

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

(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014**

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2014**

Note	3 MONTHS ENDED		PERIOD ENDED		
	30/09/2014	30/09/2013	30/09/2014	30/09/2013	
	RM'000	RM'000	RM'000	RM'000	
<b>Revenue</b>	<b>122,512</b>	<b>101,680</b>	<b>375,932</b>	<b>312,241</b>	
Cost of sales	(94,124)	(76,750)	(288,025)	(232,968)	
<b>Gross profit</b>	<b>28,388</b>	<b>24,930</b>	<b>87,907</b>	<b>79,273</b>	
Other income	1,058	420	2,743	1,599	
Selling & marketing expenses	(14,071)	(11,638)	(42,347)	(35,989)	
Administrative expenses	(5,036)	(4,444)	(15,169)	(13,232)	
Other expenses	(140)	(157)	(503)	(657)	
Finance cost	(1)	(16)	(4)	(33)	
Share of results of joint venture	83	(516)	326	(912)	
<b>Profit before tax</b>	<b>10,281</b>	<b>8,579</b>	<b>32,953</b>	<b>30,049</b>	
Income tax expense	(2,871)	(2,067)	(8,521)	(7,570)	
<b>Net profit for the period</b>	<b>7,410</b>	<b>6,512</b>	<b>24,432</b>	<b>22,479</b>	
<b>Other comprehensive income:</b>					
Exchange differences on translation of foreign operations, net of tax	-	-	-	-	
<b>Total comprehensive income for the period</b>	<b>7,410</b>	<b>6,512</b>	<b>24,432</b>	<b>22,479</b>	
<b>Net profit attributable to:</b>					
Owners of the parent	7,382	6,479	24,342	22,405	
Non-controlling interest	28	33	90	74	
<b>Net profit for the period</b>	<b>7,410</b>	<b>6,512</b>	<b>24,432</b>	<b>22,479</b>	
<b>Total comprehensive income attributable to:</b>					
Owners of the parent	7,382	6,479	24,342	22,405	
Non-controlling interest	28	33	90	74	
<b>Total comprehensive income for the period</b>	<b>7,410</b>	<b>6,512</b>	<b>24,432</b>	<b>22,479</b>	
<b>Earnings per share attributable to owners of the parent:</b>					
- Basic	B11	6.30	5.53	20.78	19.13
- Diluted	B11	6.30	5.53	20.78	19.13

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

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(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014**  
**(THE FIGURES HAVE NOT BEEN AUDITED)**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2014**

	Note	As at 30/09/2014 RM'000	As at 31/12/2013 RM'000 <b>(Audited)</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	A12	99,438	106,921
Investment properties		7,881	3,329
Intangible assets		1,214	1,190
Investment in joint ventures		6,525	4,211
Deferred tax assets		464	376
Receivables		5,000	5,000
Long term investment		5,520	5,520
		<u>126,042</u>	<u>126,547</u>
<b>Current Assets</b>			
Inventories		51,416	47,742
Receivables		118,857	101,324
Prepayments		815	120
Tax recoverable		206	482
Available-for-sale financial asset		-	3,928
Derivative financial instruments	A15 & B12	3	25
Deposits, bank and cash balances		43,203	32,804
		<u>214,500</u>	<u>186,425</u>
<b>TOTAL ASSETS</b>		<b><u>340,542</u></b>	<b><u>312,972</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Current Liabilities</b>			
Borrowings	B8	11	-
Derivative financial instruments	A15 & B12	-	1
Payables		82,644	70,374
Current tax payable		2,480	1,771
		<u>85,135</u>	<u>72,146</u>
<b>Non-Current Liabilities</b>			
Borrowings	B8	35	-
Deferred tax liabilities		5,589	5,752
		<u>5,624</u>	<u>5,752</u>
<b>TOTAL LIABILITIES</b>		<b><u>90,759</u></b>	<b><u>77,898</u></b>
<b>NET ASSETS</b>		<b><u>249,783</u></b>	<b><u>235,074</u></b>
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital		117,146	93,717
Reserves		3,218	3,218
Retained earnings	B14	129,086	137,896
		<u>249,450</u>	<u>234,831</u>
Non-controlling interest		333	243
<b>TOTAL EQUITY</b>		<b><u>249,783</u></b>	<b><u>235,074</u></b>
		<b>RM</b>	<b>RM</b>
<b>Net Assets per share attributable to owners of the parent</b>		<b><u>2.13</u></b>	<b><u>2.51</u></b>

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE CUMULATIVE PERIOD ENDED 30 SEPTEMBER 2014**

Note	← Non-Distributable →		Distributable	Equity	Non-controlling Interest	Total Equity
	Share Capital	Foreign currency translation reserve	Retained Earnings	attributable to owners of the parent, total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>PERIOD ENDED 30 SEPTEMBER 2014</b>						
	93,717	3,218	137,896	234,831	243	235,074
	-	-	24,342	24,342	90	24,432
Transaction with owners						
Issue of ordinary shares pursuant to bonus issue	23,429		(23,429)	-		-
Dividends on ordinary shares	-	-	(9,723)	(9,723)	-	(9,723)
Total transaction with owners	23,429	-	(33,152)	(9,723)	-	(9,723)
<b>Balance as at 30 SEPTEMBER 2014</b>	<b>117,146</b>	<b>3,218</b>	<b>129,086</b>	<b>249,450</b>	<b>333</b>	<b>249,783</b>
<b>PERIOD ENDED 30 SEPTEMBER 2013</b>						
	93,717	1,364	121,229	216,310	142	216,452
	-	-	22,405	22,405	74	22,479
Transaction with owners						
Dividends on ordinary shares	-	-	(13,355)	(13,355)	-	(13,355)
<b>Balance as at 30 SEPTEMBER 2013</b>	<b>93,717</b>	<b>1,364</b>	<b>130,279</b>	<b>225,360</b>	<b>216</b>	<b>225,576</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.

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(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014**

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE CUMULATIVE PERIOD ENDED 30 SEPTEMBER 2014**

	PERIOD ENDED	
	30/09/2014	30/09/2013
	RM'000	RM'000
<b>Operating activities</b>		
Profit before tax	32,953	30,049
Adjustments for:		
Depreciation and amortisation	6,707	5,687
Net profit on disposal of property, plant and equipment	(181)	(2)
Property, plant and equipment written off	2	6
Share of results of joint venture	(326)	912
Dividends received from investment securities	-	(62)
Net profit from disposal of investment securities	-	(23)
Net profit on disposal of available-for-sale financial asset	(297)	-
Fair value changes of derivative financial instruments	21	(79)
(Reversal of)/Inventories written off and written down	(212)	90
Impairment loss on trade receivables	82	49
Interest expense	4	33
Interest income	(606)	(293)
Operating cash flows before changes in working capital	38,147	36,367
Inventories	(3,462)	(6,990)
Receivables	(18,310)	(7,160)
Payables	12,270	2,080
Cash generated from operations	28,645	24,297
Tax paid	(7,788)	(7,116)
<b>Net cash flows generated from operating activities</b>	<b>20,857</b>	<b>17,181</b>
<b>Investing activities</b>		
Proceeds from the disposal of available-for-sale financial asset	4,225	-
Investment in joint venture	(1,988)	(4,988)
Repayment of shareholders loans	-	(48)
Purchase of property, plant and equipment & intangible assets	(3,802)	(31,943)
Proceeds from disposal of property, plant and equipment	182	2
Proceeds from disposal of investment securities	-	30,517
Dividends received from investment securities	-	62
Interest received	606	293
<b>Net cash flows used in investing activities</b>	<b>(777)</b>	<b>(6,105)</b>
<b>Financing activities</b>		
Finance lease raised	46	-
Dividends paid	(9,723)	(13,355)
Trade & revolving facilities raised	-	1,399
Other financing activities paid	(4)	(33)
<b>Net cash flows used in financing activities</b>	<b>(9,681)</b>	<b>(11,989)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>10,399</b>	<b>(913)</b>
<b>Cash and cash equivalents at 1 January</b>	<b>32,804</b>	<b>34,675</b>
Effect of exchange rate changes on cash and cash equivalents	-	-
<b>Cash and cash equivalents at the end of the financial period</b>	<b>43,203</b>	<b>33,762</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 THIRD QUARTER ENDED 30 SEPTEMBER 2014**  
**(THE FIGURES HAVE NOT BEEN AUDITED)**

**A NOTES PURSUANT TO MFRS 134 FOR THE PERIOD ENDED 30 SEPTEMBER 2014**

**A1 Basis of preparation**

These unaudited condensed consolidated interim financial statements for the period ended 30 September 2014 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. It should be read in conjunction with the Group's most recent audited financial statements for the year ended 31 December 2013.

These unaudited condensed consolidated interim financial statements have been prepared on a historical cost basis except for the certain financial assets and liabilities classified as financial assets and liabilities at fair value through profit or loss and financial assets designated as available for sale.

**A2 Significant accounting policies**

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 2013 except for the adoption of the following Malaysian Financial Reporting Standards ("MFRS") and Issues Committee ("IC") Interpretations wherever applicable to the Group and Company:

Description	Effective for annual periods beginning on or after
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities	1 January 2014
Amendments to MFRS 136: Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21 Levies	1 January 2014
Amendments to MFRS 119: Defined Benefit Plans: Employee Contributions	1 July 2014
Annual Improvements to MFRSs 2010–2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011–2013 Cycle	1 July 2014
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in November 2009)	To be announced
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in October 2010)	To be announced
MFRS 9 Financial Instruments: Hedge Accounting and amendments to MFRS 9, MFRS 7 and MFRS 139	To be announced

The directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of initial application except as discussed below:

**MFRS 9 Financial Instruments: Classification and Measurement**

MFRS 9 reflects the first phase of work on the replacement of MFRS 139 and applies to classification and measurement of financial assets and financial liabilities as defined in MFRS 139. The standard was initially effective for annual periods beginning on or after 1 January 2013, but Amendments to MFRS 9: Mandatory Effective Date of MFRS 9 and Transition Disclosures, issued in March 2012, moved the mandatory effective date to 1 January 2015. Subsequently, on 14 February 2014, it was announced that the new effective date will be decided when the project is closer to completion. The adoption of the first phase of MFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will not have an impact on classification and measurements of the Group's financial liabilities. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

**A3 Seasonality or cyclicity of interim operations**

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

**A4 Unusual items**

There were no unusual items that affected the assets, liabilities, equity, net income or cash flows for the period ended 30 September 2014.

**A5 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.

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014  
(THE FIGURES HAVE NOT BEEN AUDITED)**

**A NOTES PURSUANT TO MFRS 134 FOR THE YEAR ENDED 30 SEPTEMBER 2014 (continued)**

**A6 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 2014.

**A7 Profit before tax**

Included in profit before tax are the following items:

	3 MONTHS ENDED		PERIOD ENDED	
	30/09/2014 RM'000	30/09/2013 RM'000	30/09/2014 RM'000	30/09/2013 RM'000
Interest income	218	159	606	293
Other income including investment income	718	170	1,430	1,116
Interest expense	(1)	(16)	(4)	(33)
Depreciation and amortisation	(2,200)	(1,936)	(6,707)	(5,687)
(Impairment loss)/Reversal of impairment loss on trade receivables	(28)	10	(82)	(49)
(Reversal of)/Inventories written off and written down	288	(22)	212	(90)
Net profit on disposal of property, plant and equipment	99	-	181	2
Profit on disposal of AFS Financial Asset	-	-	297	-
Property, plant and equipment written off	(2)	(6)	(2)	(6)
Gain on disposal of investment securities	-	-	-	85
Fair value gain/(loss) of derivative financial instruments	14	95	(21)	79
Foreign exchange gains less losses	18	(74)	148	23
Exceptional items	-	-	-	-

**A8 Dividends paid and declared**

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

	30/09/2014 RM'000	30/09/2013 RM'000
<u>In respect of the financial year ended 31 December</u>		
2014: Interim single-tier dividend of 3.50 sen per share paid on 30-Sep-14	4,100	-
2013: Final dividend comprising 6.0 sen single tier per share paid on 05-June-14	5,623	-
2013: Interim single-tier dividend of 4.0 sen per share paid on 30-Sep-13	-	3,749
2012: Final dividend comprising taxable 3.0 sen gross per share and a tax-exempt of 3.0 sen per share as well as a Special tax-exempt dividend of 5.0 sen per share paid on 31-May-13	-	9,606
	<u>9,723</u>	<u>13,355</u>

**A9 Segment Information**

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

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

OPERATING SEGMENTS	Manufacturing and Marketing	Wholesale and Distribution	Corporate	Adjustments and eliminations	GROUP
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>PERIOD ENDED 30/09/2014</b>					
External Revenue	22,468	347,690	5,774	-	375,932
Inter-segment revenue	54,715	472	24,869	(80,056)	-
<b>Total Revenue</b>	<b>77,183</b>	<b>348,162</b>	<b>30,643</b>	<b>(80,056)</b>	<b>375,932</b>
Segment Results (external)	23,232	13,595	(2,208)	(1,662)	32,957
Finance costs					(4)
<b>Profit before tax</b>					<b>32,953</b>
<b>PERIOD ENDED 30/09/2013</b>					
External Revenue	15,559	291,244	5,438	-	312,241
Inter-segment revenue	50,695	512	19,420	(70,627)	-
<b>Total Revenue</b>	<b>66,254</b>	<b>291,756</b>	<b>24,858</b>	<b>(70,627)</b>	<b>312,241</b>
Segment Results (external)	21,385	13,245	(3,255)	(1,293)	30,082
Finance costs					(33)
<b>Profit before tax</b>					<b>30,049</b>

**A NOTES PURSUANT TO MFRS 134 FOR THE PERIOD ENDED 30 SEPTEMBER 2014 (continued)**

**A9 Segment Information (continued)**

<b>OPERATING SEGMENTS</b>	<b>Manufacturing and Marketing</b>	<b>Wholesale and Distribution</b>	<b>Corporate</b>	<b>Adjustments and eliminations</b>	<b>GROUP</b>
<b>Segment assets</b>					
30-Sep-2014	82,708	221,208	41,917	(5,291)	<b>340,542</b>
31-Dec-2013	81,719	207,715	28,675	(5,137)	<b>312,972</b>
<b>Segment liabilities</b>					
30-Sep-2014	(10,834)	(62,100)	(9,756)	(8,069)	<b>(90,759)</b>
31-Dec-2013	(8,166)	(58,820)	(3,389)	(7,523)	<b>(77,898)</b>

**A10 Significant Events After the Reporting Date**

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

**A11 Changes in Group Composition**

On 29th September 2014, the Company acquired 40% equity interest representing 800,000 ordinary shares in Straits Apex Sdn Bhd ("SA") for a consideration of RM 1,988,000. SA is an investment holding company which owns 87.37% of Penang based Straits Orthopaedics (Mfg) Sdn Bhd ("SO"). The Group's existing joint venture company ABio Orthopaedics Sdn Bhd is currently a sub-contractor of SO performing orthopaedics subcontracting works primarily in the areas of Trauma, Instrumentation and Spine.

SO is a contract manufacturer of orthopaedic devices for multinational customers. It was established in 2003 and today has 300 employees. SO's main customer is Smith & Nephew, a global medical technology group with revenue of US\$ 4 billion. 100% of SO's manufacturing output is exported.

The products manufactured by SO include surgical instruments, pins and wires, external fixation sets devices, nails, bone screws, plates, knee components and prep kits for surgery. Products manufactured by SO in Malaysia are used in over 100 countries around the world under customer brands. SO has a well-defined niche in the industry and is currently a leading sub-contract manufacturer of orthopaedic devices in Asia.

As a result of the acquisition, the Group holds 35% effective equity interest in SO through SA.

**A12 Property, plant and equipment**

During the current quarter ended 30 September 2014, the Group acquired assets at a cost of RM 1,950,000 (30 September 2013: RM28,430,000).

Assets with carrying amount of RM 2 were disposed of by the Group during the current quarter ended 30 September 2014 (30 September 2013: RM nil), resulting in a net gain on disposal of RM 99,000 (30 September 2013: RM nil), recognised and included in other income in the statement of comprehensive income.

A unit of warehouse in Singapore with carrying amount of RM4,600,000 was reclassified to Investment Properties during the quarter as the said warehouse is now held for rental as it is surplus to current requirements. All warehousing requirements of the Group in Singapore have been consolidated and relocated to the newly acquired industrial building at 4 Loyang Way 1.

**A13 Capital Commitments**

Capital commitments of property, plant and equipment not provided for in the financial statements as at 30 September 2014 are as follows:

	<u>RM'000</u>
Authorised capital expenditure approved and contracted for	294
Authorised capital expenditure approved but not contracted for	<u>3,984</u>
	<u><u>4,278</u></u>

**A14 Related Party Transactions**

	30/09/2014	30/09/2013
	<u>RM'000</u>	<u>RM'000</u>
Interest bearing term loan to jointly controlled entities	5,000	5,000

Other than the above, the Group does not have any significant transactions with related parties during the period ended 30 September 2014 in addition to the related party transactions disclosed in the audited financial statements for the year ended 31 December 2013.

**A NOTES PURSUANT TO MFRS 134 FOR THE PERIOD ENDED 30 SEPTEMBER 2014 (continued)**

**A15 Fair value hierarchy**

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

	30/09/2014	31/12/2013
	RM'000	RM'000
Financial (liabilities)/assets:		
	(Level 2)	
Derivatives - Forward currency contracts	3	24

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 2013.

**A16 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.



**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014**

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

**B NOTES PURSUANT TO BURSA LISTING REQUIREMENTS: CHAPTER 9, APPENDIX 9B, PART A**

**B1 Detailed Performance Analysis of Operating Segments of the Group**

In the third quarter, the Group achieved revenue of RM 122.5 million, a growth of 20% of the same period last year. Year to date, Group revenue reached RM 375.9 million, an increase of 20% over the RM 312.2 million achieved in the first nine months of 2013. Profit before tax for the quarter at RM 10.3 million is 20% higher than the RM 8.6 million recorded in the same period last year. Profit after tax for the first nine months of 2014 stands at RM 33.0 million as compared to RM 30.0 million in 2013.

Manufacturing and Marketing revenue grew by 16% over that achieved in the same period last year, helped by increased exports and sales in Singapore as well as sustained marketing efforts in the Malaysian private sector.

Sales at the Wholesale and Distribution division grew substantially by 19% over the same period in 2013. This is due largely to contributions from newly acquired distribution agencies in Singapore, which has helped the Group's Singapore operations achieve economies of scale.

The Group's retail pharmacy outlet at City Square Mall continues to perform well. There are no material fluctuations in rental income from Group properties in the current quarter.

**B2 Material changes in the profit before tax for the quarter**

There is no material change in profit before tax for the current quarter as compared with the immediate preceding quarter.

**B3 Commentary**

**a Prospects**

The Group's core businesses performed well in the third quarter, driven by the Group's commitment and focus on product development, brand management, customer service and operational efficiency. There are no material changes to the outlook previously furnished with the Group's second quarter report for the current year. The acquisition of equity interest in Straits Orthopaedics (Mfg) Sdn Bhd through Straits Apex Sdn Bhd adds further impetus to the Group's plans to develop orthopaedics manufacturing as another key engine of growth for the future.

The Board is confident that barring unforeseen circumstances, the Group's performance to date and its well-placed fundamentals will enable it to return another satisfactory performance in 2014.

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

Not applicable.

**B4 Statement by the Board of Directors' opinion on the achievability of forecast revenue or profit estimate**

Not applicable.

**B5 Profit Forecast /Profit Guarantee**

Not applicable.

**B6 Income Tax Expense**

	3 MONTHS ENDED		PERIOD ENDED	
	30/09/2014	30/09/2013	30/09/2014	30/09/2013
	RM'000	RM'000	RM'000	RM'000
In respect of current period:				
income tax	2,859	2,009	8,846	7,534
deferred tax	85	277	(252)	255
	<u>2,944</u>	<u>2,286</u>	<u>8,594</u>	<u>7,789</u>
In respect of prior period:				
income tax	(73)	(219)	(73)	(219)
	<u>2,871</u>	<u>2,067</u>	<u>8,521</u>	<u>7,570</u>

The effective tax rate for the current quarter and cumulative period was comparable with the statutory tax rate.

**B NOTES PURSUANT TO BURSA LISTING REQUIREMENTS: CHAPTER 9, APPENDIX 9B, PART A (continued)**

**B7 Status of Corporate Proposals**

There were no corporate proposals announced but not completed as at 11th November 2014.

**B8 Group Borrowings and Debt Securities**

	30/09/2014	31/12/2013
	RM'000	RM'000
Current		
Secured obligations under finance lease	11	-
Non-current		
Secured obligations under finance lease	35	-
Total	46	-
Obligations under finance lease denominated in foreign currency as at 30 September 2014:	SGD'000	RM'000
Singapore Dollars	18	-

The Group does not have any current or non-current debt securities denominated in Ringgit Malaysia or foreign currency as at 30 September 2014.

**B9 Material Litigation**

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

**B10 Dividend Payable**

a The interim single-tier dividend of 3.50 sen per share in respect of the financial year ending 31 December 2014 which was declared by the Board of Directors in the previous quarter has been paid on 30th September 2014. (Year 2013: Interim single-tier dividend of 4.0 sen per share paid on 30th September 2013).

b The total dividend declared and paid to-date in the current financial year is 3.50 sen per share. (Year 2013: Single-tier dividend of 4.0 sen per share).

**B11 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	
		30/09/2014	30/09/2013	30/09/2014	30/09/2013
<b>Basic Earnings per share</b>					
Profit after tax	RM'000	7,382	6,479	24,342	22,405
Weighted average number of ordinary shares in issue	'000	117,146	117,146	117,146	117,146
Basic earnings per share	sen	<b>6.30</b>	<b>5.53</b>	<b>20.78</b>	<b>19.13</b>
<b>Diluted Earnings per share</b>					
Profit after tax	RM'000	7,382	6,479	24,342	22,405
Weighted average number of ordinary shares in issue	'000	117,146	117,146	117,146	117,146
Diluted earnings per share	sen	<b>6.30</b>	<b>5.53</b>	<b>20.78</b>	<b>19.13</b>

The basic and diluted earnings per share for the previous year have been restated as result of the adjustment to the weighted average number of ordinary shares in issue which has taken into account the one-for-four bonus issue as if the event had occurred at the beginning of the previous year.

**B NOTES PURSUANT TO BURSA LISTING REQUIREMENTS: CHAPTER 9, APPENDIX 9B, PART A (continued)**

**B12 Derivative Financial Instruments**

a The Group's derivative financial instruments as at 30 September 2014 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	3,145	3	-
Purchase of goods	(425)		
	<u>2,720</u>	<u>3</u>	<u>-</u>

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

c The net cash requirements relating to these contracts was RM 2,720,000.

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 jointly-controlled entities with these derivative contracts; and

(iii) the related accounting policies.

**B13 Fair Value Changes of Financial Liabilities**

As at 30 September 2014, the Group does not have any significant financial liabilities measured at fair value through profit or loss other than the disclosure in note A15.

**B14 Realised and Unrealised Profits/Losses Disclosure**

	Year ended	
	30/09/2014 RM'000	31/12/2013 RM'000
Total retained earnings of the Group:		
Realised	150,958	159,851
Unrealised	(2,774)	(3,204)
	<u>148,184</u>	<u>156,647</u>
Total share of results of joint venture		
Realised	(451)	(777)
	<u>147,733</u>	<u>155,870</u>
Less: Consolidation adjustments	(18,647)	(17,974)
Total Group's retained earnings as per consolidated accounts	<u>129,086</u>	<u>137,896</u>

**B15 Auditors' report on preceding annual financial statements**

The Auditors' report on the Group's financial statements for the year ended 31 December 2013 was not qualified.

**Authorisation for issue**

The interim financial statements have been approved for issue in accordance with a resolution of the Board of Directors dated 18th November 2014.