

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	3 MONTHS ENDED		YEAR ENDED	
		31/12/2015	31/12/2014	31/12/2015	31/12/2014
		RM'000	RM'000	RM'000	RM'000
					(Audited)
Revenue		134,248	123,305	526,859	499,237
Cost of sales		(103,563)	(95,098)	(407,126)	(383,123)
Gross profit		30,685	28,207	119,733	116,114
Other income		3,622	1,522	7,587	4,265
Selling & marketing expenses		(13,223)	(12,694)	(58,873)	(55,041)
Administrative expenses		(4,823)	(4,869)	(19,799)	(20,038)
Other expenses		(282)	(83)	(1,241)	(586)
Finance cost		(6)	(4)	(17)	(8)
Share of results of a joint venture		-	(243)	-	83
Share of results of an associate		939	835	(1,801)	835
Profit before tax	A7	16,912	12,671	45,589	45,624
Income tax expense	B6	(3,085)	(3,126)	(11,326)	(11,647)
Net profit for the period/year		13,827	9,545	34,263	33,977
Other comprehensive income:					
Exchange differences on translation of foreign operations, net of tax		(31)	963	7,017	963
Total comprehensive income for the period/year		13,796	10,508	41,280	34,940
Net profit attributable to:					
Owners of the parent		13,806	9,522	34,236	33,864
Non-controlling interest		21	23	27	113
Net profit for the period/year		13,827	9,545	34,263	33,977
Total comprehensive income attributable to:					
Owners of the parent		13,775	10,485	41,253	34,827
Non-controlling interest		21	23	27	113
Total comprehensive income for the period/year		13,796	10,508	41,280	34,940
Earnings per share attributable to owners of the parent:		Sen	Sen	Sen	Sen
- Basic	B11	11.79	8.13	29.23	28.91
- Diluted	B11	11.79	8.13	29.23	28.91

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

	Note	As at 31/12/2015 RM'000	As at 31/12/2014 RM'000 (Audited)
ASSETS			
Non-Current Assets			
Property, plant and equipment	A12	100,151	99,555
Investment properties		6,413	5,855
Intangible assets		1,737	1,222
Investment in an associate		5,315	7,116
Deferred tax assets		124	168
Receivables		10,000	10,000
Long term investment		5,520	5,520
		<u>129,260</u>	<u>129,436</u>
Current Assets			
Inventories		60,866	51,697
Receivables		129,920	113,809
Prepayments		494	375
Tax recoverable		269	409
Derivative financial instruments	A16 & B12	52	174
Deposits, bank and cash balances		69,353	56,056
		<u>260,954</u>	<u>222,520</u>
Assets classified as held for sale	A13	-	2,479
		<u>260,954</u>	<u>224,999</u>
TOTAL ASSETS		<u>390,214</u>	<u>354,435</u>
EQUITY AND LIABILITIES			
Current Liabilities			
Borrowings	B8	13	11
Payables		95,082	86,505
Current tax payable		1,688	2,236
		<u>96,783</u>	<u>88,752</u>
Non-Current Liabilities			
Borrowings	B8	24	33
Deferred tax liabilities		4,722	5,359
		<u>4,746</u>	<u>5,392</u>
TOTAL LIABILITIES		<u>101,529</u>	<u>94,144</u>
NET ASSETS		<u>288,685</u>	<u>260,291</u>
EQUITY			
Equity attributable to owners of the parent			
Share capital		117,146	117,146
Reserves		11,198	4,181
Retained earnings	B14	159,958	138,608
		<u>288,302</u>	<u>259,935</u>
Non-controlling interest		383	356
TOTAL EQUITY		<u>288,685</u>	<u>260,291</u>
		RM	RM
Net Assets per share attributable to owners of the parent		<u>2.46</u>	<u>2.22</u>

The Condensed Consolidated Statement of Financial Position 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 FOURTH QUARTER ENDED 31 DECEMBER 2015
(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

	← Non-Distributable →		Distributable	Equity attributable to owners of the parent, total	Non-controlling Interest	Total Equity
	Share Capital	Foreign currency translation reserve	Retained Earnings			
Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
YEAR ENDED 31 DECEMBER 2015						
Balance at 1 January 2015	117,146	4,181	138,608	259,935	356	260,291
Total comprehensive income	-	7,017	34,236	41,253	27	41,280
Transaction with owners						
Dividends on ordinary shares	-	-	(12,886)	(12,886)	-	(12,886)
Total transaction with owners	-	-	(12,886)	(12,886)	-	(12,886)
Balance as at 31 December 2015	117,146	11,198	159,958	288,302	383	288,685
YEAR ENDED 31 DECEMBER 2014						
Balance at 1 January 2014	93,717	3,218	137,896	234,831	243	235,074
Total comprehensive income	-	963	33,864	34,827	113	34,940
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)
Balance as at 31 December 2014	117,146	4,181	138,608	259,935	356	260,291

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

INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015
(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2015

	YEAR ENDED	
	31/12/2015	31/12/2014
	RM'000	RM'000
Operating activities		(Audited)
Profit before tax	45,589	45,624
Adjustments for:		
Depreciation and amortisation	8,961	8,940
Net profit on disposal of property, plant and equipment	(226)	(306)
Net profit from disposal of assets classified as held for sale	(2,591)	-
Property, plant and equipment written off	1	2
Share of results of a joint venture	-	(83)
Share of results of an associate	1,801	(835)
Net profit on disposal of available-for-sale financial asset	-	(407)
Fair value changes of derivative financial instruments	122	(150)
Inventories written off and written down/(written back)	485	(340)
Impairment loss on trade receivables net of reversals	(13)	117
Bad debts written off	17	-
Interest expense	17	8
Interest income	(1,389)	(930)
Unrealised foreign exchange gain	(552)	(163)
Operating cash flows before changes in working capital	52,222	51,477
Inventories	(9,653)	(3,615)
Receivables	(16,234)	(17,857)
Payables	8,575	16,294
Cash generated from operations	34,910	46,299
Tax paid	(12,330)	(11,294)
Net cash flows generated from operating activities	22,580	35,005
Investing activities		
Proceeds from the disposal of available-for-sale financial asset	-	4,335
Investment in an associate	-	(1,988)
Purchase of property, plant and equipment & intangible assets	(6,129)	(5,938)
Proceeds from disposal of property, plant and equipment	340	357
Proceeds from disposal of assets classified as held for sale	5,070	-
Placement in short term deposit	(740)	(6,142)
Interest received	1,389	930
Net cash flows generated used in investing activities	(70)	(8,446)
Financing activities		
Finance lease repaid	(7)	(5)
Dividends paid	(12,886)	(9,723)
Other financing activities paid	(17)	(8)
Net cash flows used in financing activities	(12,910)	(9,736)
Net increase in cash and cash equivalents	9,600	16,823
Cash and cash equivalents at 1 January	44,260	27,151
Effect of exchange rate changes on cash and cash equivalents	2,957	286
Cash and cash equivalents at the end of the financial year	56,817	44,260

Included in the deposits, bank and cash balances is RM 12,536,000 (31 December 2014 : RM 11,796,000) 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.

INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015

(THE FIGURES HAVE NOT BEEN AUDITED)

A NOTES PURSUANT TO MFRS 134 FOR THE YEAR ENDED 31 DECEMBER 2015

A1 Basis of preparation

These unaudited condensed consolidated interim financial statements for the year ended 31 December 2015 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 2014.

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 2014 and there is no new Malaysian Financial Reporting Standards ("MFRS") and Issues Committee ("IC") Interpretations which are applicable to the Group and Company for the year ended 31 December 2015.

The MFRSs and ICs that are issued but not yet effective up to the date of authorisation of these interim financial statements are as below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Annual Improvements to MFRSs 2012 – 2014 Cycle	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture: Bearer Plants	1 January 2016
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint	1 January 2016
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 127: Equity Method in Separate Financial Statements	1 January 2016
Amendments to MFRS 101: Disclosure Initiatives	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities: Applying the Consolidation Exception	1 January 2016
MFRS 14 Regulatory Deferral Accounts	1 January 2016
MFRS 15 Revenue from Contracts with Customers	1 January 2017
MFRS 9 Financial Instruments	1 January 2018

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 disclosed below:

Amendments to MFRS 101: Disclosure initiatives

The amendments to MFRS 101 include narrow-focus improvements in the following five areas:

- Materiality
- Disaggregation and subtotals
- Notes structure
- Disclosure of accounting policies
- Presentation of items of other comprehensive income arising from equity accounted investments

The directors of the Company do not anticipate that the application of these amendments will have a material impact on the Group's and the Company's financial statements.

MFRS 15 Revenue from contracts with customers

MFRS 15 establishes a new five-step models that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 Revenue, MFRS 111 Construction Contracts and the related interpretations when it becomes effective.

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.

Either a full or modified retrospective application is required for annual periods beginning on or after 1st January 2017 with early adoption permitted. The Group is currently assessing the impact of MFRS 15 and plans to adopt the new standard on the required effective date.

INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015
(THE FIGURES HAVE NOT BEEN AUDITED)

A NOTES PURSUANT TO MFRS 134 FOR THE PERIOD ENDED 31 DECEMBER 2015 (continued)

A2 Significant accounting policies (continued)

MFRS 9 Financial instruments

In November 2014, MASB issued the final version of MFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous versions of MFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1st January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of MFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

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 year ended 31 December 2015.

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 year ended 31 December 2015.

A7 Profit before tax

Included in profit before tax are the following items:

	3 MONTHS ENDED		YEAR ENDED	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	RM'000	RM'000	RM'000	RM'000
Interest income	478	324	1,389	930
Other income including investment income	483	632	2,084	2,062
Interest expense	(6)	(4)	(17)	(8)
Depreciation and amortisation	(2,223)	(2,233)	(8,961)	(8,940)
Impairment loss on trade receivables net of reversals	150	(35)	13	(117)
Bad debts written off	(17)	-	(17)	-
(Written off and written down)/Reversal of inventories written down	(241)	128	(485)	340
Net profit on disposal of property, plant and equipment	1	125	226	306
Net profit from disposal of assets classified as held for sale	2,591	-	2,591	-
Profit on disposal of AFS Financial Asset	-	110	-	407
Property, plant and equipment written off	-	-	(1)	(2)
Fair value (loss)/gain of derivative financial instruments	(224)	171	(122)	150
Foreign exchange gain	211	258	925	406

A8 Dividends paid and declared

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

	31/12/2015	31/12/2014
	RM'000	RM'000
<u>In respect of the financial year ended 31 December</u>		
2015: Interim single-tier dividend of 5.0 sen per share paid on 30-Sep-15	5,857	-
2014: Final dividend comprising 6.0 sen single tier per share paid on 17-June-15	7,029	-
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
	<u>12,886</u>	<u>9,723</u>

**INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015
(THE FIGURES HAVE NOT BEEN AUDITED)**

A NOTES PURSUANT TO MFRS 134 FOR THE YEAR ENDED 31 DECEMBER 2015 (continued)

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

OPERATING SEGMENTS	Manufacturing and Marketing	Wholesale and Distribution	Corporate	Adjustments and eliminations	GROUP
	RM'000	RM'000	RM'000	RM'000	RM'000
YEAR ENDED 31/12/2015					
External Revenue	24,383	494,264	8,212		526,859
Inter-segment revenue	78,098	740	30,621	(109,459)	-
Total Revenue	102,481	495,004	38,833	(109,459)	526,859
Segment Results (external)	30,450	18,783	(1,918)	(1,709)	45,606
Finance costs					(17)
Profit before tax					45,589
YEAR ENDED 31/12/2014					
External Revenue	27,639	463,753	7,845	-	499,237
Inter-segment revenue	72,084	607	38,505	(111,196)	-
Total Revenue	99,723	464,360	46,350	(111,196)	499,237
Segment Results (external)	29,928	18,971	(1,154)	(2,113)	45,632
Finance costs					(8)
Profit before tax					45,624

A9 Segment Information (continued)

OPERATING SEGMENTS	Manufacturing and Marketing	Wholesale and Distribution	Corporate	Adjustments and eliminations	GROUP
Segment assets					
31-Dec-2015	99,123	250,301	48,343	(7,553)	390,214
31-Dec-2014	84,285	225,472	50,667	(5,989)	354,435
Segment liabilities					
31-Dec-2015	(9,426)	(81,908)	(3,785)	(6,410)	(101,529)
31-Dec-2014	(9,270)	(73,223)	(4,056)	(7,595)	(94,144)

A10 Significant Events After the Reporting Date

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

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 year ended 31 December 2015.

A12 Property, plant and equipment

During the current quarter ended 31 December 2015, the Group acquired assets at a cost of RM 2,254,000 (31 December 2014: RM 2,110,000).

Assets with carrying amount of RM 3 were disposed of by the Group during the current quarter ended 31 December 2015 (31 December 2014: RM 50,000), resulting in a net gain on disposal of RM 1,000 (31 December 2014: RM 125,000), recognised and included in other income in the statement of comprehensive income.

A13 Assets classified as held for sale

On 20 October 2015, the Group completed the disposal of two units of investment properties at Pusat Bandar Damansara, which were reclassified as held for sale in the Statement of Financial Position as at 31 December 2014 at the carrying amount of RM 2,479,000. The net gain on disposal of RM 2,591,000 is recognised in the statement of comprehensive income during the current quarter.

A NOTES PURSUANT TO MFRS 134 FOR THE YEAR ENDED 31 DECEMBER 2015 (continued)

A14 Capital Commitments

Capital commitments of property, plant and equipment not provided for in the financial statements as at 31 December 2015 are as follows:

	<u>RM'000</u>
Authorised capital expenditure approved and contracted for	-
Authorised capital expenditure approved but not contracted for	<u>10,891</u>
	<u>10,891</u>

A15 Related Party Transactions

The Group does not have any significant transactions with related parties during the year ended 31 December 2015 in addition to the related party transactions disclosed in the audited financial statements for the year ended 31 December 2014.

A16 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)/assets:	31/12/2015	31/12/2014
	<u>RM'000</u>	<u>RM'000</u>
	<u>(Level 2)</u>	
Derivatives - Forward currency contracts	<u>52</u>	<u>174</u>

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 financial years ended 2015 and 2014.

A17 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 FOURTH QUARTER ENDED 31 DECEMBER 2015

(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

The Group concluded 2015 with full year revenue of RM 527 million, helped by strong sales in the final quarter of the year at RM 134.2 million. These represent growth of 6% and 9% respectively over corresponding periods in 2014.

Profit before tax at RM 16.9 million for the final quarter is 33% better than the same quarter in the previous year. This is due to improved sales of Group brand products which carry better margins, a non-recurring gain of RM 2.6 million from the disposal of two units of investment properties and a profit contribution from associate company Straits Apex Sdn Bhd. The strong performance in the fourth quarter of 2015 enabled the Group to achieve a full year profit before tax of RM 45.6 million, matching that recorded for 2014.

Fourth quarter revenue at the Group's associate Straits Apex Sdn Bhd grew 10% over the previous quarter, as efforts to secure orders bear fruit. Coupled with improved operational efficiency, the absence of further unrealized foreign exchange losses, Straits Apex contributed RM 0.9 million of profit to the Group in the fourth quarter, limiting full year recognized losses to RM 1.8 million.

B2 Material changes in the profit before tax for the quarter

Profit before tax for the current quarter is RM 16.9 million, which is 119% better than the RM 7.7 million achieved in the immediate preceding quarter.

This is mainly attributed to improved sales revenue, a greater proportion of higher margin products in the sales mix and the recognition of a non-recurring disposal gain of two units of investment properties. In addition, the Group recognized a profit contribution of RM 0.9 million from associated company Straits Apex Sdn Bhd in the fourth quarter, as compared to a recognition of loss of RM 671,000 in the immediate preceding quarter.

B3 Commentary

a Prospects

The prospects for the manufacturing, marketing and distribution of pharmaceuticals and consumer healthcare products remain healthy in the markets we operate. Market demand is underpinned by continued focus on generic drugs to reduce healthcare costs, affluent and informed consumers being able to pay for healthcare products and services as well as ageing populations in certain countries.

The Group's performance in 2015 was impacted by losses at Straits Apex Sdn Bhd due to the mismatch of installed capacity against forecasted demand in the first half year. Actions taken to streamline operations and raise revenue have resulted in improvements.

However, the uncertainties in the global economy, low oil prices, persistent foreign currency volatility and a weak Malaysian Ringgit continue to make the operating environment challenging. We have tempered expectations for 2016.

Upon these developments and barring further unforeseen circumstances, the Board expects the Group to perform satisfactorily in 2016.

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		YEAR ENDED	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	RM'000	RM'000	RM'000	RM'000
In respect of current period:				
Income tax	2,870	2,771	11,228	11,475
Deferred tax	(118)	33	(596)	(219)
Foreign tax	307	192	528	334
	<u>3,059</u>	<u>2,996</u>	<u>11,160</u>	<u>11,590</u>
In respect of prior period:				
Income tax	11	97	151	24
Deferred tax	-	33	-	33
Foreign tax	15	-	15	-
	<u>3,085</u>	<u>3,126</u>	<u>11,326</u>	<u>11,647</u>

The effective tax rate for the current quarter was lower than the statutory tax rate principally due to the non-taxable disposal gain of investment properties and the net of tax profits contributed by the Group's associated company. The effective tax rate for the current year was comparable with the statutory tax rate.

INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015

(THE FIGURES HAVE NOT BEEN AUDITED)

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 18th February 2016.

B8 Group Borrowings and Debt Securities

	31/12/2015	31/12/2014
	RM'000	RM'000
Current		
Secured obligations under finance lease	13	11
Non-current		
Secured obligations under finance lease	24	33
Total	<u>37</u>	<u>44</u>
Obligations under finance lease denominated in foreign currency as at 31 December:	SGD'000	RM'000
Singapore Dollars	<u>12</u>	<u>16</u>

The Group does not have any current or non-current debt securities denominated in Ringgit Malaysia or foreign currency as at 31 December 2015.

B9 Material Litigation

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

B10 Dividend Payable

- The Board of Directors is recommending a final single-tier dividend of 6.00 sen per share in respect of the financial year ended 31 December 2015 for shareholders' approval at the forthcoming Annual General Meeting. (Year 2014: Final single-tier dividend of 6.0 sen per share.)
- The total single-tier dividends declared and paid to-date in the current financial year is 11.00 sen per share. (Year 2014: Total single-tier dividends of 9.50 sen per share.)
- Subject to the approval of shareholders at the forthcoming Annual General Meeting of the Company, the final dividend will be paid on 17 June 2016 and the entitlement date for the payment is 3 June 2016.

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		YEAR ENDED	
		31/12/2015	31/12/2014	31/12/2015	31/12/2014
<u>Basic Earnings per share</u>					
Profit after tax	RM'000	13,806	9,522	34,236	33,864
Weighted average number of ordinary shares in issue	'000	117,146	117,146	117,146	117,146
Basic earnings per share	sen	<u>11.79</u>	<u>8.13</u>	<u>29.23</u>	<u>28.91</u>
<u>Diluted Earnings per share</u>					
Profit after tax	RM'000	13,806	9,522	34,236	33,864
Weighted average number of ordinary shares in issue	'000	117,146	117,146	117,146	117,146
Diluted earnings per share	sen	<u>11.79</u>	<u>8.13</u>	<u>29.23</u>	<u>28.91</u>

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 31 December 2015 are as follows -

Type of Derivatives Forward Currency Contracts	Contract / Notional Amount RM'000	Changes in Fair Value	
		Assets RM'000	Liabilities RM'000
Less than 1 year			
Sale of goods	4,236	36	-
Purchase of goods	(1,990)	16	-
	<u>2,246</u>	<u>52</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 2,246,000.

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 entity with these derivative contracts; and
- (iii) the related accounting policies.

B13 Fair Value Changes of Financial Liabilities

As at 31 December 2015, the Group does not have any significant financial liabilities measured at fair value through profit or loss other than the disclosure in note A16.

B14 Realised and Unrealised Profits/Losses Disclosure

	Year ended	
	31/12/2015 RM'000	31/12/2014 RM'000
Total retained earnings of the Group:		
Realised	184,856	159,516
Unrealised	(3,331)	(2,597)
	<u>181,525</u>	<u>156,919</u>
Total share of results of a joint venture:		
Realised	(694)	(694)
Total share of results of an associate:		
Realised	<u>(966)</u>	<u>835</u>
Less: Consolidation adjustments	<u>(19,907)</u>	<u>(18,452)</u>
Total Group's retained earnings as per consolidated accounts	<u>159,958</u>	<u>138,608</u>

B15 Auditors' report on preceding annual financial statements

The Auditors' report on the Group's financial statements for the year ended 31 December 2014 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 25th February 2016.