



APEX HEALTHCARE BERHAD (473108-T)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010

(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	3 MONTHS ENDED		YEAR ENDED	
		31/12/2010	31/12/2009	31/12/2010	31/12/2009
		RM'000	RM'000	RM'000	RM'000
Revenue	10	77,454	70,118	313,718	282,719
Cost of sales		(56,829)	(51,442)	(230,207)	(212,069)
Gross profit		20,625	18,676	83,511	70,650
Other income		259	987	1,121	1,875
Selling & marketing expenses		(9,813)	(7,999)	(39,474)	(34,804)
Administrative expenses		(4,820)	(3,632)	(15,307)	(12,584)
Other expenses		(24)	(933)	(361)	(1,432)
Finance cost		(88)	(100)	(353)	(608)
Share of results of associates		13,188	5,259	15,957	6,996
Profit before tax	10	19,327	12,258	45,094	30,093
Income tax expense	22	(1,636)	(1,737)	(6,754)	(5,543)
Net profit for the year		17,691	10,521	38,340	24,550
Attributable to:					
Equity holders of the Company		13,215	8,733	32,941	22,144
Minority interest		4,476	1,788	5,399	2,406
Net profit for the year		17,691	10,521	38,340	24,550

Earnings per share attributable to equity holders of the Company:

		Sen	Sen	Sen	Sen
			(restated)		(restated)
- Basic	31	14.10	9.32	35.15	23.63
- Diluted	31	14.10	9.32	35.15	23.63

The Condensed Consolidated Income Statements should be read in conjunction with the Group's Audited Financial Statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the Interim Financial Report.



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INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010

(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2010

	3 MONTHS ENDED		YEAR ENDED	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
	RM'000	RM'000	RM'000	RM'000
Net profit for the year	17,691	10,521	38,340	24,550
Other comprehensive income / (expense)				
Currency exchange differences on translating foreign entities	(11)	67	(446)	67
Revaluation increase of properties, net of deferred tax	-	3,128	(33)	3,128
Total comprehensive income for the year	17,680	13,716	37,861	27,745
Attributable to:				
Equity holders of the Company	13,204	11,928	32,468	25,339
Minority interest	4,476	1,788	5,393	2,406
Total comprehensive income for the year	17,680	13,716	37,861	27,745

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Group's Audited Financial Statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the Interim Financial Report.



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INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010

(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2010

		<u>Audited</u>
	As at	As at
Note	31/12/2010	31/12/2009
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	69,223	66,710
Investment properties	3,810	3,800
Intangible assets	1,285	1,405
Investment in associates	49,594	35,791
Available-for-sale investment	3,928	-
Deferred tax assets	359	58
	<u>128,199</u>	<u>107,764</u>
Current Assets		
Inventories	38,914	41,562
Trade and other receivables	75,578	67,704
Derivatives	47	-
Deposits, bank and cash balances	23,250	19,950
	<u>137,789</u>	<u>129,216</u>
TOTAL ASSETS	<u>265,988</u>	<u>236,980</u>
LIABILITIES		
Current Liabilities		
Trade and other payables	50,846	47,336
Borrowings	2,840	2,798
Current tax payable	1,144	1,572
	<u>54,830</u>	<u>51,706</u>
Non-Current Liabilities		
Borrowings	6,612	8,943
Deferred tax liabilities	6,208	3,948
	<u>12,820</u>	<u>12,891</u>
TOTAL LIABILITIES	<u>67,650</u>	<u>64,597</u>
NET ASSETS	<u>198,338</u>	<u>172,383</u>
EQUITY		
Equity attributable to equity holders of the Company		
Share capital	93,717	74,974
Reserves	6,715	12,493
Retained earnings	82,598	75,081
	<u>183,030</u>	<u>162,548</u>
Minority interest	<u>15,308</u>	<u>9,835</u>
TOTAL EQUITY	<u>198,338</u>	<u>172,383</u>
	RM	RM
Net Assets per share attributable to ordinary equity holders of the Company	<u>1.95</u>	<u>2.17</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's Audited Financial Statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the Interim Financial Report.



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INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010

(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	<u>Non-Distributable</u>			<u>Distributable</u>		Minority Interests	Total Equity
		Share Capital	Share Premium	Revaluation & other reserves	Retained Profits	Total		
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>YEAR ENDED 31 DECEMBER 2010</u>								
Balance as at 1 January 2010		74,974	5,305	7,188	75,081	162,548	9,835	172,383
Net profit for the 12-months period		-	-	-	32,941	32,941	5,399	38,340
Other comprehensive income/(expense)		-	-	(473)	-	(473)	(6)	(479)
Total comprehensive income/(expense)		-	-	(473)	32,941	32,468	5,393	37,861
Minority interests in subsidiary		-	-	-	-	-	80	80
Issue of bonus shares	7	18,743	(5,305)	-	(13,438)	-	-	-
Share issue expenses		-	-	-	(84)	(84)	-	(84)
Dividends	8	-	-	-	(11,902)	(11,902)	-	(11,902)
Balance as at 31 December 2010	9	93,717	-	6,715	82,598	183,030	15,308	198,338
<u>YEAR ENDED 31 DECEMBER 2009</u>								
Balance as at 1 January 2009		74,974	5,305	3,993	58,419	142,691	7,429	150,120
Net profit for the 12-months period		-	-	-	22,144	22,144	2,406	24,550
Other comprehensive income/(expense)		-	-	3,195	-	3,195	-	3,195
Total comprehensive income/(expense)		-	-	3,195	22,144	25,339	2,406	27,745
Dividends	8	-	-	-	(5,482)	(5,482)	-	(5,482)
Balance as at 31 December 2009		74,974	5,305	7,188	75,081	162,548	9,835	172,383

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's Audited Financial Statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the Interim Financial Report.



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INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010

(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2010

	YEAR ENDED	
	31/12/2010	31/12/2009
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	45,094	30,093
Adjustments:		
Depreciation and amortization	6,278	6,307
Net profit on disposal of property, plant and equipment	(149)	(172)
Share of results of associates	(15,957)	(6,996)
Impairment of assets net of reversals	-	268
Fair value adjustment on investment properties	(10)	50
Fair value changes of derivatives	(47)	-
Inventories written off and written down	1,260	1,442
Allowance for doubtful debts less written back	129	962
Other non-cash items	171	490
Operating profit before working capital changes:	36,769	32,444
Inventories	1,388	(1,111)
Receivables	(7,752)	(711)
Payables	3,510	5,716
Cash generated from operations	33,915	36,338
Tax paid	(7,281)	(3,518)
Net cash generated from operating activities	26,634	32,820
Cash flows from investing activities		
Dividends received from associate	-	501
Minority interests capital contribution	80	-
Purchase of property, plant and equipment & intangible assets	(8,889)	(3,029)
Proceeds from disposal of property, plant and equipment	150	179
Interest received	183	98
Net cash used in investing activities	(8,476)	(2,251)
Cash flows from financing activities:		
Term loans repaid	(2,685)	(2,990)
Dividends paid	(11,902)	(5,482)
Share issue expenses paid	(84)	-
Other financing activities paid	(469)	(7,830)
Net cash used in financing activities	(15,140)	(16,302)
Net increase in cash and cash equivalents	3,018	14,267
Cash and cash equivalents at the beginning of the financial year	19,950	5,711
Currency translation difference	(229)	(28)
Cash and cash equivalents at the end of the financial year	22,739	19,950

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Group's Audited Financial Statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the Interim Financial Report.



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**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010
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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2010

1 Basis of Preparation and Accounting policies

The interim financial report has been prepared under the historical cost convention except for the following assets and liabilities which are stated at fair values: properties included within property, plant and equipment as disclosed in note 10, investment properties, and derivatives. The Interim Financial Report is unaudited and has been prepared in compliance with FRS No.134, "Interim Financial Reporting" and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. It should be read in conjunction with the Group's most recent audited financial statements for the year ended 31 December 2009.

The significant accounting policies adopted are consistent with those adopted in the audited financial statements for the year ended 31 December 2009, except for the adoption of the following Financial Reporting Standards ("FRS") and Issues Committee ("IC") Interpretations:

FRS 7: Financial Instruments: Disclosures

FRS 8: Operating Segments

FRS 101: Presentation of Financial Statements (revised)

FRS 123: Borrowing Costs

FRS 139: Financial Instruments: Recognition and Measurement

Amendments to FRS 1: First-time Adoption of Financial Reporting Standards and FRS 127: Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

Amendments to FRS 132: Financial Instruments: Presentation

Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures and IC Interpretation 9: Reassessment of Embedded Derivatives

Amendments to FRSs 'Improvements to FRSs (2009)'

IC Interpretation 9: Reassessment of Embedded Derivatives

IC Interpretation 10: Interim Financial Reporting and Impairment

IC Interpretation 11: FRS 2 - Group and Treasury Share Transactions

IC Interpretation 13: Customer Loyalty Programmes

IC Interpretation 14: FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of the above standards, amendments and interpretations do not have any material impact on the financial statements of the Group except for the adoption of the following standards:

The revised FRS 101 separates owner and non-owner changes in equity. Therefore, the consolidated statement of changes in equity will now include only details of transactions with owners. All non-owner changes in equity are presented as a single line labelled as total comprehensive income. The Standard also introduces the statement of comprehensive income: presenting all items of income and expense recognised in the income statement, together with all other items of recognised income and expense, either in one single statement, or in two linked statements. The Group has elected to show all items of income and expense in two linked statements. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. This revised FRS does not have any impact on the financial position and results of the Group.

The adoption of FRS 139 has resulted in the recognition of short term forward forex contracts at fair values classified as derivatives upon initial adoption. Subsequent changes to the fair values of the derivatives are recognized as other income or expense in the income statement.

2 Reclassification

On 15 March 2010, the Group's Investment in Associate, Maritzberg Investments Ltd., which holds 95% equity interest in PT Penta Valent ("PT PV") has been reclassified as available-for-sale financial asset following the resignation of the Group's sole corporate representative from the PT PV Board of Commissioners.

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 2009.



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(THE FIGURES HAVE NOT BEEN AUDITED)**

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2010 (continued)

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 year ended 31 December 2010.

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.

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

As mentioned in the preceding quarters, the Company increased its issued and paid up share capital from RM 74,973,500 to RM 93,716,875 by way of issuance of 18,743,375 new ordinary shares of RM 1.00 each credited as fully paid on the basis of one (1) bonus share for every four (4) existing ordinary shares of RM 1.00 each in the Company ("bonus issue") on 21st June 2010.

Other than the above, 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 year ended 31 December 2010.

8 Dividends paid

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

	31/12/2010	31/12/2009
	RM'000	RM'000
<u>In respect of the financial year ended 31 December</u>		
2010: Interim Tax-exempt Dividend of 4 sen per share paid on 15-Oct-10	3,749	-
2009: Final Dividend of 4.5 sen gross per share less tax and Special Dividend of 10.0 sen gross per share less tax paid on 23-Jun-10	8,153	-
2009: Interim Dividend of 5.25 sen per share less tax paid on 16-Oct-09	-	2,952
2008: Final Dividend of 4.5 sen gross per share less tax paid on 23-Jun-09	-	2,530
	<u>11,902</u>	<u>5,482</u>

9 Realised and Unrealised Profits/Losses Disclosure

	31/12/2010	30/09/2010
	RM'000	RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries:		
Realised	80,966	76,589
Unrealised	(1,373)	(1,540)
	<u>79,593</u>	<u>75,049</u>
Total share of retained profits /(accumulated losses) from associated companies		
Realised	18,795	10,091
Unrealised	-	-
	<u>98,388</u>	<u>85,140</u>
Less: Consolidation adjustments	(15,790)	(15,757)
Total group retained profits /(accumulated losses) as per consolidated accounts	<u>82,598</u>	<u>69,383</u>

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



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2010 (continued)

10 Segment Information

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

OPERATING SEGMENTS	Manufacturing	Wholesale, marketing and distribution	Investment holding	GROUP
YEAR ENDED 31/12/2010	RM'000	RM'000	RM'000	RM'000
Total Revenue	74,618	257,565	21,331	353,514
Inter-segment revenue	(20,731)	-	(19,065)	(39,796)
External Revenue	53,887	257,565	2,266	313,718
Segment Results (external)	21,262	12,347	(2,341)	31,268
Unallocated corporate expenses				(1,778)
Finance costs				(353)
Share of results of associate				15,957
Profit before tax				45,094
YEAR ENDED 31/12/2009	RM'000	RM'000	RM'000	RM'000
Total Revenue	65,445	235,686	16,801	317,932
Inter-segment revenue	(19,075)	-	(16,138)	(35,213)
External Revenue	46,370	235,686	663	282,719
Segment Results (external)	15,723	11,023	(1,884)	24,862
Unallocated corporate expenses				(1,157)
Finance costs				(608)
Share of results of associate				6,996
Profit before tax				30,093
Segment assets				
31-Dec-2010	80,008	116,857	68,520	265,385
31-Dec-2009	71,518	119,012	46,067	236,597

11 Valuations of Property, Plant and Equipment

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

12 Significant Post Balance Sheet Events

On 10th January 2011, the Company acquired additional 145,000 ordinary shares in First SGC Pte Ltd ("FSGC") representing 4% equity interest for a total cash consideration of S\$1.45 million (approximating RM3.5 million) from Enlove Pte Ltd. This acquisition resulted in an increase to 70% of the Company's equity interest in FSGC which in turn holds 49% in the Group's associated company, Xiamen Maidiken Science & Technology Co Ltd, China.

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

13 Changes in Group Composition

As reported in the previous quarter, the Company has acquired on 28th July 2010 the entire share capital of Apex Retail Sdn Bhd ("ARSB") to house its retail pharmacy business. ARSB in turn subscribed for 120,000 ordinary shares at RM 1 per share representing 60% equity in the share capital of CS Health Store Sdn Bhd ("CSHS") on 9th August 2010. CSHS was established as a joint venture to operate the Group's second retail pharmacy at City Square Mall, Johor Bahru under a new retail concept and design.

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 year ended 31 December 2010.

14 Changes in Contingent liabilities or Contingent assets.

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



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2010 (continued)

15 Capital Commitments

Capital commitments of property, plant and equipment not provided for in the financial statements as at 31 December 2010 are as follows:

	RM'000
Authorised capital expenditure approved and contracted for	288
Authorised capital expenditure approved but not contracted for	8,707
	<u>8,995</u>

16 Related Party Transactions

There were no related party transactions during the year ended 31 December 2010.

17 Review of Performance

The Group's revenue for the final quarter of 2010 was RM 77.5 million and its profit before tax was RM 19.4 million. For the 12 months to December 2010, the Group achieved record revenues of RM 313.7 million and profit before tax of RM 45.1 million, representing increases of 11% and 50% respectively over the result for the previous financial year. After adjusting for non-recurring income, Group pre-tax profit for 2010 is RM 35.0 million, an increase of 31% over that achieved in 2009.

Xepa-Soul Pattinson (Malaysia) Sdn Bhd's ('Xepa') full year performance exceeded budget with revenue growth of 14% over 2009, driven by continued strong sales in domestic markets, improved exports and contract manufacturing. During the quarter, Xepa entered into a licensing, manufacturing and supply agreement with GlaxoSmithKline Pharmaceuticals Sdn Bhd in respect of six products for the treatment of cardiovascular and metabolic conditions. Additional production capacity for solid pharmaceutical products and a new Knowledge Centre was commissioned as interim upgrading works were completed.

In the same period, Apex Pharmacy Marketing Sdn Bhd ('Apex') secured ISO 9001 certification for its distribution operations in Subang Jaya. Wholesale and Distribution performed well, with improved gross margins. This is attributed to a greater proportion of own brand products in the sales mix and better purchasing. New own brand products launched in the quarter by the Group include Avegesic (meloxicam 15mg) for pain management under the AVEX brand and the AvoMeter range of blood glucose monitoring meters.

Based on unaudited management accounts of the Group's associated company, Xiamen Maidiken Science & Technology Co Ltd ('MDK'), China, total profit contribution rose 125% to RM 15.9 million for year 2010, which includes a non-recurring component of RM 10.1m. This non-recurring component is attributable to the issuance of shares at a premium to new investors by MDK's intermediate holding company for its retail and distribution operations, Luyan (Fujian) Pharma Co., Ltd. MDK's core business operations grew strongly, driven by strong domestic demand and sound business planning and execution, of which the Group's share is RM 5.8 million.

18 Material changes in the profit before tax for the quarter

Profit before tax for the current quarter is RM 19.3 million, an increase of 113% compared to RM 9.1 million in the previous quarter. This is attributed mainly to the Group's recognition of non-recurring income of RM 10.1 million from its investment in MDK.

19 Commentary

(a) Prospects

The strong performance of the Group's core businesses in 2010 is the result of sound strategic planning and execution, continuous upgrading of manufacturing facilities, careful regional expansion, focused brand management, strategic new product launches and an emphasis on staff training and development. Barring unforeseen circumstances, the Board expects these foundations to enable the Group to return another satisfactory performance in 2011.

(b) Progress to achieve forecast revenue or profit estimate

Not applicable.

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

Not applicable.

21 Profit Forecast /Profit Guarantee

Not applicable.



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2010 (continued)

22 Income Tax Expense

	3 MONTHS ENDED		YEAR ENDED	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
	RM'000	RM'000	RM'000	RM'000
In respect of current year:				
income tax	1,794	920	6,837	4,338
deferred tax	(157)	869	154	1,379
	1,636	1,789	6,991	5,717
In respect of prior year:				
income tax	-	-	(237)	(122)
deferred tax		(52)		(52)
	1,636	1,737	6,754	5,543

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

23 Sale of Unquoted Investments and/or Properties

There were no sale of unquoted investments and/or properties during the year ended 31 December 2010.

24 Quoted Securities

(a) There were no acquisitions or disposals of quoted securities during the year ended 31 December 2010.

(b) There were no quoted securities held as at 31 December 2010.

25 Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 17th February 2011.

26 Group Borrowings and Debt Securities

	AS AT	
	31/12/2010	31/12/2009
	RM'000	RM'000
Short term bank borrowings		
Secured	61	255
Unsecured	2,779	2,543
Total	2,840	2,798
Long term bank borrowings		
Secured	-	64
Unsecured	6,612	8,879
Total	6,612	8,943
Bank borrowings denominated in foreign currency as at 31 December 2010:	SGD'000	RM'000
Singapore Dollars	243	572

The Group did not have any non-current debt securities denominated in Ringgit Malaysia or foreign currency as at 31 December 2010.



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2010 (continued)

27 Derivatives

(a) The Group's derivatives as at 31 December 2010 are as follows -

Type of Derivatives Currency Forward Foreign Exchange Contracts	Contract / Notional Amount RM'000	Changes in Fair Value	
		Assets RM'000	Liabilities RM'000
Less than 1 year			
Sale of goods	1,978	16	
Purchase of goods	802	31	
	2,780	47	-

(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 2,779,722.

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

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

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

(iii) the related accounting policies.

28 Fair Value Changes of Financial Liabilities

As at 31 December 2010, the Group does not have any financial liabilities measured at fair value through profit or loss.

29 Material Litigations

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

30 Dividends

(a) The Board of Directors is recommending a final dividend of 4.0 sen gross per share less 25% tax and a special tax-exempt dividend of 5.0 sen per share in respect of the financial year ended 31 December 2010 for shareholders' approval at the forthcoming Annual General Meeting. (Year 2009: Final and Special taxable dividends of 4.50 sen and 10.0 sen gross per share less 25% tax respectively).

(b) The total tax-exempt and taxable dividend for the current financial year is 9 sen per share and 4 sen gross per share less tax respectively. (Year 2009: Total taxable dividend of 19.75 sen gross per share).

(c) The dates of the book closure and payment for the final and special dividends will be announced in due course.

31 Earnings per share

		3 MONTHS ENDED		YEAR ENDED	
		31/12/2010	31/12/2009 (restated)	31/12/2010	31/12/2009 (restated)
<u>Basic Earnings per share</u>					
Profit after tax	RM'000	13,215	8,733	32,941	22,144
Weighted average number of ordinary shares in issue	'000	93,717	93,717	93,717	93,717
Basic earnings per share	sen	14.10	9.32	35.15	23.63
<u>Diluted Earnings per share</u>					
Profit after tax	RM'000	13,215	8,733	32,941	22,144
Weighted average number of ordinary shares in issue	'000	93,717	93,717	93,717	93,717
Diluted earnings per share	sen	14.10	9.32	35.15	23.63

The basic and diluted earnings per share for the previous quarter and 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.