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

INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2018
(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2018

	Note	3 MONTHS ENDED 31/03/2018 RM'000	3 MONTHS ENDED 31/03/2017 RM'000	PERIOD ENDED 31/03/2018 RM'000	PERIOD ENDED 31/03/2017 RM'000
Revenue		**168,400**	**154,652**	**168,400**	**154,652**
Cost of sales		(128,273)	(121,489)	(128,273)	(121,489)
Gross profit		**40,127**	**33,163**	**40,127**	**33,163**
Other income		1,631	1,912	1,631	1,912
Selling & marketing expenses		(19,795)	(16,898)	(19,795)	(16,898)
Administrative expenses		(6,447)	(5,510)	(6,447)	(5,510)
Other expenses		(625)	(770)	(625)	(770)
Share of results of an associate		1,635	1,015	1,635	1,015
Profit before tax	A7	**16,526**	**12,912**	**16,526**	**12,912**
Income tax expense	B6	(3,305)	(2,813)	(3,305)	(2,813)
Net profit for the period		**13,221**	**10,099**	**13,221**	**10,099**
Other comprehensive income:					
Exchange differences on translation of foreign operations, net of tax		(35)	(35)	(35)	(35)
Total comprehensive income for the period		**13,186**	**10,064**	**13,186**	**10,064**
Net profit attributable to:					
Owners of the parent		13,181	10,091	13,181	10,091
Non-controlling interest		40	8	40	8
Net profit for the period		**13,221**	**10,099**	**13,221**	**10,099**
Total comprehensive income attributable to:					
Owners of the parent		13,146	10,056	13,146	10,056
Non-controlling interest		40	8	40	8
Total comprehensive income for the period		**13,186**	**10,064**	**13,186**	**10,064**
Earnings per share attributable to owners of the parent:					
		Sen	**Sen**	**Sen**	**Sen**
- Basic	B11	**11.25**	**8.61**	**11.25**	**8.61**
- Diluted	B11	**11.23**	**8.61**	**11.23**	**8.61**

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 FIRST QUARTER ENDED 31 MARCH 2018
(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

	Note	As at 31/03/2018 RM'000	As at 31/12/2017 RM'000 (Audited)
ASSETS			
Non-Current Assets			
Property, plant and equipment	A12	131,087	124,974
Investment properties		10,032	10,049
Intangible assets		1,892	1,970
Investment in an associate		12,109	10,474
Deferred tax assets		496	212
Receivables		10,000	10,000
		165,616	157,679
Current Assets			
Inventories		73,494	69,018
Receivables		151,402	139,323
Prepayments		374	4,148
Tax recoverable		265	295
Derivative financial instruments	A15 & B12	43	17
Long term investment		5,520	5,520
Deposits, bank and cash balances		85,862	80,903
		316,960	299,224
TOTAL ASSETS		**482,576**	**456,903**
EQUITY AND LIABILITIES			
Current Liabilities			
Borrowings	B8	5	7
Derivative financial instruments	A15 & B12	232	128
Payables		117,886	106,545
Current tax payable		4,985	3,505
		123,108	110,185
Non-Current Liabilities			
Deferred tax liabilities		2,428	3,063
		2,428	3,063
TOTAL LIABILITIES		**125,536**	**113,248**
NET ASSETS		**357,040**	**343,655**
EQUITY			
Equity attributable to owners of the parent			
Share capital		117,146	117,146
Reserves		13,808	13,656
Retained earnings		225,625	212,432
		356,579	343,234
Non-controlling interest		461	421
TOTAL EQUITY		**357,040**	**343,655**
		RM	**RM**
Net Assets per share attributable to owners of the parent		**3.04**	**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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INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2018
(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2018

	Note	← Non-Distributable		→	Distributable			
		Share Capital	Foreign currency translation reserve	Share option reserve	Retained Earnings	Equity attributable to owners of the parent, total	Non-controlling Interest	Total Equity
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
PERIOD ENDED 31 MARCH 2018								
Balance at 1 January 2018		117,146	13,147	509	212,432	343,234	421	343,655
Total comprehensive income		-	(35)	-	13,181	13,146	40	13,186
Share options granted		-	-	191	-	191	-	191
Share options lapsed		-	-	(4)	12	8	-	8
Transaction with owners								
Dividends on ordinary shares	A8	-	-	-	-	-	-	-
Total transaction with owners		-	-	-	-	-	-	-
Balance as at 31 March 2018		**117,146**	**13,112**	**696**	**225,625**	**356,579**	**461**	**357,040**
PERIOD ENDED 31 MARCH 2017								
Balance at 1 January 2017		117,146	13,288	96	181,441	311,971	416	312,387
Total comprehensive income		-	(35)	-	10,091	10,056	8	10,064
Share options granted		-	-	69	-	69	-	69
Transaction with owners								
Dividends on ordinary shares	A8	-	-	-	-	-	-	-
Total transaction with owners		-	-	-	-	-	-	-
Balance as at 31 March 2017		**117,146**	**13,253**	**165**	**191,532**	**322,096**	**424**	**322,520**

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 FIRST QUARTER ENDED 31 MARCH 2018
(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31 MARCH 2018

	PERIOD ENDED	
	31/03/2018	**31/03/2017**
	RM'000	**RM'000**
Operating activities		
Profit before tax	**16,526**	**12,912**
Adjustments for:		
Depreciation and amortisation	2,197	2,389
Net profit on disposal of property, plant and equipment	-	(14)
Share of results of an associate	(1,635)	(1,015)
Fair value changes of derivative financial instruments	78	32
Share options granted	191	69
Inventories written off	115	63
Impairment loss on trade receivables net of reversals	16	13
Interest income	(388)	(748)
Operating cash flows before changes in working capital	17,100	13,701
Inventories	(4,590)	(3,150)
Receivables	(8,321)	(6,394)
Payables	11,349	10,100
Cash generated from operations	15,538	14,257
Tax paid	(2,714)	(2,301)
Net cash flows generated from operating activities	**12,824**	**11,956**
Investing activities		
Purchase of property, plant and equipment & intangible assets	(8,250)	(5,677)
Proceeds from disposal of property, plant and equipment	-	14
Placement in short term deposit	(4,689)	(1,615)
Interest received	388	748
Net cash flows used in investing activities	**(12,551)**	**(6,530)**
Financing activities		
Finance lease repaid	(2)	(2)
Net cash flows used in financing activities	**(2)**	**(2)**
Net increase in cash and cash equivalents	**271**	**5,424**
Cash and cash equivalents at 1 January	**74,908**	**71,812**
Effect of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at the end of the financial period	**75,179**	**77,236**

Included in the deposits, bank and cash balances is RM 10,683,000 (31 March 2017 : RM 11,838,000) 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.

APEX HEALTHCARE BERHAD (473108-T)
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INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2018
(THE FIGURES HAVE NOT BEEN AUDITED)

A NOTES PURSUANT TO MFRS 134 FOR THE PERIOD ENDED 31 MARCH 2018

A1 Basis of preparation

These unaudited condensed consolidated interim financial statements for the period ended 31 March 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 31 March 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.

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.

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INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2018
(THE FIGURES HAVE NOT BEEN AUDITED)

A NOTES PURSUANT TO MFRS 134 FOR THE PERIOD ENDED 31 MARCH 2018 (continued)

A2 Significant accounting policies (continued)

MFRS 15 Revenue from Contracts with Customers (continued)

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 31 March 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 31 March 2018.

A7 Profit before tax

Included in profit before tax are the following items:	3 MONTHS ENDED		PERIOD ENDED	
	31/03/2018 RM'000	31/03/2017 RM'000	31/03/2018 RM'000	31/03/2017 RM'000
Interest income	388	748	388	748
Other income including investment income	740	598	740	598
Depreciation and amortisation	(2,197)	(2,389)	(2,197)	(2,389)
Impairment loss on trade receivables net of reversals	(16)	(13)	(16)	(13)
Written off of inventories	(115)	(63)	(115)	(63)
Net profit on disposal of property, plant and equipment	-	14	-	14
Fair value loss of derivative financial instruments	(78)	(32)	(78)	(32)
Foreign exchange gain/(loss)	188	(81)	188	(81)

A8 Dividends paid and declared

There were no dividens paid during the current period ended 31 March 2018.

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 31/03/2018	RM'000	RM'000	RM'000	RM'000	RM'000
External Revenue	11,760	154,412	2,228	-	168,400
Inter-segment revenue	28,962	238	1,035	(30,235)	-
Total Revenue	40,722	154,650	3,263	(30,235)	168,400
Segment Results	12,611	5,480	(1,137)	(428)	16,526
Finance costs					-
Profit before tax					**16,526**

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INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2018
(THE FIGURES HAVE NOT BEEN AUDITED)

A NOTES PURSUANT TO MFRS 134 FOR THE PERIOD ENDED 31 MARCH 2018 (continued)

A9 Segment Information (continued)

OPERATING SEGMENTS	M&M	W&D	CORP	Adjustments	GROUP
PERIOD ENDED 31/03/2017	RM'000	RM'000	RM'000	RM'000	RM'000
External Revenue	5,598	146,821	2,233	-	154,652
Inter-segment revenue	23,958	165	900	(25,023)	-
Total Revenue	29,556	146,986	3,133	(25,023)	**154,652**
Segment Results	9,107	4,879	(624)	(450)	12,912
Finance costs					-
Profit before tax					**12,912**
Segment assets					
31-Mar-2018	141,970	289,176	60,491	(9,061)	**482,576**
31-Dec-2017	134,100	277,794	54,013	(9,004)	**456,903**
Segment liabilities					
31-Mar-2018	(23,646)	(87,958)	(6,695)	(7,237)	**(125,536)**
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 31 March 2018.

A12 Property, plant and equipment

During the current quarter ended 31 March 2018, prepaid capital expenditure paid by and assets acquired by the Group was RM 8.2 million (31 March 2017: RM 5.6 million).

There were no disposal of assets by the Group during the current quarter ended 31 March 2018 and corresponding quarter ended 31 March 2017.

A13 Capital Commitments

Capital commitments of property, plant and equipment not provided for in the financial statements as at 31 March 2018 are as follows:

	RM'000
Authorised capital expenditure approved and contracted for	48,473
Authorised capital expenditure approved but not contracted for	14,792
	63,265

A14 Related Party Transactions

The Group does not have any significant transactions with related parties during the period ended 31 March 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.

	31/03/2018	31/12/2017
Financial liabilities:	RM'000	RM'000
	(Level 2)	
Derivatives - Forward currency contracts	(189)	(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.

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INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2018
(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

	Individual Period			Cumulative Period		
	Current Year Quarter 31/03/2018	Preceding Year Corresponding Quarter 31/03/2017	Changes	Current Year To-date 31/03/2018	Preceding Year Corresponding Period 31/03/2017	Changes
	RM'000	RM'000	(%)	RM'000	RM'000	(%)
Revenue	168,400	154,652	8.9%	168,400	154,652	8.9%
Operating Profit	14,891	11,897	25.2%	14,891	11,897	25.2%
Profit Before Interest and Tax	16,526	12,912	28.0%	16,526	12,912	28.0%
Profit Before Tax	16,526	12,912	28.0%	16,526	12,912	28.0%
Profit After Tax	13,221	10,099	30.9%	13,221	10,099	30.9%
Profit Attributable to Ordinary Equity Holders of the Parent	13,181	10,091	30.6%	13,181	10,091	30.6%

Review of Current Quarter Performance versus Corresponding Quarter Last Year

In the first quarter of 2018, the Group achieved revenue of RM 168 million, a growth of 8.9% when compared to the first quarter of 2017. Revenue growth is helped by strong contributions from sale of Group branded pharmaceutical products to the public sector in Malaysia and Singapore, exports and contract manufacturing services. Other income is 14.7% lower at RM 1.6 million due mainly to reduced interest income from bank deposits. Expenses were in line with expectations.

Profit before tax for the first quarter is RM 16.5 million, 28% higher than the RM 12.9 million achieved in the corresponding period in 2017, attributed mainly to increased contributions from wholly owned subsidiary Xepa-Soul Pattinson (M) Sdn Bhd and associate company Straits Apex Sdn Bhd. As initiatives to broaden its customer base gain traction, share of results from associated company in the first quarter rose to RM 1.6 million, 61% better than the RM 1.0 million recorded in the corresponding period in 2017.

Capital expenditure paid to date in relation to the new oral solid dosage plant, SPP NOVO, is RM 35.3 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 31/03/2018	Immediate Preceding Quarter 31/12/2017	Changes	
	RM'000	RM'000	RM'000	(%)
Revenue	168,400	152,585	15,815	10.4%
Operating Profit	14,891	13,438	1,453	10.8%
Profit Before Interest and Tax	16,526	16,380	146	0.9%
Profit Before Tax	16,526	16,380	146	0.9%
Profit After Tax	13,221	12,799	422	3.3%
Profit Attributable to Ordinary Equity Holders of the Parent	13,181	12,801	380	3.0%

Profit before tax for the current quarter is RM 16.5 million compared to RM 16.3 million reported for the last quarter of 2017. There is no material change in the profit before taxation for the quarter reported on as compared with the immediate preceding quarter.

B3 Commentary

a Prospects

The Group has started 2018 well. The prospects for manufacturing, marketing and distribution of pharmaceuticals and consumer healthcare products remain unchanged from the outlook previously furnished with the Group's last quarterly report for 2017.

The overall economic outlook remains fair, and the Board is confident that barring unforeseen circumstances, the Group's encouraging start in the current year and its continued focus on fundamentals will enable it to return another satisfactory performance in 2018.

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.

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(THE FIGURES HAVE NOT BEEN AUDITED)

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

B5 Profit Forecast /Profit Guarantee
Not applicable.

B6 Income Tax Expense

	3 MONTHS ENDED		PERIOD ENDED	
	31/03/2018 RM'000	31/03/2017 RM'000	31/03/2018 RM'000	31/03/2017 RM'000
In respect of current period:				
Income tax	3,828	3,011	3,828	3,011
Deferred tax	(919)	(368)	(919)	(368)
Foreign tax	396	170	396	170
	3,305	2,813	3,305	2,813

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 17 May 2018.

B8 Group Borrowings and Debt Securities

	As at 31/03/2018					
	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	-	-	2	-	2	-

	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 3.10 (31 December 2017: SGD 1: RM 3.10), equivalent to RM 5,000 (31 December 2017: RM 7,000). There is no hedging for this SGD denomianted 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 31 March 2018.

B9 Material Litigation
There is no pending material litigation at the date of this report.

B10 Dividend Payable
The Board of Directors does not recommend the payment of any interim dividend for the period ended 31 March 2018 (31 March 2017: Nil).

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INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2018
(THE FIGURES HAVE NOT BEEN AUDITED)

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

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	
		31/03/2018	31/03/2017	31/03/2018	31/03/2017
Basic Earnings per share					
Profit after tax	RM'000	13,181	10,091	13,181	10,091
Weighted average number of ordinary shares in issue	'000	117,146	117,146	117,146	117,146
Basic earnings per share	sen	**11.25**	**8.61**	**11.25**	**8.61**
Diluted Earnings per share					
Profit after tax	RM'000	13,181	10,091	13,181	10,091
Weighted average number of ordinary shares in issue	'000	117,146	117,146	117,146	117,146
Effect of dilution-Share options	'000	210	104	210	104
Adjusted weighted average number of ordinary shares in issue	'000	117,356	117,250	117,356	117,250
Diluted earnings per share	sen	**11.23**	**8.61**	**11.23**	**8.61**

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
	31/03/2018 RM'000	31/03/2018 RM'000
i) Forward Foreign Currency Contract		
entered into for the export sales to Singapore		
- Less than 1 year	8,307	(138)
ii) Forward Foreign Currency Contract		
entered into for the purchase of goods from foreign contract manufacturers or suppliers		
- Less than 1 year	(10,375)	(51)
	(2,068)	(189)

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 2,068,000.

B13 Fair Value Changes of Financial Liabilities

As at 31 March 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 24 May 2018.