



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

(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2013  
(THE FIGURES HAVE NOT BEEN AUDITED)**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2013**

	Note	3 MONTHS ENDED		PERIOD ENDED	
		31/03/2013	31/03/2012	31/03/2013	31/03/2012
		RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>		<b>106,359</b>	<b>104,126</b>	<b>106,359</b>	<b>104,126</b>
Cost of sales		(78,033)	(75,824)	(78,033)	(75,824)
<b>Gross profit</b>		<b>28,326</b>	<b>28,302</b>	<b>28,326</b>	<b>28,302</b>
Other income		1,029	331	1,029	331
Selling & marketing expenses		(12,406)	(11,914)	(12,406)	(11,914)
Administrative expenses		(4,425)	(4,342)	(4,425)	(4,342)
Other expenses		(201)	(13)	(201)	(13)
Finance cost		(10)	(37)	(10)	(37)
Share of results of jointly controlled entity net of tax		(116)	-	(116)	-
<b>Profit before tax</b>	A7	<b>12,197</b>	<b>12,327</b>	<b>12,197</b>	<b>12,327</b>
Income tax expense	B6	(3,063)	(5,990)	(3,063)	(5,990)
<b>Net profit for the period</b>		<b>9,134</b>	<b>6,337</b>	<b>9,134</b>	<b>6,337</b>
<b>Other comprehensive income:</b>					
Foreign currency translation, representing other comprehensive income net of tax		-	-	-	-
<b>Total comprehensive income for the period</b>		<b>9,134</b>	<b>6,337</b>	<b>9,134</b>	<b>6,337</b>
<b>Net profit attributable to:</b>					
Owners of the parent		9,113	6,320	9,113	6,320
Non-controlling interest		21	17	21	17
<b>Net profit for the period</b>		<b>9,134</b>	<b>6,337</b>	<b>9,134</b>	<b>6,337</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		9,113	6,320	9,113	6,320
Non-controlling interest		21	17	21	17
<b>Total comprehensive income for the period</b>		<b>9,134</b>	<b>6,337</b>	<b>9,134</b>	<b>6,337</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>9.72</b>	<b>6.74</b>	<b>9.72</b>	<b>6.74</b>
- Diluted	B11	<b>9.72</b>	<b>6.74</b>	<b>9.72</b>	<b>6.74</b>

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 FIRST QUARTER ENDED 31 MARCH 2013**

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2013**

	Note	As at 31/03/2013 RM'000	As at 31/12/2012 RM'000 <u>(Audited)</u>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	A12	75,857	76,442
Investment properties		3,465	3,483
Intangible assets		1,191	1,197
Investment in jointly-controlled entity		4,872	-
Deferred tax assets		726	680
Available-for-sale financial asset		3,928	3,928
		<u>90,039</u>	<u>85,730</u>
<b>Current Assets</b>			
Inventories		46,031	43,123
Trade and other receivables		107,787	96,097
Derivative financial instruments	A15 & B12	5	17
Investment securities		30,913	30,494
Deposits, bank and cash balances		31,769	34,674
		<u>216,505</u>	<u>204,405</u>
<b>TOTAL ASSETS</b>		<b><u>306,544</u></b>	<b><u>290,135</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Current Liabilities</b>			
Derivative financial instruments	A15	10	-
Trade and other payables		72,635	66,182
Current tax payable		2,528	1,740
		<u>75,173</u>	<u>67,922</u>
<b>Non-Current Liabilities</b>			
Deferred tax liabilities		5,785	5,761
		<u>5,785</u>	<u>5,761</u>
<b>TOTAL LIABILITIES</b>		<b><u>80,958</u></b>	<b><u>73,683</u></b>
<b>NET ASSETS</b>		<b><u>225,586</u></b>	<b><u>216,452</u></b>
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital		93,717	93,717
Reserves		1,364	1,364
Retained earnings	B14	130,342	121,229
		<u>225,423</u>	<u>216,310</u>
Non-controlling interest		163	142
<b>TOTAL EQUITY</b>		<b><u>225,586</u></b>	<b><u>216,452</u></b>
		<b>RM</b>	<b>RM</b>
<b>Net Assets per share attributable to owners of the parent</b>		<b><u>2.41</u></b>	<b><u>2.31</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 FIRST QUARTER ENDED 31 MARCH 2013**

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE CUMULATIVE PERIOD ENDED 31 MARCH 2013**

	←	Non-Distributable			→	Distributable	Equity attributable to owners of the parent, total	Non- controlling Interest	Total Equity
		Share Capital	Share Premium	Revaluation & other reserves					
Note		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b><u>PERIOD ENDED 31 MARCH 2013</u></b>									
Balance at 1 January 2013		93,717	-	1,364	121,229	216,310	142	216,452	
Total comprehensive income		-	-	-	9,113	9,113	21	9,134	
Transaction with owners									
Dividends on ordinary shares	A8	-	-	-	-	-	-	-	
Total transaction with owners		-	-	-	-	-	-	-	
<b>Balance as at 31 March 2013</b>		<b>93,717</b>	<b>-</b>	<b>1,364</b>	<b>130,342</b>	<b>225,423</b>	<b>163</b>	<b>225,586</b>	
<b><u>PERIOD ENDED 31 MARCH 2012</u></b>									
Balance at 1 January 2012		93,717	-	460	105,121	199,298	13,336	212,634	
Total comprehensive income		-	-	-	6,320	6,320	17	6,337	
Transaction with owners									
Disposal of non-current asset held for sale by non-controlling interest		-	-	-	-	-	(13,242)	(13,242)	
Dividends on ordinary shares	A8	-	-	-	-	-	-	-	
Total transaction with owners		-	-	-	-	-	(13,242)	(13,242)	
<b>Balance as at 31 March 2012</b>		<b>93,717</b>	<b>-</b>	<b>460</b>	<b>111,441</b>	<b>205,618</b>	<b>111</b>	<b>205,729</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.



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

(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2013**

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE CUMULATIVE PERIOD ENDED 31 MARCH 2013**

	PERIOD ENDED	
	31/03/2013	31/03/2012
	RM'000	RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	12,197	12,327
Adjustments:		
Depreciation and amortisation	1,864	1,845
Net profit on disposal of property, plant and equipment	-	(56)
Share of results of jointly controlled entity net of tax	116	-
Fair value changes of investment securities	(419)	-
Fair value changes of derivative financial instruments	22	(31)
Inventories written off and written down	47	51
Reversal of impairment loss on trade receivables	(15)	(24)
Interest expense	10	37
Interest income	(66)	(31)
Operating profit before working capital changes:	13,756	14,118
Inventories	(2,956)	(1,575)
Receivables	(11,673)	(10,597)
Payables	6,476	7,512
Cash generated from operations	5,603	9,458
Tax paid	(2,297)	(1,633)
<b>Net cash generated from operating activities</b>	<b>3,306</b>	<b>7,825</b>
<b>Cash flows from investing activities</b>		
Proceeds from the disposal of non-current assets held for sale	-	32,547
Investment in a jointly-controlled entity	(4,988)	-
Repayment of shareholders loans	(24)	(24)
Purchase of property, plant and equipment & intangible assets	(1,255)	(339)
Proceeds from disposal of property, plant and equipment	-	57
Interest received	66	31
<b>Net cash (used)/generated in investing activities</b>	<b>(6,201)</b>	<b>32,272</b>
<b>Cash flows from financing activities:</b>		
Term loans repaid	-	(567)
Dividends paid	-	-
Other financing activities paid	(10)	(37)
<b>Net cash used in financing activities</b>	<b>(10)</b>	<b>(604)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(2,905)</b>	<b>39,493</b>
<b>Cash and cash equivalents at 1 January</b>	<b>34,674</b>	<b>22,802</b>
Currency translation difference	-	-
<b>Cash and cash equivalents at the end of the financial period</b>	<b>31,769</b>	<b>62,295</b>

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)**

(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2013  
(THE FIGURES HAVE NOT BEEN AUDITED)**

**A NOTES PURSUANT TO MFRS 134 FOR THE PERIOD ENDED 31 MARCH 2013**

**A1 Basis of preparation**

These unaudited condensed consolidated interim financial statements for the period ended 31 March 2013 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 2012.

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 2012 except for the adoption of the following Malaysian Financial Reporting Standards ("MFRS") and Issues Committee ("IC") Interpretations wherever applicable to the Group and Company:

Description	Effective for annual periods beginning on or after
MFRS 101 Presentation of Items of Other Comprehensive Income (Amendments to MFRS 101)	01 July 2012
Amendments to MFRS 101: Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)	01 January 2013
MFRS 3 Business Combinations (IFRS 3 Business Combinations issued by IASB in March 2004)	01 January 2013
MFRS 10 Consolidated Financial Statements	01 January 2013
MFRS 11 Joint Arrangements	01 January 2013
MFRS 12 Disclosure of interests in Other Entities	01 January 2013
MFRS 13 Fair Value Measurement	01 January 2013
MFRS 119 Employee Benefits	01 January 2013
MFRS 127 Separate Financial Statements	01 January 2013
MFRS 128 Investment in jointly-controlled entity and Joint Ventures	01 January 2013
MFRS 127 Consolidated and Separate Financial Statements (IAS 27 as revised by IASB in December 2003)	01 January 2013
Amendment to IC Interpretation 2 Members' Shares in Co-operative Entities and Similar Instruments (Annual Improvements 2009-2011 Cycle)	01 January 2013
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	01 January 2013
Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards – Government Loans	01 January 2013
Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards – Annual Improvements 2009-2011 Cycle)	01 January 2013
Amendments to MFRS 116: Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)	01 January 2013
Amendments to MFRS 132: Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)	01 January 2013
Amendments to MFRS 134: Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)	01 January 2013
Amendments to MFRS 10: Consolidated Financial Statements: Transition Guidance	01 January 2013
Amendments to MFRS 11: Joint Arrangements: Transition Guidance	01 January 2013
Amendments to MFRS 12: Disclosure of Interests in Other Entities: Transition Guidance	01 January 2013

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 discussed below:

**MFRS 10 Consolidated Financial Statements**

MFRS 10 replaces part of MFRS 127 Consolidated and Separate Financial Statements that deals with consolidated financial statements and IC Interpretation 112 Consolidation – Special Purpose Entities.

Under MFRS 10, an investor controls an investee when (a) the investor has power over an investee, (b) the investor has exposure, or rights, to variable returns from its involvement with the investee, and (c) the investor has ability to use its power over the investee to affect the amount of the investor's returns. Under MFRS 127 *Consolidated and Separate Financial Statements*, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

MFRS 10 includes detailed guidance to explain when an investor has control over the investee. MFRS 10 requires the investor to take into account all relevant facts and circumstances.

The Group and the Company do not anticipate significant impact to the financial statements upon adoption of MFRS 10.

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2013  
(THE FIGURES HAVE NOT BEEN AUDITED)**

**A NOTES PURSUANT TO MFRS 134 FOR THE PERIOD ENDED 31 MARCH 2013 (continued)**

A2 Significant accounting policies (continued)

MFRS 12 Disclosures of Interests in Other Entities

MFRS 12 includes all disclosure requirements for interests in subsidiaries, joint arrangements, jointly-controlled entities and structured entities. A number of new disclosures are required. This standard affects disclosures only and has no impact on the Group's financial position or performance.

MFRS 127 Separate Financial Statements

As a consequence of the new MFRS 10 and MFRS 12, MFRS 127 is limited to accounting for subsidiaries, jointly controlled entities and jointly-controlled entities in separate financial statements.

MFRS 13 Fair Value Measurement

MFRS 13 establishes a single source of guidance under MFRS for all fair value measurements. MFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under MFRS when fair value is required or permitted.

MFRS 3 Business Combinations (IFRS 3 Business Combinations issued by IASB in March 2004) and MFRS 127 Consolidated and Separate Financial Statements (IAS 27 as revised by IASB in December 2003)

An entity shall apply these earlier versions of MFRS 3 and MFRS 127 only if the entity has elected to do so as allowed in MFRS 10 Consolidated Financial Statements. The adoptions of these standards are not expected to have any significant impact to the Group and the Company.

Amendments to MFRS 101: Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)

The amendments to MFRS 101 change the grouping of items presented in other comprehensive income. Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, exchange differences on translation of foreign operations and net loss or gain on available-for-sale financial assets) would be presented separately from items which will never be reclassified (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affects presentation only and has no impact on the Group's financial position and performance.

MFRS 9 Financial Instruments: Classification and Measurement

MFRS 9 reflects the first phase of the work on the replacement of MFRS 139 *Financial Instruments: Recognition and Measurement* and applies to classification and measurement of financial assets and financial liabilities as defined in MFRS 139 *Financial Instruments: Recognition and Measurement*. The adoption of the first phase of MFRS 9 is not expected to have an impact on the Group and on the Company.

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 31 March 2013.

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 2013.

A7 Profit before tax

Included in profit before tax are the following items:

	3 MONTHS ENDED		PERIOD ENDED	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	RM'000	RM'000	RM'000	RM'000
Interest income	66	31	66	31
Other income including investment income	506	213	506	213
Interest expense	(10)	(37)	(10)	(37)
Depreciation and amortisation	(1,864)	(1,845)	(1,864)	(1,845)
Reversal of impairment loss on trade receivables	15	24	15	24
Inventories written off and written down	(47)	(51)	(47)	(51)
Net profit on disposal of property, plant and equipment	-	56	-	56
Fair value gain of investment securities	419	-	419	-
Fair value gain/(loss) of derivative financial instruments	(22)	31	(22)	31
Foreign exchange gains less losses	-	80	-	80
Exceptional items	-	-	-	-



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**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2013  
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**A NOTES PURSUANT TO MFRS 134 FOR THE PERIOD ENDED 31 MARCH 2013 (continued)**

**A8 Dividends paid and declared**

There were no dividends paid during the current period ended 31 March 2012.

**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.

<b>OPERATING SEGMENTS</b>	Manufacturing & Marketing	Wholesale & Distribution	Corporate	Adjustments & eliminations	<b>GROUP</b>
<b>PERIOD ENDED 31/03/2013</b>	RM'000	RM'000	RM'000	RM'000	RM'000
External Revenue	5,782	98,886	1,691	-	106,359
Inter-segment revenue	19,837	192	980	(21,009)	-
<b>Total Revenue</b>	<b>25,619</b>	<b>99,078</b>	<b>2,671</b>	<b>(21,009)</b>	<b>106,359</b>
Segment Results (external)	8,648	4,911	(957)	(395)	12,207
Finance costs					(10)
<b>Profit before tax</b>					<b>12,197</b>
<b>PERIOD ENDED 31/03/2012</b>	RM'000	RM'000	RM'000	RM'000	RM'000
External Revenue	6,602	96,025	1,499	-	104,126
Inter-segment revenue	20,409	-	791	(21,200)	-
<b>Total Revenue</b>	<b>27,011</b>	<b>96,025</b>	<b>2,290</b>	<b>(21,200)</b>	<b>104,126</b>
Segment Results (external)	9,971	4,421	(1,643)	(385)	12,364
Finance costs					(37)
<b>Profit before tax</b>					<b>12,327</b>
<b>Segment assets</b>					
31-Mar-2013	76,517	168,398	60,531	1,098	<b>306,544</b>
31-Dec-2012	81,848	152,368	54,659	1,260	<b>290,135</b>

**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**

As reported in the previous quarter, the final meeting of Apex Pharmacy International Sdn Bhd ("API"), the wholly owned subsidiary of the Company, for the member's voluntary winding up proceedings was held on 31 December 2012. Pursuant to Section 272(5) of the Companies Act 1965, API has been officially wound up on 31 March 2013.

On 18th January 2013, the Company's wholly owned subsidiary, ABio Marketing Sdn Bhd completed its acquisition of 40% equity representing 2,000,000 ordinary shares in ABio Orthopaedics Sdn Bhd ("AO") for a total consideration of RM 4,988,000. The business of AO is the contract manufacturing of surgical grade orthopaedics devices, components and instruments for multinational orthopaedics companies.

Other than the above, the Group did not undertake any business combinations, acquisitions or disposals of subsidiaries and long-term investments, restructuring or discontinuation of operations during the current quarter ended 31 March 2013.

**A12 Property, plant and equipment**

During the current quarter ended 31 March 2013, the Group acquired assets at a cost of RM 1,249,000 (31 March 2012: RM 325,000). Included in the total assets acquired in the current quarter is an amount of capital-in-progress of RM 1,022,000 (31 March 2012: RM 14,000) which represents expenditure incurred for the construction of new Administration Building which commenced in June 2012 and is expected to be completed by April 2013.



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**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2013  
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**A NOTES PURSUANT TO MFRS 134 FOR THE PERIOD ENDED 31 MARCH 2013 (continued)**

**A13 Capital Commitments**

Capital commitments of property, plant and equipment not provided for in the financial statements as at 31 March 2013 are as follows:

	RM'000
Authorised capital expenditure approved and contracted for	26,301
Authorised capital expenditure approved but not contracted for	7,658
	<u>33,959</u>

On 20th December 2012, the Group exercised an Option to Purchase a 3-storey 51,000 square feet detached factory building located at Loyang Way, Singapore for a purchase consideration of S\$ 10,600,000 approximating RM 26,500,000 from C & W Electronics Pte Ltd ("the vendor"). A 10% deposit of the consideration was paid to the vendor upon the exercise of the option with the balance of 90% payable upon completion on or before 2nd September 2013.

**A14 Related Party Transactions**

The Group did not have any significant transactions with related parties during the period ended 31 March 2013 in addition to the related party transactions disclosed in the audited financial statements for the year ended 31 December 2012.

**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/(liabilities):	31/03/2013	31/12/2012
	RM'000	RM'000
	<u>(Level 1)</u>	
Investment securities	30,913	30,494
	<u>(Level 2)</u>	
Derivatives - Forward currency contracts	(5)	17

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 2012.

**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 2013  
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**B NOTES PURSUANT TO BURSA LISTING REQUIREMENTS: CHAPTER 9, APPENDIX 9B, PART A**

**B1 Detailed Performance Analysis of Operating Segments of the Group**

In the first quarter of 2013, the Group achieved revenue of RM 106.4 million, a growth of 2%, while profit before tax at RM 12.2 million declined by 1% when compared to the first quarter of 2012.

Profit after tax is RM 9.1 million, a growth of 44% over the RM 6.3 million achieved for the same period in the last financial year. In 2012, a non-recurring capital gains tax charge of RM 2.5 million on completion of the divestment of the Group's investment in Xiamen Maidiken Science and Technology Co Ltd, China was recognised. After adjusting for this, Profit after tax for the current quarter grew 3% over the corresponding period in the previous financial year.

Manufacturing & Marketing

Xepa-Soul Pattinson (Malaysia) Sdn Bhd ('Xepa') group's first quarter's profit performance exceeded target with continued steady domestic private sector sales and exports. During the quarter, a new product VENCID (pantoprazole), a proton pump inhibitor commonly prescribed for the treatment of gastroesophageal reflux disease was launched, with favourable response from the market. Fitting out of the new administrative building in Cheng is progressing on schedule. A surveillance ISO 9001 audit ensured continued compliance.

Wholesale & Distribution

In the first quarter, Apex Pharmacy Marketing Sdn Bhd ('Apex') grew revenue by 3% over the same period in the previous year. This is attributed to continued strong sales performance in the Pharma and Wholesale business units. Profit margins strengthened further with a rising proportion of own brand products in the sales mix. New products introduced into the market in the first quarter include AVO Liquid Gel for the treatment of mouth ulcers, AVECROX MR (sustained release glicazide for diabetes) and AVO Dengue NS1 Antigen diagnostic test kit. In Singapore, Hydra 24, a non-urea based cream for the treatment of cracked heels was launched.

Corporate

Rental income from group properties were on target in the first quarter. Retail pharmacy sales grew 14% over the same quarter of 2012 as both outlets in Melaka and City Square Mall, Johor Bahru performed well. ABio Orthopaedics Sdn Bhd, the Group's 40% jointly-controlled entity, was officially recognized as an Entry Point Project ("EPP") under the Economic Transformation Program ("ETP") on 5th March 2013. Renovations is in progress at a 75,000 square feet facility in Prai Industrial Estate, Butterworth, and installation and commissioning of production machinery is expected to commence within the second quarter.

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

Profit before tax in the current quarter of RM 12.2 million is 23% higher than the RM 9.9 million recorded in the immediate preceding quarter. This is attributed to better sales performance and a greater proportion of the Group's own brand products such as Xepa<sup>SP</sup>, AVEX, AVO and AGNESIA, which carry better gross margins, in the sales mix.

**B3 Commentary**

**(a) Prospects**

The business momentum generated by the Group in 2012 was dampened by uncertainties in the Malaysian economy in the first quarter of 2013. Domestic demand for the Group's products and services remained firm, and should remain so in the medium term. The Group has committed resources to further develop international markets and plans are advanced to develop new export opportunities. In existing markets, management continues to focus on core business operations, with an emphasis on broadening the range of own brand products, ensuring cost efficiency, managing cashflows and improving margins. The investment in its jointly controlled entity, ABio Orthopaedics Sdn Bhd enables the Group to develop a new growth focus while diversifying risks.

Barring unforeseen circumstances, the Board is of the opinion that the Group's well placed fundamentals will enable it to return another satisfactory performance in 2013.

**(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.

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2013  
(THE FIGURES HAVE NOT BEEN AUDITED)**
**B NOTES PURSUANT TO BURSA LISTING REQUIREMENTS: CHAPTER 9, APPENDIX 9B, PART A (continued)**

B6 <u>Income Tax Expense</u>	3 MONTHS ENDED		PERIOD ENDED	
	31/03/2013 RM'000	31/03/2012 RM'000	31/03/2013 RM'000	31/03/2012 RM'000
In respect of current period:				
income tax	3,086	3,350	3,086	3,350
deferred tax	(23)	103	(23)	103
capital gains tax from the disposal of an asset held for sale	-	2,537	-	2,537
	<u>3,063</u>	<u>5,990</u>	<u>3,063</u>	<u>5,990</u>
In respect of prior period:				
income tax	-	-	-	-
	<u>3,063</u>	<u>5,990</u>	<u>3,063</u>	<u>5,990</u>

The effective tax rate for the current quarter and 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 May 2013.

B8 Group Borrowings and Debt Securities

The Group did not have any current or non-current debt securities denominated in Ringgit Malaysia or foreign currency as at 31 March 2013.

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 2013 (31 March 2012: Nil).

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	
		31/03/2013	31/03/2012	31/03/2013	31/03/2012
<b><u>Basic Earnings per share</u></b>					
Profit after tax	RM'000	9,113	6,320	9,113	6,320
Weighted average number of ordinary shares in issue	'000	93,717	93,717	93,717	93,717
Basic earnings per share	sen	<b>9.72</b>	<b>6.74</b>	<b>9.72</b>	<b>6.74</b>
<b><u>Diluted Earnings per share</u></b>					
Profit after tax	RM'000	9,113	6,320	9,113	6,320
Weighted average number of ordinary shares in issue	'000	93,717	93,717	93,717	93,717
Diluted earnings per share	sen	<b>9.72</b>	<b>6.74</b>	<b>9.72</b>	<b>6.74</b>

B12 Derivative Financial Instruments

(a) The Group's derivative financial instruments as at 31 March 2013 are as follows -

Type of Derivatives	Contract / Notional Amount RM'000	Changes in Fair Value	
		Assets RM'000	Liabilities RM'000
Forward Currency Contracts			
Less than 1 year			
Sale of goods	3,299	5	-
Purchase of goods	(839)	-	(10)
	<u>2,460</u>	<u>5</u>	<u>(10)</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 2,460,000.

(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 entityd with these derivative contracts; and

(iii) the related accounting policies.



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

(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2013  
(THE FIGURES HAVE NOT BEEN AUDITED)**

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

**B13 Fair Value Changes of Financial Liabilities**

As at 31 March 2013, 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**

	31/03/2013	Year ended 31/12/2012
	RM'000	RM'000
Total retained earnings of the Group:		
Realised	150,547	141,236
Unrealised	(2,025)	(2,433)
	<u>148,522</u>	<u>138,803</u>
Total share of retained earnings from jointly-controlled entity company		
Unrealised	(116)	-
	<u>148,406</u>	<u>138,803</u>
Less: Consolidation adjustments	(18,064)	(17,574)
Total Group's retained earnings as per consolidated accounts	<u><u>130,342</u></u>	<u><u>121,229</u></u>

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

The Auditors' report on the Group's financial statements for the year ended 31 December 2012 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 22 May 2013.