

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2015

	Note	3 MONTHS ENDED		PERIOD ENDED	
		30/06/2015	30/06/2014	30/06/2015	30/06/2014
		RM'000	RM'000	RM'000	RM'000
Revenue		124,279	122,493	264,343	253,420
Cost of sales		(95,893)	(94,851)	(201,911)	(193,901)
Gross profit		28,386	27,642	62,432	59,519
Other income		1,020	713	2,103	1,685
Selling & marketing expenses		(14,437)	(13,132)	(30,546)	(28,276)
Administrative expenses		(5,052)	(5,095)	(9,970)	(10,133)
Other expenses		(300)	(174)	(993)	(363)
Finance cost		(1)	-	(1)	(3)
Share of results of a joint venture		-	96	-	243
Share of results of an associate		(540)	-	(2,069)	-
Profit before tax	A7	9,076	10,050	20,956	22,672
Income tax expense	B6	(2,474)	(2,496)	(5,908)	(5,650)
Net profit for the period		6,602	7,554	15,048	17,022
Other comprehensive income:					
Exchange differences on translation of foreign operations, net of tax		(2)	-	(2)	-
Total comprehensive income for the period		6,600	7,554	15,046	17,022
Net profit attributable to:					
Owners of the parent		6,603	7,522	15,049	16,960
Non-controlling interest		(1)	32	(1)	62
Net profit for the period		6,602	7,554	15,048	17,022
Total comprehensive income attributable to:					
Owners of the parent		6,601	7,522	15,047	16,960
Non-controlling interest		(1)	32	(1)	62
Total comprehensive income for the period		6,600	7,554	15,046	17,022
Earnings per share attributable to owners of the parent:		Sen	Sen	Sen	Sen
- Basic	B11	5.64	6.42	12.85	14.48
- Diluted	B11	5.64	6.42	12.85	14.48

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

APEX HEALTHCARE BERHAD (473108-T)

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2015

(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	Note	As at 30/06/2015 RM'000	As at 31/12/2014 RM'000 <u>(Audited)</u>
ASSETS			
Non-Current Assets			
Property, plant and equipment	A12	96,888	99,555
Investment properties		5,825	5,855
Intangible assets		1,724	1,222
Investment in an associate		5,047	7,116
Deferred tax assets		317	168
Receivables		10,000	10,000
Long term investment		5,520	5,520
		<u>125,321</u>	<u>129,436</u>
Current Assets			
Inventories		60,802	51,697
Receivables		122,351	113,809
Prepayments		1,431	375
Tax recoverable		469	409
Derivative financial instruments	A15 & B12	146	174
Deposits, bank and cash balances		57,104	56,056
		<u>242,303</u>	<u>222,520</u>
Assets classified as held for sale		2,479	2,479
		<u>244,782</u>	<u>224,999</u>
TOTAL ASSETS		<u>370,103</u>	<u>354,435</u>
EQUITY AND LIABILITIES			
Current Liabilities			
Borrowings	B8	11	11
Derivative financial instruments	A15 & B12	24	-
Payables		92,786	86,505
Current tax payable		3,745	2,236
		<u>96,566</u>	<u>88,752</u>
Non-Current Liabilities			
Borrowings	B8	27	33
Deferred tax liabilities		5,202	5,359
		<u>5,229</u>	<u>5,392</u>
TOTAL LIABILITIES		<u>101,795</u>	<u>94,144</u>
NET ASSETS		<u>268,308</u>	<u>260,291</u>
EQUITY			
Equity attributable to owners of the parent			
Share capital		117,146	117,146
Reserves		4,179	4,181
Retained earnings	B14	146,628	138,608
		<u>267,953</u>	<u>259,935</u>
Non-controlling interest		355	356
TOTAL EQUITY		<u>268,308</u>	<u>260,291</u>
		RM	RM
Net Assets per share attributable to owners of the parent		<u>2.29</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.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2015

	← <u>Non-Distributable</u>	→ <u>Distributable</u>				
	Share Capital	Foreign currency translation reserve	Retained Earnings	Equity attributable to owners of the parent, total	Non- controlling Interest	Total Equity
Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
PERIOD ENDED 30 JUNE 2015						
Balance at 1 January 2015	117,146	4,181	138,608	259,935	356	260,291
Total comprehensive income	-	(2)	15,049	15,047	(1)	15,046
Transaction with owners						
Dividends on ordinary shares	-	-	(7,029)	(7,029)	-	(7,029)
Total transaction with owners	-	-	(7,029)	(7,029)	-	(7,029)
Balance as at 30 June 2015	117,146	4,179	146,628	267,953	355	268,308
PERIOD ENDED 30 JUNE 2014						
Balance at 1 January 2014	93,717	3,218	137,896	234,831	243	235,074
Total comprehensive income	-	-	16,960	16,960	62	17,022
Transaction with owners						
Issue of ordinary shares pursuant to bonus issue	23,429	-	(23,429)	-	-	-
Dividends on ordinary shares	-	-	(5,623)	(5,623)	-	(5,623)
Total transaction with owners	23,429	-	(29,052)	(5,623)	-	(5,623)
Balance as at 30 June 2014	117,146	3,218	125,804	246,168	305	246,473

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 30 JUNE 2015

	PERIOD ENDED	
	30/06/2015	30/06/2014
	RM'000	RM'000
Operating activities		
Profit before tax	20,956	22,672
Adjustments for:		
Depreciation and amortisation	4,482	4,507
Net profit on disposal of property, plant and equipment	(225)	(82)
Property, plant and equipment written off	1	-
Share of results of a joint venture	-	(243)
Share of results of an associate	2,069	-
Net profit on disposal of available-for-sale financial asset	-	(297)
Fair value changes of derivative financial instruments	52	35
Inventories written off and written down	197	76
Impairment loss on trade receivables	131	54
Interest expense	1	3
Interest income	(615)	(388)
Operating cash flows before changes in working capital	27,049	26,337
Inventories	(9,301)	(6,688)
Receivables	(9,728)	(12,659)
Payables	6,281	15,146
Cash generated from operations	14,301	22,136
Tax paid	(4,766)	(4,257)
Net cash flows generated from operating activities	9,535	17,879
Investing activities		
Proceeds from the disposal of available-for-sale financial asset	-	4,225
Purchase of property, plant and equipment & intangible assets	(2,402)	(1,852)
Proceeds from disposal of property, plant and equipment	339	83
Withdrawal from/(Placement in) short term deposit	3,771	(1,217)
Interest received	615	388
Net cash flows generated from investing activities	2,323	1,627
Financing activities		
Finance lease (repaid)/raised	(6)	49
Dividends paid	(7,029)	(5,623)
Other financing activities paid	(1)	(3)
Net cash flows used in from financing activities	(7,036)	(5,577)
Net increase in cash and cash equivalents	4,822	13,929
Cash and cash equivalents at 1 January	44,260	27,151
Effect of exchange rate changes on cash and cash equivalents	(2)	-
Cash and cash equivalents at the end of the financial period	49,080	41,080

Included in the deposits, bank and cash balances is RM 8,024,000 (30 June 2014 : RM 6,870,000) 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 SECOND QUARTER ENDED 30 JUNE 2015

(THE FIGURES HAVE NOT BEEN AUDITED)

A NOTES PURSUANT TO MFRS 134 FOR THE PERIOD ENDED 30 JUNE 2015

A1 Basis of preparation

These unaudited condensed consolidated interim financial statements for the period ended 30 June 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 except for the adoption of the following standards, wherever applicable to the Group and Company:

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
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 Venture	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.

A NOTES PURSUANT TO MFRS 134 FOR THE PERIOD ENDED 30 JUNE 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 period ended 30 June 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 period ended 30 June 2015.

A7 Profit before tax

Included in profit before tax are the following items:

	3 MONTHS ENDED		PERIOD ENDED	
	30/06/2015	30/06/2014	30/06/2015	30/06/2014
	RM'000	RM'000	RM'000	RM'000
Interest income	323	278	615	388
Other income including investment income	541	407	1,076	712
Interest expense	(1)	-	(1)	(3)
Depreciation and amortisation	(2,252)	(2,261)	(4,482)	(4,507)
(Impairment loss)/reversal of impairment loss on trade receivables	(80)	3	(131)	(54)
Written off and written down of Inventories	(97)	(11)	(197)	(76)
Net profit on disposal of property, plant and equipment	-	5	225	82
Profit on disposal of AFS Financial Asset	-	-	-	297
Property, plant and equipment written off	-	-	(1)	-
Fair value gain/(loss) of derivative financial instruments	54	(24)	(52)	(35)
Foreign exchange (loss)/gain	(1)	(9)	(119)	130

A8 Dividends paid and declared

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

	30/06/2015	30/06/2014
	RM'000	RM'000
<u>In respect of the financial year ended 31 December</u>		
2014: Final dividend comprising 6.0 sen single tier per share paid on 17-June-15	7,029	-
2013: Final dividend comprising 6.0 sen single tier per share paid on 05-June-14	-	5,623
	<u>7,029</u>	<u>5,623</u>

A NOTES PURSUANT TO MFRS 134 FOR THE PERIOD ENDED 30 JUNE 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
PERIOD ENDED 30/06/2015					
External revenue	12,089	248,253	4,001	-	264,343
Inter-segment revenue	40,309	341	5,508	(46,158)	-
Total Revenue	52,398	248,594	9,509	(46,158)	264,343
Segment Results (external)	16,074	10,361	(4,306)	(1,172)	20,957
Finance costs					(1)
Profit before tax					20,956
PERIOD ENDED 30/06/2014					
External revenue	16,020	233,583	3,817	-	253,420
Inter-segment revenue	36,996	-	13,823	(50,819)	-
Total Revenue	53,016	233,583	17,640	(50,819)	253,420
Segment Results (external)	15,794	9,770	(1,870)	(1,019)	22,675
Finance costs					(3)
Profit before tax					22,672
Segment assets					
30-Jun-2015	94,457	236,283	47,603	(8,240)	370,103
31-Dec-2014	84,285	225,472	50,667	(5,989)	354,435
Segment liabilities					
30-Jun-2015	(9,148)	(79,171)	(4,529)	(8,947)	(101,795)
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 period.

A11 Changes in Group Composition

The Group did not undertake any business combinations, acquisitions or disposals of subsidiaries and long-term investments, restructuring or discontinuation of operations during the current quarter ended 30 June 2015.

A12 Property, plant and equipment

During the current quarter ended 30 June 2015, the Group acquired assets at a cost of RM 709,000 (30 June 2014: RM 803,000).

There was no disposal of assets by the Group during the current quarter ended 30 June 2015. For the previous quarter ended 30 June 2014, assets with carrying amount of RM 171 were disposed of by the Group, resulting in a net gain on disposal of RM 5,000 recognised and included in other income in the statement of comprehensive income.

A13 Capital Commitments

Capital commitments of property, plant and equipment not provided for in the financial statements as at 30 June 2015 are as follows:

	RM'000
Authorised capital expenditure approved and contracted for	434
Authorised capital expenditure approved but not contracted for	7,323
	<u>7,757</u>

A NOTES PURSUANT TO MFRS 134 FOR THE PERIOD ENDED 30 JUNE 2015 (continued)

A14 Related Party Transactions

The Group does not have any significant transactions with related parties during the period ended 30 June 2015 in addition to the related party transactions disclosed in the audited financial statements for the year ended 31 December 2014.

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:	30/06/2015	31/12/2014
	RM'000	RM'000
	<u>(Level 2)</u>	
Derivatives - Forward currency contracts	<u>122</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 current interim period and financial year ended 2014.

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 SECOND QUARTER ENDED 30 JUNE 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 achieved revenue of RM 124.3 million for the second quarter and RM 264.3 million for the first half year. Compared to the first quarter, revenue in the second quarter is lower by 11% after the introduction of the Goods and Service Tax in Malaysia on 1st April 2015. However, year to date revenue grew 4% over the same period in the previous year. Profit before Tax is RM 9.1 million for the second quarter and RM 21.0 million year to date, representing declines of 10% and 8% respectively over equivalent periods in 2014. For the first half year, the Group recognized RM 2.0 million as its share of losses from associate company Straits Apex Sdn Bhd. This apart, the performance of the Group's core businesses improved over the same period in 2014.

For the first six months of 2015, Manufacturing and Marketing performed satisfactorily, with continued strong sales to the private sectors in Malaysia and Singapore. Year to date export revenue grew 24% over the same period last year, the result of increased emphasis on growing the Group's international business. Three new products were launched under the Xepa brand in the quarter.

For the first half year, Wholesale and Distribution revenue grew 6% over the first half of 2014, driven by contributions from newly secured agency lines and pharmaceutical wholesale for both the Malaysian and Singapore markets.

The Group recognized its share of associate's loss relating to Straits Apex Sdn Bhd of RM 0.5 million in the second quarter, as compared to the loss of RM 1.5 million recognized in the first quarter. Measures directed at securing more orders and right-sizing capacity are ongoing. Retail pharmacy sales at City Square, Johor Bahru were 2% up compared to the same period in Q2 2014.

B2 Material changes in the profit before tax for the quarter

Profit before tax of RM 9.1 million is 24% lower than the RM 11.9 million achieved in the first quarter of 2015. This drop is in tandem with the lower sales in the second quarter compared to the first.

B3 Commentary

a Prospects

The Group's core businesses performed in line with expectations in the first half of 2015, the result of the Group's commitment and focus on product development, brand management, customer service, working capital management and operational efficiency.

Business momentum in the second half of 2015 may be affected by the weak Malaysian Ringgit and poorer consumer confidence, especially if foreign exchange volatility and uncertainties in the Malaysian economy persists.

In this challenging environment, and barring further unforeseen developments, the Board remains cautiously optimistic that the Group's performance to date and its well placed fundamentals should result in a satisfactory performance for financial year 2015.

b Progress to achieve forecast revenue or profit estimate

Not applicable.

B4 Statement by the Board of Directors' opinion on the achievability of forecast revenue or profit estimate

Not applicable.

B5 Profit Forecast /Profit Guarantee

Not applicable.

B6 Income Tax Expense

	3 MONTHS ENDED		PERIOD ENDED	
	30/06/2015 RM'000	30/06/2014 RM'000	30/06/2015 RM'000	30/06/2014 RM'000
In respect of current period:				
Income tax	2,324	2,442	6,089	5,899
Deferred tax	82	(8)	(306)	(337)
Foreign tax	69	62	126	88
	<u>2,474</u>	<u>2,496</u>	<u>5,908</u>	<u>5,650</u>
In respect of prior period:				
Foreign tax	-	-	-	-
	<u>2,474</u>	<u>2,496</u>	<u>5,908</u>	<u>5,650</u>

The effective tax rate for the current quarter and cumulative period was comparable with the statutory tax rate.

APEX HEALTHCARE BERHAD (473108-T)

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 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 11th August 2015.

B8 Group Borrowings and Debt Securities

	30/06/2015	31/12/2014
	RM'000	RM'000
Current		
Secured obligations under finance lease	11	11
Non-current		
Secured obligations under finance lease	27	33
Total	<u>38</u>	<u>44</u>
Obligations under finance lease denominated in foreign currency as at 30 June 2015:		
Singapore Dollars	<u>14</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 30 June 2015.

B9 Material Litigation

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

B10 Dividend Payable

a The Board of Directors is pleased to declare the payment of an interim single-tier dividend of 5.0 sen per share in respect of the financial year ending 31 December 2015, resulting in a total dividend to-date for the current financial year of 5.0 sen per share. (Year 2014: Interim single-tier dividend of 3.5 sen per share).

b The interim dividend will be paid on 30 September 2015 and the entitlement date is 17 September 2015.

B11 Earnings per share

The following reflect the profit and share data used in the computation of basic and diluted earnings per share:

		3 MONTHS ENDED		PERIOD ENDED	
		30/06/2015	30/06/2014	30/06/2015	30/06/2014
<u>Basic Earnings per share</u>					
Profit after tax	RM'000	6,603	7,522	15,049	16,960
Weighted average number of ordinary shares in issue	'000	117,146	117,146	117,146	117,146
Basic earnings per share	sen	<u>5.64</u>	<u>6.42</u>	<u>12.85</u>	<u>14.48</u>
<u>Diluted Earnings per share</u>					
Profit after tax	RM'000	6,603	7,522	15,049	16,960
Weighted average number of ordinary shares in issue	'000	117,146	117,146	117,146	117,146
Diluted earnings per share	sen	<u>5.64</u>	<u>6.42</u>	<u>12.85</u>	<u>14.48</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 30 June 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
<u>Less than 1 year</u>			
Sale of goods	3,800	146	-
Purchase of goods	(1,184)	-	(24)
	<u>2,616</u>	<u>146</u>	<u>(24)</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 2,616,000.

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 30 June 2015, 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

	30/06/2015 RM'000	Year ended 31/12/2014 RM'000
Total retained earnings of the Group:		
Realised	170,461	159,516
Unrealised	(2,546)	(2,597)
	<u>167,915</u>	<u>156,919</u>
Total share of results of a joint venture:		
Realised	(694)	(694)
Total share of results of an associate:		
Realised	(1,234)	835
	<u>165,987</u>	<u>157,060</u>
Less: Consolidation adjustments	(19,359)	(18,452)
Total Group's retained earnings as per consolidated accounts	<u>146,628</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 19th August 2015.