APEX HEALTHCARE BERHAD (473108-T)
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2018
(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2018

	Note	3 MONTHS ENDED		PERIOD ENDED	
		30/06/2018	**30/06/2017**	**30/06/2018**	**30/06/2017**
		RM'000	RM'000	RM'000	RM'000
Revenue		**155,946**	**155,297**	**324,346**	**309,949**
Cost of sales		(116,431)	(120,588)	(244,704)	(242,077)
Gross profit		**39,515**	**34,709**	**79,642**	**67,872**
Other income		1,530	2,047	3,161	3,959
Selling & marketing expenses		(18,000)	(17,439)	(37,795)	(34,337)
Administrative expenses		(6,510)	(5,973)	(12,957)	(11,483)
Other expenses		(671)	(581)	(1,296)	(1,351)
Finance cost		-	(1)	-	(1)
Share of results of an associate		1,504	691	3,139	1,706
Profit before tax	A7	**17,368**	**13,453**	**33,894**	**26,365**
Income tax expense	B6	(3,667)	(3,153)	(6,972)	(5,966)
Net profit for the period		**13,701**	**10,300**	**26,922**	**20,399**
Other comprehensive income:					
Exchange differences on translation of foreign operations, net of tax		(2,677)	(35)	(2,712)	(70)
Total comprehensive income for the period		**11,024**	**10,265**	**24,210**	**20,329**
Net profit attributable to:					
Owners of the parent		13,699	10,297	26,880	20,388
Non-controlling interest		2	3	42	11
Net profit for the period		**13,701**	**10,300**	**26,922**	**20,399**
Total comprehensive income attributable to:					
Owners of the parent		11,022	10,262	24,168	20,318
Non-controlling interest		2	3	42	11
Total comprehensive income for the period		**11,024**	**10,265**	**24,210**	**20,329**
Earnings per share attributable to owners of the parent:					
		Sen	**Sen**	**Sen**	**Sen**
- Basic	B11	**11.69**	**8.79**	**22.95**	**17.40**
- Diluted	B11	**11.65**	**8.78**	**22.86**	**17.39**

The Condensed Consolidated Statement 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 SECOND QUARTER ENDED 30 JUNE 2018
(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Note	As at 30/06/2018 RM'000	As at 31/12/2017 RM'000 (Audited)
ASSETS			
Non-Current Assets			
Property, plant and equipment	A12	141,391	124,974
Investment properties		9,842	10,049
Intangible assets		1,822	1,970
Investment in an associate		13,613	10,474
Deferred tax assets		580	212
Receivables		10,000	10,000
		177,248	157,679
Current Assets			
Inventories		78,081	69,018
Receivables		146,364	139,323
Prepayments		998	4,148
Tax recoverable		232	295
Derivative financial instruments	A15 & B12	-	17
Long term investment		5,626	5,520
Deposits, bank and cash balances		70,840	80,903
		302,141	299,224
TOTAL ASSETS		**479,389**	**456,903**
EQUITY AND LIABILITIES			
Current Liabilities			
Borrowings	B8	4	7
Derivative financial instruments	A15 & B12	58	128
Payables		110,047	106,545
Current tax payable		6,185	3,505
		116,294	110,185
Non-Current Liabilities			
Deferred tax liabilities		2,399	3,063
		2,399	3,063
TOTAL LIABILITIES		**118,693**	**113,248**
NET ASSETS		**360,696**	**343,655**
EQUITY			
Equity attributable to owners of the parent			
Share capital		117,146	117,146
Reserves		11,367	13,656
Retained earnings		231,720	212,432
		360,233	343,234
Non-controlling interest		463	421
TOTAL EQUITY		**360,696**	**343,655**
		RM	**RM**
Net Assets per share attributable to owners of the parent		**3.08**	**2.93**

The Condensed Consolidated Statement of Financial Position 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 SECOND QUARTER ENDED 30 JUNE 2018
(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2018

		← Non-Distributable →			Distributable			
	Note	Share Capital RM'000	Foreign currency translation reserve RM'000	Share option reserve RM'000	Retained Earnings RM'000	Equity attributable to owners of the parent, total RM'000	Non-controlling Interest RM'000	Total Equity RM'000
PERIOD ENDED 30 JUNE 2018								
Balance at 1 January 2018		117,146	13,147	509	212,432	343,234	421	343,655
Total comprehensive income		-	(2,712)	-	26,880	24,168	42	24,210
Share options granted		-	-	427	-	427	-	427
Share options lapsed		-	-	(4)	23	19	-	19
Transaction with owners								
Dividends on ordinary shares	A8	-	-	-	(7,615)	(7,615)	-	(7,615)
Total transaction with owners		-	-	-	(7,615)	(7,615)	-	(7,615)
Balance as at 30 June 2018		**117,146**	**10,435**	**932**	**231,720**	**360,233**	**463**	**360,696**
PERIOD ENDED 30 JUNE 2017								
Balance at 1 January 2017		117,146	13,288	96	181,441	311,971	416	312,387
Total comprehensive income		-	(70)	-	20,388	20,318	11	20,329
Share options granted		-	-	138	-	138	-	138
Transaction with owners								
Dividends on ordinary shares	A8	-	-	-	(7,029)	(7,029)	-	(7,029)
Total transaction with owners		-	-	-	(7,029)	(7,029)	-	(7,029)
Dividend by a subsidiary to non-controlling interest		-	-	-	-	-	(24)	(24)
Balance as at 30 June 2017		**117,146**	**13,218**	**234**	**194,800**	**325,398**	**403**	**325,801**

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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INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2018
(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 30 JUNE 2018

	PERIOD ENDED	
	30/06/2018	**30/06/2017**
	RM'000	**RM'000**
Operating activities		
Profit before tax	**33,894**	**26,365**
Adjustments for:		
Depreciation and amortisation	4,438	4,797
Net profit on disposal of property, plant and equipment	-	(42)
Property, plant and equipment written off	-	19
Share of results of an associate	(3,139)	(1,706)
Fair value changes of derivative financial instruments	(53)	103
Share options granted	446	138
Inventories written off	138	115
Impairment loss on trade receivables net of reversals	250	20
Interest expense	-	1
Interest income	(911)	(1,403)
Operating cash flows before changes in working capital	35,063	28,407
Inventories	(9,202)	(8,012)
Receivables	(4,141)	(11,542)
Payables	3,502	11,284
Cash generated from operations	25,222	20,137
Tax paid	(5,260)	(4,790)
Net cash flows generated from operating activities	**19,962**	**15,347**
Investing activities		
Purchase of property, plant and equipment & intangible assets	(21,791)	(12,426)
Proceeds from disposal of property, plant and equipment	-	42
Withdrawal from short term deposit	2,222	4,799
Interest received	911	1,403
Net cash flows used in investing activities	**(18,658)**	**(6,182)**
Financing activities		
Finance lease repaid	(2)	(4)
Dividends paid	(7,614)	(7,029)
Dividends paid to non-controlling interest	-	(24)
Other financing activities paid	-	(1)
Net cash flows used in financing activities	**(7,616)**	**(7,058)**
Net (decrease)/increase in cash and cash equivalents	**(6,312)**	**2,107**
Cash and cash equivalents at 1 January	**74,908**	**71,812**
Effect of exchange rate changes on cash and cash equivalents	(1,423)	-
Cash and cash equivalents at the end of the financial period	**67,173**	**73,919**

Included in the deposits, bank and cash balances is RM 3,667,000 (30 June 2017 : RM 5,424,000) placed with money market fund held for investment purposes and does not form part of cash and cash equivalents.

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

A NOTES PURSUANT TO MFRS 134 FOR THE PERIOD ENDED 30 JUNE 2018

A1 Basis of preparation

These unaudited condensed consolidated interim financial statements for the period ended 30 June 2018 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 2017.

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 2017 except for the adoption of the following standards, wherever applicable to the Group and Company:

Description	Effective for annual periods beginning on or after
MFRS 2 Classification and Measurement of Share-based Payment Transactions (Amendments to MFRS 2)	1 January 2018
MFRS 9 Financial Instruments	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 140 Transfers of Investment Property (Amendments to MFRS 140)	1 January 2018
Annual Improvements to MFRS Standards 2014 – 2016 Cycle	1 January 2018
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018

The initial application of the abovementioned standards and amendments did not have any material impacts to the current and prior periods financial statements upon their first adoption except as discussed below:

MFRS 9 Financial Instruments

MFRS 9 introduces new requirements for classification and measurement; impairment; and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The Group has performed a detailed impact assessment of two aspects of MFRS 9, ie classification and measurement; and impairment. Subject to changes arising from further reasonable and supportable information, the assessment is based on currently available information.

Based on the analysis of the Group’s financial assets and liabilities as at 30 June 2018 on the basis of facts and circumstances that exist at that date, the directors of the Company have assessed the impact of MFRS 9 to the Group’s financial statements as follows:

(a) Classification and measurement

The Group does not expect a significant impact on its balance sheet or equity on applying the classification and measurement requirements of MFRS 9.

Loans and receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. The Group analysed the contractual cash flow characteristics of those instruments and concluded that they meet the criteria for amortised cost measurement under MFRS 9. Accordingly, the Group does not expect MFRS 9 to affect significantly the classification and measurement of these financial assets.

There is no material impact on the Group's accounting for financial liabilities, as the new requirements remain largely the same as it was under MRFR 139.

(b) Impairment

The adoption of MFRS 9 has changed the Group's accounting for impairment losses for financial assets by replacing MFRS 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach.

The Group has applied the simplified approach and recorded expected credit losses on all trade receivables and has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the overall economic environment. The adoption of the ECL requirements of MFRS 9 does not result in a significant increase in impairment allowances of the Group and no increase in allowance is adjusted to Retained Earnings.

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(THE FIGURES HAVE NOT BEEN AUDITED)
A NOTES PURSUANT TO MFRS 134 FOR THE PERIOD ENDED 30 JUNE 2018 (continued)

A2 Significant accounting policies (continued)

MFRS 15 Revenue from Contracts with Customers

MFRS 15 establishes a new five-step model that is applicable to revenue arising from contracts with customers. MFRS 15 supersedes the current revenue recognition guidance including MFRS 118 Revenue, MFRS 111 Construction Contracts and the related interpretations.

The core principle of MFRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

The Group has adopted the new standard on the required effective date using the modified retrospective method. This method allows the cumulative impact of the adoption be recognised in retained earnings as of 1 January 2018. The directors have assessed the effects of applying the new standard on the Group’s financial statements and concluded that the application of MFRS 15 does not have a significant impact.

(a) Sale of goods

The Group's contract with its customers are for the manufacturing and distribution of pharmaceutical and healthcare products. These sales are generally made on an outright basis and does not constitute several distinct performance obligations, hence the adoption of MFRS 15 is not expected to have any impact on the Group’s revenue and profit or loss.

(b) Rights of return

The Group provide its customers with a right to return of its products as part of its customary business practice. Customers may only exercise their rights to return when certain conditions are met i.e., products which are damaged upon receipt; products which are wrongly supplied; and products with a specified remaining shelf life that can be returned within a stated return period. The Group concluded that upon the adoption of MFRS 15, the adjustment to revenue from the sale of goods with a related adjustment to cost of sales will not be significant.

(c) Presentation and disclosure requirements

The presentation and disclosure requirements in MFRS 15 are more detailed than the current standard. The presentation requirements represent a significant change from current practice and significantly increases the volume of disclosures required in the Group’s financial statements. Many of the disclosure requirements in MFRS 15 are new and the Group has assessed that the impact of some of these disclosure requirements are not significant.

A3 Seasonality or cyclicality 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 June 2018.

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.

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 June 2018.

A7 Profit before tax

Included in profit before tax are the following items:	3 MONTHS ENDED 30/06/2018 RM'000	3 MONTHS ENDED 30/06/2017 RM'000	PERIOD ENDED 30/06/2018 RM'000	PERIOD ENDED 30/06/2017 RM'000
Interest income	523	655	911	1,403
Other income including investment income	694	897	1,434	1,495
Interest expense	-	(1)	-	(1)
Depreciation and amortisation	(2,241)	(2,408)	(4,438)	(4,797)
Impairment loss on trade receivables net of reversals	(234)	(7)	(250)	(20)
Written off of inventories	(23)	(52)	(138)	(115)
Net profit on disposal of property, plant and equipment	-	28	-	42
Fair value gain/(loss) of derivative financial instruments	131	(71)	53	(103)
Foreign exchange (loss)/gain	(205)	162	(17)	81

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(THE FIGURES HAVE NOT BEEN AUDITED)

A NOTES PURSUANT TO MFRS 134 FOR THE PERIOD ENDED 30 JUNE 2018 (continued)

A8 Dividends paid and declared

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

In respect of the financial year ended 30 June	30/06/2018 RM'000	30/06/2017 RM'000
2017: Final dividend comprising 6.5 sen single tier per share paid on 14-June-18	7,615	-
2016: Final dividend comprising 6.0 sen single tier per share paid on 16-June-17	-	7,029
	7,615	7,029

A9 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 ("M&M");
(ii) Wholesale and distribution of pharmaceutical and healthcare products("W&D"); and
(iii) Corporate comprising investments in retail pharmacy business and properties and the provision of management services ("CORP").

OPERATING SEGMENTS	M&M	W&D	CORP	Adjustments	**GROUP**
PERIOD ENDED 30/06/2018	RM'000	RM'000	RM'000	RM'000	RM'000
External Revenue	23,246	296,881	4,219	-	324,346
Inter-segment revenue	56,111	3,468	6,054	(65,633)	-
Total Revenue	79,357	300,349	10,273	(65,633)	324,346
Segment Results	24,303	10,886	152	(1,447)	33,894
Finance costs					-
Profit before tax					**33,894**

OPERATING SEGMENTS	M&M	W&D	CORP	Adjustments	**GROUP**
PERIOD ENDED 30/06/2017	RM'000	RM'000	RM'000	RM'000	RM'000
External Revenue	13,019	292,374	4,556	-	309,949
Inter-segment revenue	51,285	414	5,796	(57,495)	-
Total Revenue	64,304	292,788	10,352	(57,495)	**309,949**
Segment Results	18,950	9,379	(994)	(969)	26,366
Finance costs					(1)
Profit before tax					**26,365**
Segment assets					
30-Jun-2018	149,822	282,520	55,481	(8,434)	**479,389**
31-Dec-2017	134,100	277,794	54,013	(9,004)	**456,903**
Segment liabilities					
30-Jun-2018	(23,401)	(80,468)	(6,217)	(8,607)	**(118,693)**
31-Dec-2017	(22,261)	(80,052)	(4,366)	(6,569)	**(113,248)**

A10 Significant Events After the Reporting Date

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

A11 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 quarter ended 30 June 2018.

A12 Property, plant and equipment

During the current quarter ended 30 June 2018, prepaid capital expenditure paid by and assets acquired by the Group was RM 13.7 million (30 June 2017: RM 6.5 million).

There were no disposal of assets by the Group during the current quarter ended 30 June 2018.

A NOTES PURSUANT TO MFRS 134 FOR THE PERIOD ENDED 30 JUNE 2018 (continued)

A13 Capital Commitments

Capital commitments of property, plant and equipment not provided for in the financial statements as at 30 June 2018 are as follows:

	RM'000
Authorised capital expenditure approved and contracted for	38,024
Authorised capital expenditure approved but not contracted for	11,721
	49,745

A14 Related Party Transactions

The Group does not have any significant transactions with related parties during the period ended 30 June 2018 in addition to the related party transactions disclosed in the audited financial statements for the year ended 31 December 2017.

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.

Financial liabilities:	30/06/2018 RM'000	31/12/2017 RM'000
	(Level 2)	
Derivatives - Forward currency contracts	(58)	(111)

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 2017.

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.

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

B1 Detailed Performance Analysis of Operating Segments of the Group

	Individual Period		Changes	Cumulative Period		Changes
	Current Year Quarter	Preceding Year Corresponding Quarter		Current Year To-date	Preceding Year Corresponding Period	
	30/06/2018	30/06/2017		30/06/2018	30/06/2017	
	RM'000	RM'000	(%)	RM'000	RM'000	(%)
Revenue	155,946	155,297	0.4%	324,346	309,949	4.6%
Operating Profit	15,864	12,763	24.3%	30,755	24,660	24.7%
Profit Before Interest and Tax	17,368	13,454	29.1%	33,894	26,366	28.6%
Profit Before Tax	17,368	13,453	29.1%	33,894	26,365	28.6%
Profit After Tax	13,701	10,300	33.0%	26,922	20,399	32.0%
Profit Attributable to Ordinary Equity Holders of the Parent	13,699	10,297	33.0%	26,880	20,388	31.8%

Review of Current Quarter Performance versus Corresponding Quarter Last Year

In the second quarter of 2018, the Group achieved revenue of RM 155.9 million, marginally better than the RM 155.3 million reported for the second quarter of 2017. Group revenue was dampened by subdued private sector sales from business units in Malaysia. Revenue from pharmaceutical supply to the public sector, Singapore operations and international markets remained strong. Share of profit from associate company Straits Apex Sdn Bhd is RM 1.5 million for the quarter. A greater proportion of higher margin products in the sales mix enabled Group profit before tax for the second quarter to reach RM 17.3 million, 29% higher than the RM 13.5 million achieved in the corresponding period in 2017.

Review of Year To Date Performance versus Corresponding Period Last Year

For the first six months of 2018, the Group achieved revenue of RM 324.3 million, a growth of 5% when compared to the RM 309.9 million in the same period in 2017. Across the business units, robust revenue growth was achieved in Singapore and other international markets, sales to government agencies and contract manufacturing services.

Group operating expenses are within budget and in line with expectations. Share of results from associated company is RM 3.1 million, 84% better than the RM 1.7 million recognized in 2017 for the same period due to improved sales. Group profit before tax for the first half year is RM 33.9 million, 29% higher than the RM 26.3 million achieved in the corresponding period in 2017.

Capital expenditure paid to date in relation to the new oral solid dosage plant, SPP NOVO, is RM 45.9 million. The revised estimate for the project is RM 80 million, which is scheduled for completion in the fourth quarter of 2018.

B2 Material changes in the profit before tax for the quarter

	Current Quarter 30/06/2018	Immediate Preceding Quarter 30/03/2018	Changes	
	RM'000	RM'000	RM'000	(%)
Operating Profit	15,864	14,891	973	6.5%
Profit Before Interest and Tax	17,368	16,526	842	5.1%
Profit Before Tax	17,368	16,526	842	5.1%
Profit After Tax	13,701	13,221	480	3.6%
Profit Attributable to Ordinary Equity Holders of the Parent	13,699	13,181	518	3.9%

Profit before tax for the current quarter is RM 17.3 million compared to RM 16.5 million reported for the first quarter of 2018. There is no material change in the profit before taxation for the quarter reported on as compared with the immediate preceding quarter.

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

B3 Commentary

a Prospects

The prospects for manufacturing, marketing and distribution of pharmaceuticals and consumer healthcare products remain firm for the Group. However, the second quarter of 2018 was marked by a Malaysian General Election that led to the installation of a new Government and an escalating US-China trade dispute with uncertain implications for the economy and the strength of the Malaysian Ringgit. The Group performed well in the first half of 2018, but our expectations are now moderated by these new unfolding developments. Barring further unforeseen circumstances, the Board expects the Group's performance for the remaining six months of 2018 to be satisfactory.

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	
	30/06/2018 RM'000	30/06/2017 RM'000	30/06/2018 RM'000	30/06/2017 RM'000
In respect of current period:				
Income tax	3,318	3,187	7,147	6,198
Deferred tax	(112)	(239)	(1,031)	(607)
Foreign tax	460	205	856	375
	3,667	3,153	6,972	5,966

The effective tax rate for the current quarter was lower than the statutory tax rate due to the net-of-tax profits contributed by the Group's associated company.

B7 Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 9 August 2018.

B8 Group Borrowings and Debt Securities

	As at 30/06/2018					
	Long Term		Short Term		Total Borrowings	
	Foreign Denomination ^	RM Denomination	Foreign Denomination ^	RM Denomination	Foreign Denomination ^	RM Denomination
	SGD'000	RM'000	SGD'000	RM'000	SGD'000	RM'000
Secured						
Finance lease	-	-	1	-	1	-

	As at 31/12/2017					
	Long Term		Short Term		Total Borrowings	
	Foreign Denomination ^	RM Denomination	Foreign Denomination ^	RM Denomination	Foreign Denomination ^	RM Denomination
	SGD'000	RM'000	SGD'000	RM'000	SGD'000	RM'000
Secured						
Finance lease	-	-	2	-	2	-

^ The finance lease is denominated in SGD at exchange rate of SGD 1: RM 3.00 (31 December 2017: SGD 1: RM 3.10), equivalent to RM 4,000 (31 December 2017: RM 7,000). There is no hedging for this SGD denominated finance lease, it is a hire purchase used for the operations of a sudsidiary in Singapore.

The Group does not have any current or non-current debt securities denominated in Ringgit Malaysia or foreign currency as at 30 June 2018.

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INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2018
(THE FIGURES HAVE NOT BEEN AUDITED)

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

B9 Material Litigation

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

B10 Dividend Payable

a The Board of Directors is pleased to declare the payment of an interim single-tier dividend of 6.5 sen per share in respect of the financial year ending 31 December 2018, resulting in a total dividend to-date for the current financial year of 6.5 sen per share. (Year 2017: Interim single-tier dividend of 5.5 sen per share).

b The interim dividend will be paid on 28 September 2018 and the entitlement date is 14 September 2018.

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	
		30/06/2018	30/06/2017	30/06/2018	30/06/2017
Basic Earnings per share					
Profit after tax	RM'000	13,699	10,297	26,880	20,388
Weighted average number of ordinary shares in issue	'000	117,146	117,146	117,146	117,146
Basic earnings per share	sen	**11.69**	**8.79**	**22.95**	**17.40**
Diluted Earnings per share					
Profit after tax	RM'000	13,699	10,297	26,880	20,388
Weighted average number of ordinary shares in issue	'000	117,146	117,146	117,146	117,146
Effect of dilution-Share options	'000	462	78	462	78
Adjusted weighted average number of ordinary shares in issue	'000	117,608	117,224	117,608	117,224
Diluted earnings per share	sen	**11.65**	**8.78**	**22.86**	**17.39**

B12 Derivative Financial Instruments

The Group is exposed to foreign currency exchange risk as a result of foreign currency transactions entered into in currencies other than their functional currencies by the subsidiary companies. These companies enter into short-term forward foreign exchange contracts to manage their exposure to fluctuations in foreign currency exchange rates on specific transactions arising from trade receivables, payables and capital expenditure.

Type of Derivatives	Contract/ Notional Value	Fair Value
	30/06/2018 RM'000	30/06/2018 RM'000
i) Forward Foreign Currency Contract		
entered into for the export sales to Singapore		
- Less than 1 year	8,288	(6)
ii) Forward Foreign Currency Contract		
entered into for the purchase of goods from foreign contract manufacturers or suppliers		
- Less than 1 year	(6,357)	(52)
	1,931	(58)

No derivative was entered into by the Company which has not been disclosed in the preceding financial year or current quarter. Since the end of the previous financial year or current quarter, there is a no change in any of the information disclosed in respect of the following:

a The credit risk, market risk and liquidity risks associated with the derivatives;
b The policies in place for mitigating or controlling the risks associated with these derivatives;
c The related accounting policies.

The net cash requirements relating to these contracts was RM 1,931,000.

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

B13 Fair Value Changes of Financial Liabilities

As at 30 June 2018, 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 Auditors' report on preceding annual financial statements

The Auditors' report on the Group's financial statements for the year ended 31 December 2017 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 16 August 2018.