim financial statements for the period ended 31 March 2012 have been prepared in accordance with MFRS 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. These unaudited condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board. For the periods up to and including the year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRS").

These unaudited condensed consolidated interim financial statements are the Group's first MFRS condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS annual financial statements for the year ending 31 December 2012. MFRS 1 First-Time Adoption of Malaysian Financial Reporting Standards ("MFRS 1") has been applied.

The explanatory notes attached to these condensed consolidated interim financial statements provide an explanation of events and transaction that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2011.

In preparing its opening MFRS Statement of Financial Position as at 1 January 2011 (which is also the date of transition), the Group has adjusted the amounts previously reported in financial statements prepared in accordance with FRS. An explanation of how the transition from FRS to MFRS has affected the Group's financial position and financial performance is set out in Note 2 below. These notes include reconciliations of equity for comparative periods and of equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS. The transition from FRS to MFRS has not had a material impact on the statement of cash flows.

**2 Significant accounting policies and application of MFRS 1**

The audited financial statements of the Group for the year ended 31 December 2011 were prepared in accordance with FRS. Except for certain differences as explained below, the requirements under FRS and MFRS are similar. Therefore, the significant accounting policies adopted in preparing these unaudited condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2011:

**a Business combination**

MFRS 1 provides the option to apply MFRS 3 Business Combinations prospectively from the date of transition or from a specific date prior to the date of transition. This provides relief from the full retrospective application of MFRS 3 which would require restatement of all business combinations prior to the date of transition.

**Acquisition before date of transition**

The Group has elected to apply MFRS 3 prospectively from the date of transition. In respect of acquisitions prior to the date of transition,

- i) The classification of former business combinations under FRS is maintained;
- ii) There is no re-measurement of original fair values determined at the time of business combinations (date of acquisition); and
- iii) The carrying amount of goodwill recognized under FRS is not adjusted.

**b Property, plant and equipment**

Under FRS 116, the Group has initially recognized all items of property, plant and equipment at cost. Subsequent to recognition, plant and equipment and furniture and fixtures are measured at cost less accumulated depreciation and accumulated impairment losses. The Group's properties comprising land and buildings are measured at fair value less accumulated depreciation on leasehold land and buildings and impairment losses recognised after the date of revaluation.

Upon transition to MFRS, the Group has elected to measure all its properties, plant and equipment using the cost method under MFRS 116 Property, Plant and Equipment. At the date of transition to MFRS, the Group elected to regard the revalued amounts of land and buildings as at 31 December 2009 which was the date of revaluation as its deemed cost as these amounts were broadly comparable to fair value at that date. The revaluation surplus of RM 6,884,000 (31 March 2011: RM 6,884,000; 31 December 2011: RM 6,884,000) was transferred to retained earnings on the date of transition.

**c Investment properties**

Under FRS, the Group's investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

Upon transition to MFRS, the Group has elected to measure all its investment properties using the cost method under MFRS 140 Investment Properties. At the date of transition to MFRS, the Group elected to regard the fair value of its investment properties at the date of transition as its deemed cost at that date. The deferred tax liability of RM 493,000 (31 March 2011: RM 493,000; 31 December 2011: RM 493,000) that arose upon the revaluation of the properties prior to FRS was transferred to retained earnings on the date of transition. Under the cost model, a depreciation charge of RM 27,000; (31 March 2011: RM 27,000; 31 December 2011: RM 72,000) was charged to the carrying amount of investment property and the resulting adjustments were recognised against retained earnings.



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(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2012**

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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2012 (continued)**

2 Significant accounting policies and application of MFRS 1 (continued)

d Foreign currency translation reserve

Under FRS, the Group recognized translation differences on foreign operations in a separate component of equity. Cumulative foreign currency translation differences for all foreign operations are deemed to be zero as at the date of transition to MFRS.

Accordingly, at the date of transition to MFRS, the cumulative foreign currency translation differences of RM136,000 (31 March 2011: RM 136,000; 31 December 2011: RM 136,000) were adjusted to retained earnings.

e Estimates

The estimates at 1 January 2011 and at 31 December 2011 were consistent with those made for the same dates in accordance with FRS. The estimates used by the Group to present these amounts in accordance with MFRS reflect conditions at 1 January 2011, the date of transition to MFRS and as of 31 December 2011.

The reconciliations of equity and total comprehensive income for comparative periods and of equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS are provided below:

(i) Reconciliation of equity as at 1 January 2011

	FRS as at 1 January 2011 RM'000	Note 2 (b) Property plant and equipment RM'000	Note 2 (c ) Investment property RM'000	Note 2 (d ) Foreign currency translation reserve RM'000	MFRS as at 1 January 2011 RM'000
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	69,223				69,223
Investment properties	3,810				3,810
Intangible assets	1,285				1,285
Investment in associates	49,594				49,594
Deferred tax assets	359				359
Available-for-sale investment	3,928				3,928
	<u>128,199</u>				<u>128,199</u>
<b>Current Assets</b>					
Inventories	38,914				38,914
Trade and other receivables	75,578				75,578
Derivative financial instruments	47				47
Deposits, bank and cash balances	23,250				23,250
	<u>137,789</u>				<u>137,789</u>
<b>TOTAL ASSETS</b>	<b><u>265,988</u></b>				<b><u>265,988</u></b>
<b>EQUITY AND LIABILITIES</b>					
<b>Current Liabilities</b>					
Borrowings	2,840				2,840
Derivative financial instruments	-				-
Trade and other payables	50,846				50,846
Current tax payable	1,144				1,144
	<u>54,830</u>				<u>54,830</u>
<b>Non-Current Liabilities</b>					
Borrowings	6,612				6,612
Deferred tax liabilities	6,175		(493)		5,682
	<u>12,787</u>				<u>12,294</u>
<b>TOTAL LIABILITIES</b>	<b><u>67,617</u></b>				<b><u>67,124</u></b>
<b>NET ASSETS</b>	<b><u>198,371</u></b>				<b><u>198,864</u></b>
<b>EQUITY</b>					
<b>Equity attributable to owner of the parent</b>					
Share capital	93,717				93,717
Reserves	6,748	(6,884)		136	-
Retained earnings	82,598	6,884	493	(142)	89,833
	<u>183,063</u>				<u>183,550</u>
Non-controlling interest	15,308			6	15,314
<b>TOTAL EQUITY</b>	<b><u>198,371</u></b>				<b><u>198,864</u></b>



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(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2012**

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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2012 (continued)**

2 Significant accounting policies and application of MFRS 1 (continued)

(ii) Reconciliation of equity as at 31 March 2011

	FRS as at 31 March 2011 RM'000	Note 2 (b) Property plant and equipment RM'000	Note 2 (c ) Investment property RM'000	Note 2 (d ) Foreign currency translation reserve RM'000	MFRS as at 31 March 2011 RM'000
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	69,328		(9)		69,319
Investment properties	3,810		(18)		3,792
Intangible assets	1,274				1,274
Investment in associates	50,516				50,516
Deferred tax assets	473				473
Available-for-sale investment	3,928				3,928
	<u>129,329</u>				<u>129,302</u>
<b>Current Assets</b>					
Inventories	42,728				42,728
Trade and other receivables	88,723				88,723
Derivative financial instruments	36				36
Deposits, bank and cash balances	25,357				25,357
	<u>156,844</u>				<u>156,844</u>
<b>TOTAL ASSETS</b>	<b><u>286,173</u></b>				<b><u>286,146</u></b>
<b>EQUITY AND LIABILITIES</b>					
<b>Current Liabilities</b>					
Borrowings	2,267				2,267
Derivative financial instruments	-				-
Trade and other payables	65,566				65,566
Current tax payable	1,808				1,808
	<u>69,641</u>				<u>69,641</u>
<b>Non-Current Liabilities</b>					
Borrowings	6,045				6,045
Deferred tax liabilities	6,439		(493)		5,946
	<u>12,484</u>				<u>11,991</u>
<b>TOTAL LIABILITIES</b>	<b><u>82,125</u></b>				<b><u>81,632</u></b>
<b>NET ASSETS</b>	<b><u>204,048</u></b>				<b><u>204,514</u></b>
<b>EQUITY</b>					
<b>Equity attributable to owner of the parent</b>					
Share capital	93,717				93,717
Reserves	6,748	(6,884)		136	-
Retained earnings	90,146	6,884	466	(142)	97,354
	<u>190,611</u>				<u>191,071</u>
Non-controlling interest	13,437			6	13,443
<b>TOTAL EQUITY</b>	<b><u>204,048</u></b>				<b><u>204,514</u></b>



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(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2012**

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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2012 (continued)**

2 Significant accounting policies and application of MFRS 1 (continued)

(iii) Reconciliation of equity as at 31 December 2011

	FRS as at 31 Dec 2011 RM'000	Note 2 (b) Property plant and equipment RM'000	Note 2 (c ) Investment property RM'000	Note 2 (d ) Foreign currency translation reserve RM'000	MFRS as at 31 Dec 2011 RM'000
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	76,112				76,112
Investment properties	3,590		(72)		3,518
Intangible assets	1,218				1,218
Investment in associates	-				-
Deferred tax assets	748				748
Available-for-sale investment	3,928				3,928
	<u>85,596</u>				<u>85,524</u>
<b>Current Assets</b>					
Inventories	43,098				43,098
Trade and other receivables	86,380				86,380
Derivative financial instruments	-				-
Deposits, bank and cash balances	22,802				22,802
	<u>152,280</u>				<u>152,280</u>
Assets or disposal group classified as held for sale	50,245				50,245
	<u>202,525</u>				<u>202,525</u>
<b>TOTAL ASSETS</b>	<b><u>288,121</u></b>				<b><u>288,049</u></b>
<b>EQUITY AND LIABILITIES</b>					
<b>Current Liabilities</b>					
Borrowings	2,267				2,267
Derivative financial instruments	12				12
Trade and other payables	63,887				63,887
Current tax payable	1,005				1,005
	<u>67,171</u>				<u>67,171</u>
<b>Non-Current Liabilities</b>					
Borrowings	1,345				1,345
Deferred tax liabilities	7,392		(493)		6,899
	<u>8,737</u>				<u>8,244</u>
<b>TOTAL LIABILITIES</b>	<b><u>75,908</u></b>				<b><u>75,415</u></b>
<b>NET ASSETS</b>	<b><u>212,213</u></b>				<b><u>212,634</u></b>
<b>EQUITY</b>					
<b>Equity attributable to owner of the parent</b>					
Share capital	93,717				93,717
Reserves	7,208	(6,884)		136	460
Retained earnings	97,958	6,884	421	(142)	105,121
	<u>198,883</u>				<u>199,298</u>
Non-controlling interest	13,330			6	13,336
<b>TOTAL EQUITY</b>	<b><u>212,213</u></b>				<b><u>212,634</u></b>



2 Significant accounting policies and application of MFRS 1 (continued)

(iv) Reconciliation of total comprehensive income for the period ended 31 March 2011 and for the year ended 31 December 2011

	FRS 31 March 2011 RM'000	Note 2 (c ) Investment property RM'000	MFRS 31 March 2011 RM'000	FRS 31 Dec 2011 RM'000	Note 2 (c ) Investment property RM'000	MFRS 31 Dec 2011 RM'000
<b>Revenue</b>	<b>92,822</b>		<b>92,822</b>	<b>366,002</b>		<b>366,002</b>
Cost of sales	(67,557)	(27)	(67,584)	(270,862)	(85)	(270,947)
<b>Gross profit</b>	<b>25,265</b>		<b>25,238</b>	<b>95,140</b>		<b>95,055</b>
Other income	268		268	1,537		1,537
Selling & marketing expenses	(11,053)		(11,053)	(45,426)	6	(45,420)
Administrative expenses	(3,519)		(3,519)	(15,437)	7	(15,430)
Other expenses	(83)		(83)	(627)		(627)
Finance cost	(81)		(81)	(288)		(288)
Loss recognised on re-measurement of non-current asset classified as held for sale to fair value less cost to sell	-		-	(330)		(330)
Share of results of associates net of tax	831		831	1,280		1,280
<b>Profit before tax</b>	<b>11,628</b>		<b>11,601</b>	<b>35,849</b>		<b>35,777</b>
Income tax expense	(2,485)		(2,485)	(7,381)		(7,381)
<b>Net profit for the period/year</b>	<b>9,143</b>		<b>9,116</b>	<b>28,468</b>		<b>28,396</b>
Foreign currency translation, representing other comprehensive income net of tax	-		-	463		463
<b>Total comprehensive income for the year</b>	<b>9,143</b>		<b>9,116</b>	<b>28,931</b>		<b>28,859</b>
<b>Net profit attributable to:</b>						
Owners of the parent	8,901	(27)	8,874	28,075	(72)	28,003
Non-controlling interest	242		242	393		393
<b>Income tax expense</b>	<b>9,143</b>		<b>9,116</b>	<b>28,468</b>		<b>28,396</b>
<b>Total comprehensive income attributable to:</b>						
Owners of the parent	8,901	(27)	8,874	28,535	(72)	28,463
Non-controlling interest	242		242	396		396
<b>Total comprehensive income for the period/year</b>	<b>9,143</b>		<b>9,116</b>	<b>28,931</b>		<b>28,859</b>

3 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 2011.

4 Seasonality or cyclicity of interim operations

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

5 Unusual items

There were no unusual items that affected the assets, liabilities, equity, net income or cash flows for the period ended 31 March 2012.

6 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 other than that the subsequent revision to the estimated fair value less costs to sell of the asset (or disposal group) as held for sale as reported in the previous quarter.

7 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 31 March 2012.



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(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2012**

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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2012 (continued)**

8 Profit before tax	3 MONTHS ENDED		PERIOD ENDED	
	31/03/2012	31/03/2011	31/03/2012	31/03/2011
Included in profit before tax are the following items:	RM'000	RM'000	RM'000	RM'000
Interest income	31	62	31	62
Other income including investment income	213	189	213	189
Interest expense	(37)	(81)	(37)	(81)
Depreciation and amortization	(1,845)	(1,654)	(1,845)	(1,654)
Reversal/(provision) of receivables	24	(130)	24	(130)
Provision for and write off of inventories	(51)	(126)	(51)	(126)
Gain or loss on disposal of quoted or unquoted investments or properties, plant and equipment	56	28	56	28
Reversal/(impairment) of asset as held for sale	-	-	-	-
Impairment of financial assets	-	-	-	-
Foreign exchange gains less losses	80	15	80	15
Gain/(loss) on derivative financial instruments	31	(11)	31	(11)
Exceptional items	-	-	-	-

9 Dividends paid and declared

There were no dividends paid and declared during the current period ended 31 March 2012.

10 Realised and Unrealised Profits/Losses Disclosure

	Year ended	
	31/03/2012	31/12/2011
	RM'000	RM'000
Total retained profits of the Company and its subsidiaries:		(restated)
Realised	130,482	104,608
Unrealised	(2,184)	(2,059)
	128,298	102,549
Total share of retained profits from associated companies		
Realised	34,508	27,520
Unrealised	-	6,988
	162,806	137,057
Less: Consolidation adjustments	(51,365)	(31,936)
Total group retained profits as per consolidated accounts	111,441	105,121

11 Segment Information

The Group is organised into three main business units based on their activities, and has three reportable operating segments as follows:

- (i) Manufacturing and marketing of pharmaceutical products;
- (ii) Wholesale and distribution of pharmaceutical and healthcare products; and
- (iii) Corporate comprising investments in retail pharmacy business and properties and the provision of management services.

OPERATING SEGMENTS	Manufacturing & Marketing	Wholesale & Distribution	Corporate	Adjustments & eliminations	GROUP
PERIOD ENDED 31/3/2012	RM'000	RM'000	RM'000	RM'000	RM'000
External Revenue	6,602	96,025	1,499	-	104,126
Inter-segment revenue	20,409	-	791	(21,200)	-
Total Revenue	27,011	96,025	2,290	(21,200)	<b>104,126</b>
Segment Results (external)	9,971	4,421	(1,643)	(385)	12,364
Finance costs					(37)
Profit before tax					<b>12,327</b>
<b>PERIOD ENDED 31/3/2011</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
External Revenue	13,769	77,994	1,059	-	92,822
Inter-segment revenue	9,403	-	672	(10,075)	-
Total Revenue	23,172	77,994	1,731	(10,075)	<b>92,822</b>
Segment Results (external)	7,492	4,167	399	(376)	11,682
Finance costs					(81)
Profit before tax					<b>11,601</b>
<b>Segment assets</b>					
31-Mar-2012	77,617	154,410	54,703	1,289	<b>288,019</b>
31-Dec-2011	75,475	142,247	69,010	1,317	<b>288,049</b>



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**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2012 (continued)**

12 Significant Events After the Reporting Date

There were no significant events that had arisen subsequent to the end of this current period.

13 Changes in Group Composition

On 9th January 2012, the Group's exercise to dispose of its 49% equity stake in Xiamen Maidiken Science & Technology Co Ltd was completed. On the same date, the Company acquired additional 1,110,000 ordinary shares in First SGC Pte Ltd ("FSGC"), representing 30% equity interest in FSGC for a total cash consideration of RM2.45 (SGD1.00) from Enlove Pte Ltd, resulting in FSGC becoming a wholly owned subsidiary of the Company.

Other than the above, 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 quarter ended 31 March 2012.

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 reporting date.

15 Capital Commitments

Capital commitments of property, plant and equipment not provided for in the financial statements as at 31 March 2012 are as follows:

	RM'000
Authorised capital expenditure approved and contracted for	-
Authorised capital expenditure approved but not contracted for	9,419
	<u>9,419</u>

16 Related Party Transactions

There were no related party transactions during the period ended 31 March 2012.

17 Detailed Performance Analysis of Operating Segments of the Group

In the first quarter of 2012, the Group achieved revenue of RM 104 million with a profit before tax of RM 12.3 million, representing growth of 12% and 6% over that achieved in the first quarter of 2011. Profit after tax is RM 6.3 million, a decline of 30% over the RM 9.1 million achieved for the same period in the last financial year. This is attributed to the non-recurring capital gains tax charge of RM 2.5 million upon the completion of the divestment of the Group's investment in Xiamen Maidiken Science and Technology Co Ltd ("MDK"), China in the current quarter.

Manufacturing & Marketing

Xepa's first quarter's performance exceeded budget with revenue growth of 17% over the same period in 2011 on the back of especially strong private sector sales in the domestic market, Singapore exports and fulfillment of tenders. During the quarter, Xepa launched three new products; Euderm Plus, Defuzin and Defuzin-B. Euderm Plus is for the treatment of cracked heels and dry skin while Defuzin and Defuzin-B are for skin infections. In order to support growth, Xepa embarked on a new project at its 10 acre Cheng site in Melaka to construct a new administration building to house an expanding workforce. At the same time, key infrastructure for waste management and fire-fighting were upgraded and realigned to cater for future expansion projects.

Wholesale & Distribution

In the first quarter, Apex Pharma, the wholesale and distribution sector grew revenue by 23% over the same period in the previous year. This is attributed to continued strong sales performance in the pharma and consumer products division as well as physical distribution services. In Singapore, the consumer products division achieved growth of 92% over 2011 due to good demand for Uriage and Henna plus products. During the quarter, Apex Pharma added to its AVO branded range of diagnostic devices with AVOMeter-GLU, an auto-coding glucose meter, bringing its range of diagnostic meters to seven.

Corporate

In this quarter, the Group completed its disposal of an unutilized 2,928 square feet leasehold shop-lot at Taman Pringgit Jaya, Melaka for a consideration of RM 220,000, which is fair value based on the latest valuation report. Rental income from other properties remained stable. Retail pharmacy sales grew 46% over 2011 as both outlets in Melaka and City Square Mall, Johor Bahru performed well. This segment registered a loss following the cessation of the recognition of profit contribution from its previous associate company, MDK.

18 Material changes in the profit before tax for the quarter

Profit before tax in the current quarter of RM 12.3 million is 32% higher than the RM 9.3 million recorded in the immediate preceding quarter. This is attributed to better sales performance and a greater proportion of the Group's own brand products such as Xepa<sup>SP</sup>, which carry better gross margins, in the sales mix.



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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2012 (continued)**

19 Commentary

(a) Prospects

The strong business momentum generated by the Group in the year 2011 has continued into the first quarter of 2012. Domestic demand for the Group's products and services remained firm, and is expected to remain so in the medium term. The Group has committed resources to further develop international markets and plans are advanced to develop new export opportunities. In existing markets, management continues to focus on core business operations, with an emphasis on broadening the range of own brand products, ensuring cost efficiency, managing cashflows and improving margins. Barring unforeseen circumstances, the Board is of the opinion that the Group's well placed fundamentals will enable it to return another satisfactory performance in 2012.

(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.

22 Income Tax Expense

	3 MONTHS ENDED		PERIOD ENDED	
	31/03/2012	31/03/2011	31/03/2012	31/03/2011
	RM'000	RM'000	RM'000	RM'000
In respect of current period:				
income tax	3,350	2,427	3,350	2,427
deferred tax	103	58	103	58
Capital gains tax from the disposal of an asset held for sale	2,537	-	2,537	-
	<u>5,990</u>	<u>2,485</u>	<u>5,990</u>	<u>2,485</u>

The effective tax rate for the current quarter and cumulative period was higher than the statutory tax rate principally due to the capital gain tax paid upon the disposal of a non-current asset held for sale.

23 Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 16th May 2012.

24 Group Borrowings and Debt Securities

	AS AT	
	31/03/2012	31/12/2011
	RM'000	RM'000
Short term bank borrowings		
Secured	-	-
Unsecured	2,267	2,267
Total	<u>2,267</u>	<u>2,267</u>
Long term bank borrowings		
Unsecured	778	1,345
Total	<u>778</u>	<u>1,345</u>
Bank borrowings denominated in foreign currency as at 31 December 2011:	SGD'000	RM'000
Singapore Dollars	-	-

The Group did not have any non-current debt securities denominated in Ringgit Malaysia or foreign currency as at 31 March 2012.

**25 Derivative Financial Instruments**

(a) The Group's derivative financial instruments as at 31 March 2012 are as follows -

Type of Derivatives Forward Currency Contracts	Contract / Notional Amount RM'000	Changes in Fair Value	
		Assets RM'000	Liabilities RM'000
Less than 1 year			
Sale of goods	2,711	18	-
Purchase of goods	-	-	-
	<u>2,711</u>	<u>18</u>	<u>-</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 2,711,000.

(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.

**26 Fair value hierarchy**

The Group uses the following hierarchy for determining the fair value of its derivative financial instruments carried at fair value.

Financial assets/(liabilities):	Significant other observable inputs (Level 2)	
	31/03/2012	31/12/2011
Derivatives - Forward currency contracts	18	(12)

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There have been no transfers between the fair value hierarchy during the current interim period and financial year ended 2011.

**27 Fair Value Changes of Financial Liabilities**

As at 31 March 2012, the Group does not have any financial liabilities measured at fair value through profit or loss.

**28 Material Litigation**

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

**29 Dividends**

The Board of Directors do not recommend the payment of any interim dividend for the period ended 31 March 2012. (First quarter 2011: Nil)

**30 Earnings per share**

The following reflect the profit and share data used in the computation of basic and diluted earnings per share:

		3 MONTHS ENDED		PERIOD ENDED	
		31/03/2012	31/03/2011	31/03/2012	31/03/2011
<b><u>Basic Earnings per share</u></b>					
Profit after tax	RM'000	6,320	8,874	6,320	8,874
Weighted average number of ordinary shares in issue	'000	93,717	93,717	93,717	93,717
Basic earnings per share	sen	<b>6.74</b>	<b>9.47</b>	<b>6.74</b>	<b>9.47</b>
<b><u>Diluted Earnings per share</u></b>					
Profit after tax	RM'000	6,320	8,874	6,320	8,874
Weighted average number of ordinary shares in issue	'000	93,717	93,717	93,717	93,717
Diluted earnings per share	sen	<b>6.74</b>	<b>9.47</b>	<b>6.74</b>	<b>9.47</b>



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

31 Authorisation for issue

The interim financial statements have been approved for issue in accordance with a resolution of the Board of Directors dated 23 May 2012.