

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	3 MONTHS ENDED		YEAR ENDED	
		31/12/2016	31/12/2015	31/12/2016	31/12/2015
		RM'000	RM'000	RM'000	RM'000
					<b>(Audited)</b>
<b>Revenue</b>		<b>144,146</b>	<b>134,248</b>	<b>581,269</b>	<b>526,859</b>
Cost of sales		(112,057)	(103,563)	(452,943)	(407,126)
<b>Gross profit</b>		<b>32,089</b>	<b>30,685</b>	<b>128,326</b>	<b>119,733</b>
Other income		2,514	3,816	6,213	7,781
Selling & marketing expenses		(14,618)	(13,224)	(63,627)	(58,874)
Administrative expenses		(5,568)	(4,823)	(21,750)	(19,799)
Other expenses		(1,404)	(222)	(2,639)	(1,181)
Finance cost		-	(6)	(20)	(17)
Share of results of an associate		(2,934)	939	(209)	(1,801)
<b>Profit before tax</b>	A7	<b>10,079</b>	<b>17,165</b>	<b>46,294</b>	<b>45,842</b>
Income tax expense	B6	(3,313)	(3,338)	(11,306)	(11,579)
<b>Net profit for the period</b>		<b>6,766</b>	<b>13,827</b>	<b>34,988</b>	<b>34,263</b>
<b>Other comprehensive income:</b>					
Exchange differences on translation of foreign operations, net of tax		4,289	(31)	2,090	7,017
<b>Total comprehensive income for the period</b>		<b>11,055</b>	<b>13,796</b>	<b>37,078</b>	<b>41,280</b>
<b>Net profit attributable to:</b>					
Owners of the parent		6,756	13,806	34,954	34,236
Non-controlling interest		10	21	34	27
<b>Net profit for the period</b>		<b>6,766</b>	<b>13,827</b>	<b>34,988</b>	<b>34,263</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		11,045	13,775	37,044	41,253
Non-controlling interest		10	21	34	27
<b>Total comprehensive income for the period</b>		<b>11,055</b>	<b>13,796</b>	<b>37,078</b>	<b>41,280</b>
<b>Earnings per share attributable to owners of the parent:</b>		<b>Sen</b>	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>
- Basic	B11	<b>5.77</b>	<b>11.79</b>	<b>29.84</b>	<b>29.23</b>
- Diluted	B11	<b>5.76</b>	<b>11.79</b>	<b>29.83</b>	<b>29.23</b>

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 31/12/2016 RM'000	As at 31/12/2015 RM'000 <b>(Audited)</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	A12	100,841	100,151
Investment properties		7,383	6,413
Intangible assets		2,022	1,737
Investment in an associate		5,106	5,315
Deferred tax assets		4	124
Receivables		10,000	10,000
Long term investment		5,520	5,520
		<u>130,876</u>	<u>129,260</u>
<b>Current Assets</b>			
Inventories		65,778	60,866
Receivables		138,827	129,920
Prepayments		568	494
Tax recoverable		223	269
Derivative financial instruments	A15 & B12	101	52
Deposits, bank and cash balances		82,035	69,353
		<u>287,532</u>	<u>260,954</u>
<b>TOTAL ASSETS</b>		<b><u>418,408</u></b>	<b><u>390,214</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Current Liabilities</b>			
Borrowings	B8	13	13
Payables		99,878	95,082
Current tax payable		1,927	1,688
		<u>101,818</u>	<u>96,783</u>
<b>Non-Current Liabilities</b>			
Borrowings	B8	12	24
Deferred tax liabilities		4,191	4,722
		<u>4,203</u>	<u>4,746</u>
<b>TOTAL LIABILITIES</b>		<b><u>106,021</u></b>	<b><u>101,529</u></b>
<b>NET ASSETS</b>		<b><u>312,387</u></b>	<b><u>288,685</u></b>
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital		117,146	117,146
Reserves		13,384	11,198
Retained earnings	B14	181,440	159,958
		<u>311,970</u>	<u>288,302</u>
Non-controlling interest		417	383
<b>TOTAL EQUITY</b>		<b><u>312,387</u></b>	<b><u>288,685</u></b>
		<b>RM</b>	<b>RM</b>
<b>Net Assets per share attributable to owners of the parent</b>		<b><u>2.66</u></b>	<b><u>2.46</u></b>

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

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

**INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016**  
(THE FIGURES HAVE NOT BEEN AUDITED)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016**

	←	<u>Non-Distributable</u>		→	<u>Distributable</u>		Equity		
	Share Capital	Foreign currency translation reserve	Share option reserve	Retained Earnings	to owners of the parent, total	Non- controlling Interest	Total Equity		
Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>YEAR ENDED 31 DECEMBER 2016</b>									
Balance at 1 January 2016	117,146	11,198	-	159,958	288,302	383	288,685		
Total comprehensive income	-	2,090	-	34,954	37,044	34	37,078		
Executive share option scheme	-	-	96	-	96	-	96		
Transaction with owners									
Dividends on ordinary shares	-	-	-	(13,472)	(13,472)	-	(13,472)		
Total transaction with owners	-	-	-	(13,472)	(13,472)	-	(13,472)		
<b>Balance as at 31 December 2016</b>	<b>117,146</b>	<b>13,288</b>	<b>96</b>	<b>181,440</b>	<b>311,970</b>	<b>417</b>	<b>312,387</b>		
<b>YEAR ENDED 31 DECEMBER 2015</b>									
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)		
<b>Balance as at 31 December 2015</b>	<b>117,146</b>	<b>11,198</b>	<b>-</b>	<b>159,958</b>	<b>288,302</b>	<b>383</b>	<b>288,685</b>		

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

**INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016  
(THE FIGURES HAVE NOT BEEN AUDITED)**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2016**

	YEAR ENDED	
	31/12/2016	31/12/2015
	RM'000	RM'000
<b>Operating activities</b>		<b>(Audited)</b>
Profit before tax	46,294	45,842
Adjustments for:		
Depreciation and amortisation	9,079	8,961
Net profit on disposal of property, plant and equipment	(191)	(226)
Property, plant and equipment written off	735	1
Share of results of an associate	(3,788)	1,801
Impairment loss on goodwill from investment in an associate	3,997	-
Net profit on disposal of investment properties	-	(2,785)
Fair value changes of derivative financial instruments	(48)	122
Share based payment under ESOS	96	-
Inventories written off and written down	860	485
Impairment loss on trade receivables net of reversals	122	(13)
Bad debts written off	4	17
Interest expense	20	17
Interest income	(1,872)	(1,389)
Unrealised foreign exchange gain	(399)	(552)
Operating cash flows before changes in working capital	54,909	52,281
Inventories	(5,772)	(9,653)
Receivables	(8,674)	(15,670)
Payables	4,766	8,581
Cash generated from operations	45,229	35,539
Tax paid	(11,433)	(12,584)
<b>Net cash flows generated from operating activities</b>	<b>33,796</b>	<b>22,955</b>
<b>Investing activities</b>		
Proceeds from the disposal of investment properties	-	5,264
Purchase of property, plant and equipment & intangible assets	(10,651)	(6,129)
Proceeds from disposal of property, plant and equipment	244	340
Withdrawal from/(Placement in) short term deposit	2,313	(740)
Interest received	1,872	1,389
<b>Net cash flows (used in)/generated from investing activities</b>	<b>(6,222)</b>	<b>124</b>
<b>Financing activities</b>		
Finance lease repaid	(12)	(7)
Dividends paid	(13,472)	(12,886)
Other financing activities paid	(20)	(17)
<b>Net cash flows used in financing activities</b>	<b>(13,504)</b>	<b>(12,910)</b>
<b>Net increase in cash and cash equivalents</b>	<b>14,070</b>	<b>10,169</b>
<b>Cash and cash equivalents at 1 January</b>	<b>56,817</b>	<b>44,260</b>
Effect of exchange rate changes on cash and cash equivalents	925	2,388
<b>Cash and cash equivalents at the end of the financial period</b>	<b>71,812</b>	<b>56,817</b>

Included in the deposits, bank and cash balances is RM 10,223,000 (31 December 2015 : RM 12,536,000) placed with money market fund held for investment purposes and does not form part of cash and cash equivalents.

**INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016  
(THE FIGURES HAVE NOT BEEN AUDITED)**

**A NOTES PURSUANT TO MFRS 134 FOR THE YEAR ENDED 31 DECEMBER 2016**

**A1 Basis of preparation**

These unaudited condensed consolidated interim financial statements for the year ended 31 December 2016 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 2015.

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 2015 except for the adoption of the following standards, wherever applicable to the Group and Company:

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 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

The initial application of the abovementioned standards, amendments and interpretations did not have any material impacts to the current and prior periods financial statements upon their first adoption.

**A3 Seasonality or cyclical nature of interim operations**

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

**A4 Unusual items**

Other than the impairment loss on goodwill from investment in an associate of RM 4.0 million, there were no unusual items that affected the assets, liabilities, equity, net income or cash flows for the year ended 31 December 2016.

**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 2016.

**INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016  
(THE FIGURES HAVE NOT BEEN AUDITED)**

**A NOTES PURSUANT TO MFRS 134 FOR THE YEAR ENDED 31 DECEMBER 2016 (continued)**

**A7 Profit before tax**

Included in profit before tax are the following items:

	3 MONTHS ENDED		YEAR ENDED	
	31/12/2016 RM'000	31/12/2015 RM'000	31/12/2016 RM'000	31/12/2015 RM'000
Interest income	684	478	1,872	1,389
Other income including investment income	654	483	2,225	2,084
Interest expense	-	(6)	(20)	(17)
Depreciation and amortisation	(2,337)	(2,223)	(9,079)	(8,961)
Impairment loss on trade receivables net of reversals	(31)	150	(122)	13
Bad debts written off	(4)	(17)	(4)	(17)
Written off and written down of inventories	(519)	(241)	(860)	(485)
Net profit on disposal of property, plant and equipment	-	1	191	226
Net profit on disposal of investment properties	-	2,785	-	2,785
Property, plant and equipment written off	(733)	-	(735)	(1)
Impairment loss on goodwill from investment in an associate	(3,997)	-	(3,997)	-
Fair value gain/(loss) of derivative financial instruments	25	(224)	48	(122)
Foreign exchange gain	707	211	756	925

**A8 Dividends paid and declared**

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

	31/12/2016 RM'000	31/12/2015 RM'000
<u>In respect of the financial year ended 31 December</u>		
2016: Interim single-tier dividend of 5.5 sen per share paid on 30-Sep-16	6,443	-
2015: Final dividend comprising 6.0 sen single tier per share paid on 17-June-16	7,029	-
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
	<u>13,472</u>	<u>12,886</u>

**A9 Segment Information**

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

- (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
<b>YEAR ENDED 31/12/2016</b>					
External Revenue	25,447	547,149	8,673	-	581,269
Inter-segment revenue	86,219	703	35,432	(122,354)	-
Total Revenue	111,666	547,852	44,105	(122,354)	<b>581,269</b>
Segment Results (external)	31,670	19,061	(2,298)	(2,119)	46,314
Finance costs					(20)
Profit before tax					<b>46,294</b>
<b>YEAR ENDED 31/12/2015</b>					
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)	<b>526,859</b>
Segment Results (external)	30,450	18,783	(1,664)	(1,710)	45,859
Finance costs					(17)
Profit before tax					<b>45,842</b>
<b>Segment assets</b>					
31-Dec-2016	109,796	268,474	48,461	(8,323)	<b>418,408</b>
31-Dec-2015	99,123	250,301	48,343	(7,553)	<b>390,214</b>
<b>Segment liabilities</b>					
31-Dec-2016	(12,052)	(84,306)	(3,545)	(6,118)	<b>(106,021)</b>
31-Dec-2015	(9,426)	(81,908)	(3,785)	(6,410)	<b>(101,529)</b>

**INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016  
(THE FIGURES HAVE NOT BEEN AUDITED)**

**A NOTES PURSUANT TO MFRS 134 FOR THE YEAR ENDED 31 DECEMBER 2016 (continued)**

**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 2016.

**A12 Property, plant and equipment**

During the current quarter ended 31 December 2016, the Group acquired assets at a cost of RM 2,847,000 (31 December 2015: RM 2,254,000).

During the current quarter ended 31 December 2016, assets with carrying amount of RM 735,000 (31 December 2015: NIL) were written off. RM 731,000 is due to the demolishment of an existing carpark as part of site clearance for the construction of SPP NOVO by wholly owned subsidiary Xepa-Soul Pattinson (M) Sdn Bhd at Cheng, Melaka. There were no disposal of assets by the Group during the current quarter ended 31 December 2016.

For the corresponding quarter ended 31 December 2015, two units of investment properties with carrying amount of RM 2,479,000 were disposed by the Group, which resulted in a net gain on disposal of RM 2,785,000 that was recognised and included as other income in the statement of comprehensive income. Other than the above, there were no material disposal of assets by the Group in the quarter ended 31 December 2015.

**A13 Capital Commitments**

Capital commitments of property, plant and equipment not provided for in the financial statements as at 31 December 2016 are as follows:

	RM'000
Authorised capital expenditure approved and contracted for	38,032
Authorised capital expenditure approved but not contracted for	46,416
	<u>84,448</u>

**A14 Related Party Transactions**

The Group does not have any significant transactions with related parties during the year ended 31 December 2016 in addition to the related party transactions disclosed in the audited financial statements for the year ended 31 December 2015.

**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 assets:	31/12/2016	31/12/2015
	RM'000	RM'000
	(Level 2)	
Derivatives - Forward currency contracts	101	52

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 year ended 2016 and 2015.

**A16 Changes in Contingent liabilities or Contingent assets.**

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

**INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016  
(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 2016 with record full year revenue of RM 581 million, a growth of 10% over that achieved in 2015. Revenue in the final quarter of 2016 reached RM 144 million, a growth of 7.4% over the RM 134 million reported in the corresponding period in the previous year. Overall, reported quarterly revenues have been consistent throughout 2016 with all key business units performing in line with expectations.

Profit before tax at RM 10.1 million for the final quarter is 41% lower than the RM 17.2 million achieved in the same quarter in the previous year as a result of accounting adjustments totaling RM 4.7 million charged in the last quarter of 2016. These adjustments comprise the write off of the residual value of an existing carpark demolished as part of site clearance for SPP NOVO and the impairment of goodwill arising from the Group's investment in associate Straits Apex Sdn Bhd ("SA"). Further, a non-recurring gain of RM 2.8 million from the disposal of two investment properties was recognized in the equivalent period in 2015. In the absence of these non-recurring events, profit before tax for the fourth quarter would be the strongest in 2016. These notwithstanding, the Group still achieved full year profit before tax of RM 46.3 million for financial year 2016, marginally better than the RM 45.8 million recorded in the previous year.

Key business units performed well, with good growth in targeted international markets. The portfolio of Group branded pharmaceuticals and consumer healthcare products continue to grow with the number of new product launches meeting planned targets. Revenue from pharmaceutical wholesale and distribution services grew steadily over the previous year. During the quarter, the Group commenced construction of its new Oral Solid Dosage manufacturing facility, SPP NOVO, with site preparation and piling works. The performance of the Group's associate involved in the contract manufacturing of orthopedic devices improved in 2016, with revenue growing 64% over the previous year. The Group's share of loss from this unit after impairment of goodwill is RM 0.2 million, compared to a recognized loss of RM 1.8 million in 2015.

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

Profit before tax for the current quarter is RM 10.1 million, which is 13% lower than the RM 11.5 million achieved in the immediate preceding quarter. This is mainly attributed to the two accounting adjustments totaling RM 4.7 million charged in the fourth quarter and detailed in Note B1.

**B3 Commentary**

**a Prospects**

The prospects for the manufacturing, marketing and distribution of pharmaceuticals and consumer healthcare products stay positive in the markets we operate. Effort is consistently directed at research and development of new Group Brand products, penetration of new international markets and improving operational efficiencies and market share in existing markets.

However, the expectations of slower economic growth, uncertain global trade policies, increased competition and persistent weakness of the Malaysian Ringgit against major foreign currencies contribute to a challenging business environment. Efforts are ongoing to minimize the negative impact of these risks. We continue to have subdued expectations for 2017.

In this context and barring further unforeseen circumstances, the Board expects the Group to continue to perform satisfactorily in 2017.

**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.

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

B6 <u>Income Tax Expense</u>	3 MONTHS ENDED		YEAR ENDED	
	31/12/2016 RM'000	31/12/2015 RM'000	31/12/2016 RM'000	31/12/2015 RM'000
In respect of current period:				
Income tax	3,317	2,870	11,153	11,228
Deferred tax	(124)	100	(412)	(378)
Foreign tax	284	306	721	527
Real property gains tax	-	254	-	254
	<u>3,477</u>	<u>3,530</u>	<u>11,462</u>	<u>11,631</u>
In respect of prior period:				
Income tax	(61)	26	(33)	166
Deferred tax	-	(218)	-	(218)
Foreign tax	(103)	-	(123)	-
	<u>3,313</u>	<u>3,338</u>	<u>11,306</u>	<u>11,579</u>

The effective tax rate for the current quarter was higher than the statutory tax rate due to the non-tax deductibility of the impairment loss on goodwill from investment in an associate. The effective tax rate for the cumulative period was comparable with the statutory tax rate.

**B7 Status of Corporate Proposals**

There were no corporate proposals announced but not completed as at 15th February 2017.

**B8 Group Borrowings and Debt Securities**

	31/12/2016 RM'000	31/12/2015 RM'000
Current		
Secured obligations under finance lease	<u>13</u>	<u>13</u>
Non-current		
Secured obligations under finance lease	<u>12</u>	<u>24</u>
Total	<u>25</u>	<u>37</u>
Obligations under finance lease denominated in foreign currency as at 31 December 2016:	SGD'000	SGD'000
Singapore Dollars	<u>8</u>	<u>12</u>

The Group does not have any current or non-current debt securities denominated in Ringgit Malaysia or foreign currency as at 31 December 2016.

**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 6.0 sen per share in respect of the financial year ended 31 December 2016 for shareholders' approval at the forthcoming Annual General Meeting. (Year 2015: 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 11.5 sen per share. (Year 2015: Total single-tier dividends of 11.0 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 16 June 2017 and the entitlement date for the payment is 2 June 2017.

**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		YEAR ENDED	
		31/12/2016	31/12/2015	31/12/2016	31/12/2015
<b><u>Basic Earnings per share</u></b>					
Profit after tax	RM'000	6,756	13,806	34,954	34,236
Weighted average number of ordinary shares in issue	'000	117,146	117,146	117,146	117,146
Basic earnings per share	sen	<b>5.77</b>	<b>11.79</b>	<b>29.84</b>	<b>29.23</b>
<b><u>Diluted Earnings per share</u></b>					
Profit after tax	RM'000	6,756	13,806	34,954	34,236
Weighted average number of ordinary shares in issue	'000	117,146	117,146	117,146	117,146
Effect of dilution-Share options	'000	47	-	47	-
Adjusted	'000	117,193	117,146	117,193	117,146
Diluted earnings per share	sen	<b>5.76</b>	<b>11.79</b>	<b>29.83</b>	<b>29.23</b>

**B12 Derivative Financial Instruments**

a The Group's derivative financial instruments as at 31 December 2016 are as follows -

Type of Derivatives	Contract / Fair Value		
	Forward	Assets	Liabilities
Forward Currency Contracts	Notional Amount	RM'000	RM'000
	RM'000	RM'000	RM'000
<b>Less than 1 year</b>			
Sale of goods	4,525	99	-
Purchase of goods	(165)	2	-
	<b>4,360</b>	<b>101</b>	<b>-</b>

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 4,360,000.

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 joint venture / associate with these derivative contracts; and
- (iii) the related accounting policies.

**B13 Fair Value Changes of Financial Liabilities**

As at 31 December 2016, the Group does not have any significant financial liabilities measured at fair value through profit or loss other than the disclosure in note A15.

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

	Year ended	
	31/12/2016	31/12/2015
	RM'000	RM'000
Total retained earnings of the Group:		
Realised	202,274	184,856
Unrealised	(2,926)	(3,331)
	<b>199,348</b>	<b>181,525</b>
Total share of results of a joint venture prior to becoming an associate:		
Realised	(695)	(695)
Total share of results of an associate:		
Realised	(1,175)	(966)
	<b>197,478</b>	<b>179,864</b>
Less: Consolidation adjustments	(16,038)	(19,906)
Total Group's retained earnings as per consolidated accounts	<b>181,440</b>	<b>159,958</b>



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

(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016**

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

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

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

The Auditors' report on the Group's financial statements for the year ended 31 December 2015 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 23rd February 2017.