



APEX HEALTHCARE BERHAD (473108-T)

(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2012
(THE FIGURES HAVE NOT BEEN AUDITED)**

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	3 MONTHS ENDED		YEAR ENDED	
		31/12/2012	31/12/2011	31/12/2012	31/12/2011
		RM'000	RM'000	RM'000	RM'000
			<u>(restated)</u>		<u>(restated)</u>
Revenue		95,993	92,330	398,604	366,002
Cost of sales		(73,073)	(68,289)	(297,466)	(270,947)
Gross profit		22,920	24,041	101,138	95,055
Other income		924	404	3,240	1,538
Selling & marketing expenses		(9,733)	(12,455)	(45,027)	(45,420)
Administrative expenses		(3,930)	(4,301)	(16,297)	(15,430)
Other expenses		(248)	(200)	(588)	(627)
Finance cost		(11)	(45)	(113)	(288)
Reversal of impairment loss/(Impairment loss) on initial classification of asset (or disposal group) as held for sale		-	1,870	-	(330)
Share of results of associates net of tax		-	-	-	1,280
Profit before tax	A7	9,922	9,314	42,353	35,778
Income tax expense	B6	(2,020)	(1,322)	(13,283)	(7,381)
Net profit for the year		7,902	7,992	29,070	28,397
Other comprehensive income:					
Foreign currency translation, representing other comprehensive income net of tax		905	233	905	463
Total comprehensive income for the year		8,807	8,225	29,975	28,860
Net profit attributable to:					
Owners of the parent		7,894	8,000	29,016	28,004
Non-controlling interest		8	(8)	54	393
Net profit for the year		7,902	7,992	29,070	28,397
Total comprehensive income attributable to:					
Owners of the parent		8,799	8,233	29,921	28,465
Non-controlling interest		8	(8)	54	395
Total comprehensive income for the year		8,807	8,225	29,975	28,860
Earnings per share attributable to owners of the parent:		Sen	Sen	Sen	Sen
- Basic	B11	8.42	8.54	30.96	29.88
- Diluted	B11	8.42	8.54	30.96	29.88

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



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(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2012

(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

	Note	As at 31/12/2012 RM'000	As at 31/12/2011 RM'000 <u>(restated)</u>	As at 1/1/2011 RM'000 <u>(restated)</u>
ASSETS				
Non-Current Assets				
Property, plant and equipment	A12	76,442	76,112	69,223
Investment properties		3,483	3,518	3,810
Intangible assets		1,197	1,218	1,285
Investment in associates		-	-	49,594
Deferred tax assets		680	748	359
Available-for-sale financial asset		3,928	3,928	3,928
		<u>85,730</u>	<u>85,524</u>	<u>128,199</u>
Current Assets				
Inventories		43,123	43,098	38,914
Trade and other receivables		95,912	86,380	75,578
Investment Funds		30,494	-	-
Derivative financial instruments	A15 & B12	17	-	47
Deposits, bank and cash balances		34,649	22,802	23,250
		<u>204,195</u>	<u>152,280</u>	<u>137,789</u>
Non-current assets held for sale		-	50,245	-
		<u>204,195</u>	<u>202,525</u>	<u>137,789</u>
TOTAL ASSETS		<u>289,925</u>	<u>288,049</u>	<u>265,988</u>
EQUITY AND LIABILITIES				
Current Liabilities				
Borrowings	B8	-	2,267	2,840
Derivative financial instruments	A15	-	12	-
Trade and other payables		65,971	63,887	50,846
Current tax payable		1,740	1,005	1,144
		<u>67,711</u>	<u>67,171</u>	<u>54,830</u>
Non-Current Liabilities				
Borrowings	B8	-	1,345	6,612
Deferred tax liabilities		5,268	6,899	5,682
		<u>5,268</u>	<u>8,244</u>	<u>12,294</u>
TOTAL LIABILITIES		<u>72,979</u>	<u>75,415</u>	<u>67,124</u>
NET ASSETS		<u>216,946</u>	<u>212,634</u>	<u>198,864</u>
EQUITY				
Equity attributable to owners of the parent				
Share capital		93,717	93,717	93,717
Reserves		1,367	460	-
Retained earnings	B14	121,720	105,121	89,833
		<u>216,804</u>	<u>199,298</u>	<u>183,550</u>
Non-controlling interest		142	13,336	15,314
TOTAL EQUITY		<u>216,946</u>	<u>212,634</u>	<u>198,864</u>
		RM	RM	RM
Net Assets per share attributable to owners of the parent		<u>2.31</u>	<u>2.13</u>	<u>1.96</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 THIRD QUARTER ENDED 31 DECEMBER 2012

(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE CUMULATIVE YEAR ENDED 31 DECEMBER 2012

Note	Share Capital RM'000	Equity attributable		Retained Profits RM'000	to owners of the parent total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
		<u>Non-Distributable</u> Share Premium RM'000	Revaluation & other reserves RM'000				
YEAR ENDED 31 DECEMBER 2012							
	93,717	-	460	105,121	199,298	13,336	212,634
	-	-	905	29,016	29,921	54	29,975
	Transaction with owners						
	Disposal of non-current asset held for sale by non-controlling interest						
	-	-	2	-	2	(13,248)	(13,246)
A8	-	-	-	(12,417)	(12,417)	-	(12,417)
	-	-	2	(12,417)	(12,415)	(13,248)	(25,663)
	93,717	-	1,367	121,720	216,804	142	216,946
YEAR ENDED 31 DECEMBER 2011 (restated)							
	93,717	-	-	89,833	183,550	15,314	198,864
	-	-	460	28,004	28,464	396	28,860
	Transaction with owners						
	Acquisition of additional interest in existing subsidiary						
	-	-	-	(1,353)	(1,353)	(2,113)	(3,466)
	Dividends paid to non-controlling interest						
	-	-	-	-	-	(261)	(261)
A8	-	-	-	(11,363)	(11,363)	-	(11,363)
	-	-	-	(12,716)	(12,716)	(2,374)	(15,090)
	93,717	-	460	105,121	199,298	13,336	212,634

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 THIRD QUARTER ENDED 31 DECEMBER 2012
(THE FIGURES HAVE NOT BEEN AUDITED)**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE CUMULATIVE YEAR ENDED 31 DECEMBER 2012

	YEAR ENDED	
	31/12/2012	31/12/2011
	RM'000	RM'000
Cash flows from operating activities		(restated)
Profit before tax	42,353	35,778
Adjustments:		
Depreciation and amortisation	7,280	6,684
Net profit on disposal of property, plant and equipment	(627)	(228)
Impairment loss on initial classification of the asset (or disposal group) as held for sale	-	330
Share of results of associates net of tax	-	(1,280)
Fair value changes of derivative financial instruments	(29)	59
Inventories written off and written down	65	831
Allowance for doubtful debts	46	1,976
Interest expense	113	288
Interest income	(545)	(201)
Other non-cash items	(153)	(346)
Operating profit before working capital changes:	48,503	43,891
Inventories	(91)	(5,015)
Receivables	(9,566)	(12,785)
Payables	2,264	13,386
Cash generated from operations	41,110	39,477
Tax paid	(9,673)	(6,826)
Net cash generated from operating activities	31,437	32,651
Cash flows from investing activities		
Proceeds from the disposal of non-current assets held for sale	32,547	-
Acquisition of non-controlling interest	-	(3,466)
Dividends from associate	-	661
Dividends paid to non-controlling interest	-	(261)
Repayment of capital injection to non-controlling interest	(24)	-
Purchase of property, plant and equipment & intangible assets	(7,571)	(13,251)
Purchase of Investment funds	(30,494)	-
Proceeds from disposal of property, plant and equipment	741	250
Interest received	545	201
Net cash used in investing activities	(4,256)	(15,866)
Cash flows from financing activities:		
Term loans repaid	(3,612)	(5,328)
Dividends paid	(12,417)	(11,363)
Other financing activities paid	(113)	(288)
Net cash used in financing activities	(16,142)	(16,979)
Net increase/(decrease) in cash and cash equivalents	11,039	(194)
Cash and cash equivalents at 1 January	22,802	22,738
Currency translation difference	808	258
Cash and cash equivalents at the end of the financial year	34,649	22,802

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 THIRD QUARTER ENDED 31 DECEMBER 2012
(THE FIGURES HAVE NOT BEEN AUDITED)**

A NOTES PURSUANT TO MFRS 134 FOR THE YEAR ENDED 31 DECEMBER 2012

A1 First-time adoption of Malaysian Financial Reporting Standards ("MFRS")

These unaudited condensed consolidated interim financial statements for the year ended 31 December 2012 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. For the years up to and including the year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRS").

These unaudited condensed consolidated interim financial statements are the Group's first MFRS condensed consolidated interim financial statements for part of the year covered by the Group's first MFRS annual financial statements for the year ending 31 December 2012. MFRS 1 First-Time Adoption of Malaysian Financial Reporting Standards ("MFRS 1") has been applied.

The explanatory notes attached to these condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2011.

In preparing its opening MFRS Statement of Financial Position as at 1 January 2011 (which is also the date of transition), the Group has adjusted the amounts previously reported in financial statements prepared in accordance with FRS. An explanation of how the transition from FRS to MFRS has affected the Group's financial position and financial performance is set out in Note A2 below. These notes include reconciliations of equity for comparative periods and of equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS. The transition from FRS to MFRS has not had a material impact on the statement of cash flows.

A2 Significant accounting policies and application of MFRS 1

The audited financial statements of the Group for the year ended 31 December 2011 were prepared in accordance with FRS. Except for certain differences as explained below, the requirements under FRS and MFRS are similar. Therefore, 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 2011.

a Business combination

MFRS 1 provides the option to apply MFRS 3 Business Combinations prospectively from the date of transition or from a specific date prior to the date of transition. This provides relief from the full retrospective application of MFRS 3 which would require restatement of all business combinations prior to the date of transition.

Acquisition before date of transition

The Group has elected to apply MFRS 3 prospectively from the date of transition. In respect of acquisitions prior to the date of transition,

- i) The classification of former business combinations under FRS is maintained;
- ii) There is no re-measurement of original fair values determined at the time of business combinations (date of acquisition); and
- iii) The carrying amount of goodwill recognized under FRS is not adjusted.

b Property, plant and equipment

Under FRS 116, the Group has initially recognized all items of property, plant and equipment at cost. Subsequent to recognition, plant and equipment and furniture and fixtures are measured at cost less accumulated depreciation and accumulated impairment losses. The Group's properties comprising land and buildings are measured at fair value less accumulated depreciation on leasehold land and buildings and impairment losses recognised after the date of revaluation.

Upon transition to MFRS, the Group has elected to measure all its properties, plant and equipment using the cost method under MFRS 116 Property, Plant and Equipment. At the date of transition to MFRS, the Group elected to regard the revalued amounts of land and buildings as at 31 December 2009 which was the date of revaluation as its deemed cost as these amounts were broadly comparable to fair value at that date. The revaluation surplus of RM 6,884,000 (31 December 2011: RM 6,884,000) was transferred to retained earnings on the date of transition.

c Investment properties

Under FRS, the Group's investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

Upon transition to MFRS, the Group has elected to measure all its investment properties using the cost method under MFRS 140 Investment Properties. At the date of transition to MFRS, the Group elected to regard the fair value of its investment properties at the date of transition as its deemed cost at that date. The deferred tax liability of RM 493,000 (31 December 2011: RM 493,000) that arose upon the revaluation of the properties prior to FRS was transferred to retained earnings on the date of transition. Under the cost model, a depreciation charge of RM 72,000 for the year ended 31 December 2011 was charged to the carrying amount of investment properties and the resulting adjustments were recognised against retained earnings.



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**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2012
(THE FIGURES HAVE NOT BEEN AUDITED)**

A NOTES PURSUANT TO MFRS 134 FOR THE YEAR ENDED 31 DECEMBER 2012 (continued)

A2 Significant accounting policies and application of MFRS 1 (continued)

d Foreign currency translation reserve

Under FRS, the Group recognized translation differences on foreign operations in a separate component of equity. Cumulative foreign currency translation differences for all foreign operations are deemed to be zero as at the date of transition to MFRS.

Accordingly, at the date of transition to MFRS, the cumulative foreign currency translation differences of RM136,000 (31 December 2011: RM 136,000) were adjusted to retained earnings.

e Estimates

The estimates at 1 January 2011 and at 31 December 2011 were consistent with those made for the same dates in accordance with FRS. The estimates used by the Group to present these amounts in accordance with MFRS reflect conditions at 1 January 2011, the date of transition to MFRS and as of 31 December 2011.

The reconciliations of equity and total comprehensive income for comparative periods and of equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS are provided below:

(i) Reconciliation of equity as at 1 January 2011

	FRS as at 1 January 2011 RM'000	Note 2 (b) Property plant and equipment RM'000	Note 2 (c) Investment property RM'000	Note 2 (d) Foreign currency translation reserve RM'000	MFRS as at 1 January 2011 RM'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	69,223				69,223
Investment properties	3,810				3,810
Intangible assets	1,285				1,285
Investment in associates	49,594				49,594
Deferred tax assets	359				359
Available-for-sale investment	3,928				3,928
	<u>128,199</u>				<u>128,199</u>
Current Assets					
Inventories	38,914				38,914
Trade and other receivables	75,578				75,578
Derivative financial instruments	47				47
Deposits, bank and cash balances	23,250				23,250
	<u>137,789</u>				<u>137,789</u>
TOTAL ASSETS	<u>265,988</u>				<u>265,988</u>
EQUITY AND LIABILITIES					
Current Liabilities					
Borrowings	2,840				2,840
Derivative financial instruments	-				-
Trade and other payables	50,846				50,846
Current tax payable	1,144				1,144
	<u>54,830</u>				<u>54,830</u>
Non-Current Liabilities					
Borrowings	6,612				6,612
Deferred tax liabilities	6,175		(493)		5,682
	<u>12,787</u>				<u>12,294</u>
TOTAL LIABILITIES	<u>67,617</u>				<u>67,124</u>
NET ASSETS	<u>198,371</u>				<u>198,864</u>
EQUITY					
Equity attributable to owner of the parent					
Share capital	93,717				93,717
Reserves	6,748	(6,884)		136	-
Retained earnings	82,598	6,884	493	(142)	89,833
	<u>183,063</u>				<u>183,550</u>
Non-controlling interest	15,308			6	15,314
TOTAL EQUITY	<u>198,371</u>				<u>198,864</u>



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(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2012
(THE FIGURES HAVE NOT BEEN AUDITED)**

A NOTES PURSUANT TO MFRS 134 FOR THE YEAR ENDED 31 DECEMBER 2012 (continued)

A2 Significant accounting policies and application of MFRS 1 (continued)

(ii) Reconciliation of equity as at 31 December 2011

	FRS as at 31 Dec 2011 RM'000	Note 2 (b) Property plant and equipment RM'000	Note 2 (c) Investment property RM'000	Note 2 (d) Foreign currency translation reserve RM'000	MFRS as at 31 Dec 2011 RM'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	76,112				76,112
Investment properties	3,590		(72)		3,518
Intangible assets	1,218				1,218
Investment in associates	-				-
Deferred tax assets	748				748
Available-for-sale investment	3,928				3,928
	<u>85,596</u>				<u>85,524</u>
Current Assets					
Inventories	43,098				43,098
Trade and other receivables	86,380				86,380
Derivative financial instruments	-				-
Deposits, bank and cash balances	22,802				22,802
	<u>152,280</u>				<u>152,280</u>
Assets or disposal group classified as held for sale	50,245				50,245
	<u>202,525</u>				<u>202,525</u>
TOTAL ASSETS	<u>288,121</u>				<u>288,049</u>
EQUITY AND LIABILITIES					
Current Liabilities					
Borrowings	2,267				2,267
Derivative financial instruments	12				12
Trade and other payables	63,887				63,887
Current tax payable	1,005				1,005
	<u>67,171</u>				<u>67,171</u>
Non-Current Liabilities					
Borrowings	1,345				1,345
Deferred tax liabilities	7,392		(493)		6,899
	<u>8,737</u>				<u>8,244</u>
TOTAL LIABILITIES	<u>75,908</u>				<u>75,415</u>
NET ASSETS	<u>212,213</u>				<u>212,634</u>
EQUITY					
Equity attributable to owner of the parent					
Share capital	93,717				93,717
Reserves	7,208	(6,884)		136	460
Retained earnings	97,958	6,884	421	(142)	105,121
	<u>198,883</u>				<u>199,298</u>
Non-controlling interest	13,330			6	13,336
TOTAL EQUITY	<u>212,213</u>				<u>212,634</u>



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(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2012
(THE FIGURES HAVE NOT BEEN AUDITED)**

A NOTES PURSUANT TO MFRS 134 FOR THE YEAR ENDED 31 DECEMBER 2012 (continued)

A2 Significant accounting policies and application of MFRS 1 (continued)

(iii) Reconciliation of total comprehensive income for the current quarter and cumulative year ended 31 December 2011

	Current Quarter			Cumulative year		
	FRS 31 December 2011 RM'000	Note 2 (c) Investment property RM'000	MFRS 31 December 2011 RM'000	FRS 31 December 2011 RM'000	Note 2 (c) Investment property RM'000	MFRS 31 December 2011 RM'000
Revenue	92,330		92,330	366,002		366,002
Cost of sales	(68,268)	(21)	(68,289)	(270,862)	(85)	(270,947)
Gross profit	24,062		24,041	95,140		95,055
Other income	617	(213)	404	1,538		1,538
Selling & marketing expenses	(12,456)	1	(12,455)	(45,426)	6	(45,420)
Administrative expenses	(4,303)	2	(4,301)	(15,437)	7	(15,430)
Other expenses	(415)	213	(202)	(627)	-	(627)
Finance cost	(44)		(44)	(288)		(288)
Loss recognised on re-measurement of non-current asset classified as held for sale to fair value less cost to sell	1,870		1,870	(330)		(330)
Share of results of associates net of tax	-		-	1,280		1,280
Profit before tax	9,331		9,313	35,850		35,778
Income tax expense	(1,322)		(1,322)	(7,381)		(7,381)
Net profit for the year	8,009		7,991	28,469		28,397
Foreign currency translation, representing other comprehensive income net of tax	233		233	463		463
Total comprehensive income for the year	8,242		8,224	28,932		28,860
Net profit attributable to:						
Owners of the parent	8,017	(17)	8,000	28,076	(72)	28,004
Non-controlling interest	(8)		(8)	393		393
Net profit for the year	8,009		7,992	28,469		28,397
Total comprehensive income attributable to:						
Owners of the parent	8,247	(14)	8,233	28,536	(72)	28,464
Non-controlling interest	(5)	(3)	(8)	396		396
Total comprehensive income for the year	8,242		8,225	28,932		28,860

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 2012.

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 other than that the subsequent revision to the estimated fair value less costs to sell of the asset (or disposal group) as held for sale as reported in the first quarter.

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 2012.



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(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2012
(THE FIGURES HAVE NOT BEEN AUDITED)**

A NOTES PURSUANT TO MFRS 134 FOR THE YEAR ENDED 31 DECEMBER 2012 (continued)

A7 <u>Profit before tax</u>	3 MONTHS ENDED		YEAR ENDED	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Included in profit before tax are the following items:	RM'000	RM'000	RM'000	RM'000
Interest income	199	21	545	201
Other income including investment income	506	(8)	1,842	722
Interest expense	(11)	(45)	(113)	(288)
Depreciation and amortisation	(1,847)	(1,737)	(7,280)	(6,684)
Allowance for doubtful debts less write back	(13)	(136)	(46)	(1,027)
Inventories written down/off less write back	39	(564)	(65)	(831)
Net gain on disposal of quoted or unquoted investments or properties, plant and equipment	100	65	627	228
Impairment of non-current asset as held for sale	-	1,870	-	(330)
Impairment of other financial assets	-	-	-	-
Foreign exchange gains less losses	84	266	141	281
Gain/(loss) on derivative financial instruments	(9)	(6)	29	(59)
Exceptional items	-	-	-	-

A8 Dividends paid and declared

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

	31/12/2012	31/12/2011
	RM'000	RM'000
<u>In respect of the financial year ended 31 December</u>		
2012: Interim Dividend of 6.00 sen gross per share less tax paid on 28-Sep-12	4,217	-
2011: Final Dividend of 5.0 sen gross per share less tax and Special Tax-exempt Dividend of 5.0 sen per share paid on 22-Jun-12	8,200	-
2011: Interim Dividend of 5.50 sen gross per share less tax paid on 30-Sep-11	-	3,866
2010: Final Dividend of 4.0 sen gross per share less tax and Special Tax-exempt Dividend of 5.0 sen per share paid on 23-Jun-11	-	7,497
	<u>12,417</u>	<u>11,363</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 & Marketing	Wholesale & Distribution	Corporate	Adjustments & eliminations	GROUP
YEAR ENDED 31/12/2012	RM'000	RM'000	RM'000	RM'000	RM'000
External Revenue	25,223	367,185	6,196	-	398,604
Inter-segment revenue	65,236	-	24,984	(90,220)	-
Total Revenue	90,459	367,185	31,180	(90,220)	398,604
Segment Results (external)	28,191	18,282	(2,328)	(1,679)	42,466
Finance costs					(113)
Profit before tax					42,353
YEAR ENDED 31/12/2011	RM'000	RM'000	RM'000	RM'000	RM'000
External Revenue	34,831	325,891	5,280	-	366,002
Inter-segment revenue	49,887	1,009	20,774	(71,670)	-
Total Revenue	84,718	326,900	26,054	(71,670)	366,002
Segment Results (external)	25,577	13,652	(1,668)	(1,495)	36,066
Finance costs					(288)
Profit before tax					35,778
Segment assets					
31-Dec-2012	81,848	152,158	54,751	1,168	289,925
31-Dec-2011	75,475	142,247	69,010	1,317	288,049



APEX HEALTHCARE BERHAD (473108-T)

(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2012
(THE FIGURES HAVE NOT BEEN AUDITED)**

A NOTES PURSUANT TO MFRS 134 FOR THE YEAR ENDED 31 DECEMBER 2012 (continued)

A10 Significant Events After the Reporting Date

On 18th January 2013, the Company's wholly owned subsidiary, ABio Marketing Sdn Bhd ("ABio") completed its acquisition of 40% equity representing 8,000 new ordinary shares in ABio Orthopaedics Sdn Bhd ("AO") at a premium for a total consideration of RM 4,988,000. Subsequently, AO issued 4,980,000 bonus shares by way of capitalising its share premium account of which ABio 40% stake amounted to 1,992,000 new ordinary shares in AO. The business of AO is the contract manufacturing of surgical grade orthopaedics devices, components and instruments for multinational orthopaedics companies.

Other than the above, there were no significant events that had arisen subsequent to the end of this current year.

A11 Changes in Group Composition

The final meeting for Apex Pharmacy International Sdn Bhd ("API"), the wholly owned subsidiary of the Company was held on 31st December 2012. Pursuant to Section 272(5) of the Companies Act 1965, API is deemed to be dissolved on 31st March 2013 upon the expiration of 3 months after the lodging of the specified documents to the relevant authorities in Malaysia.

During the current quarter, the Group entered into a Memorandum of Understanding with Darren Wong Khor Weng to undertake a joint venture arrangement through a newly incorporated company, ABio Orthopaedics Sdn Bhd ("AO") in which the Group will acquire a 40% equity stake in AO. The acquisition was completed after reporting date as disclosed in note A10.

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 December 2012.

A12 Property, plant and equipment

During the three months ended 31 December 2012, the Group acquired assets at a cost of RM 3,360,000 (31 December 2011: RM 6,230,000). Included in the total assets acquired in the current quarter is an amount of capital-in-progress of RM 1,956,000 (31 December 2011: RM Nil) which represents expenditure incurred for the construction of new Administration Building which commenced in June 2012 and is expected to be completed by March 2013.

Assets with a carrying amount of RM 37,800 were disposed of by the Group during the three months ended 31 December 2012 (31 December 2011: RM 1,700), resulting in a net gain on disposal of RM 100,000 (31 December 2011: RM 69,100), 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 31 December 2012 are as follows:

	RM'000
Authorised capital expenditure approved and contracted for	25,742
Authorised capital expenditure approved but not contracted for	9,386
	<u>35,128</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. Completion of the purchase is subjected to the approval of the Singapore Jurong Town Corporation and other relevant regulatory authorities in Singapore.

A14 Related Party Transactions

There were no related party transactions during the year ended 31 December 2012.

A15 Fair value hierarchy

The Group uses the following hierarchy for determining the fair value of its derivative financial instruments carried at fair value.

	Significant other observable inputs (Level 2)	
Financial assets/(liabilities):	31/12/2012	31/12/2011
Derivatives - Forward currency contracts	<u>17</u>	<u>(12)</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 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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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's revenue in the final quarter of 2012 grew by 4% to RM 96.0 million from RM 92.3 million for the same period last year. Profit before tax of RM 9.9 million for the current quarter improved by 7% over that achieved for the same period in 2011.

For the full year, the Group achieved record revenues of RM 398 million, a growth of 9% over that achieved in 2011. Profit before tax is RM 42.3 million, a growth of 18% over 2011, despite the cessation of profit recognition from Xiamen Maidiken Science and Technology Co Ltd, China ('MDK'), which was divested in the third quarter of 2011. However, profit after tax for 2012 is RM 29.0 million, exceeding marginally that of the previous year. This is attributed to the recognition of RM 2.5 million of capital gains tax in the current year upon the completion of the divestment of the Group's investment in MDK, as well as higher taxes with the cessation of the capital re-investment allowance tax incentive scheme effective 1st January 2012.

Manufacturing & Marketing

In 2012, Xepa-Soul Pattinson (M) Sdn Bhd Group ('XEPA') achieved revenue of RM 90.5 million, representing an increase of 7% over 2011, driven by continued strong performances in the domestic market and strategically targeted export markets. Profit before tax grew by 11%, marking the fourth consecutive year of double digit profit growth. In Malaysia, sales to the private and government sectors grew equally by 7%. As a result of sales force expansion, sales to private sector pharmacies grew 28%, with cough mixtures and cardiovascular products constituting the top two therapeutic classes for sales. In international markets, sales in Singapore grew 32% over the previous year, reaching RM 10 million for the first time. In Myanmar, sales more than doubled that of the previous year. Construction of the new Administration Building at Cheng is expected to be completed by March 2013.

Wholesale & Distribution

In 2012, Apex Pharmacy Marketing Sdn Bhd ('APM') grew revenue by 12% and profit before tax by 26%, driven by strong sales performance of both pharmaceutical and consumer products division. Profit margins were strengthened by a growing proportion of own brand products in the sales mix. In particular, sales of Avonac SR 100mg, Clavomax 625mg Tablet and Avofisien range of surgical disposables exceeded expectations. Continuing the strategy of deepening the AVO portfolio of products, 2 new products, Clovix 75mg and Avosoda Effervescent were launched in the fourth quarter under the AVO brand. In Singapore, Apex Pharma Marketing Pte Ltd ('APS') grew full year 2012 revenue by 11% over 2011, helped by continued growth in pharmaceutical wholesaling and new distribution agencies. During the fourth quarter, APS exercised an option to acquire a 51,000 square feet industrial building for S\$ 10.6 million (RM 26.5 million) in order to support business growth. Approval for the purchase is pending from the Singapore Jurong Town Corporation.

Corporate

The Group's Corporate segment comprises its investments in the retail pharmacy business, properties and associated companies. Retail revenue from the pharmacy outlet located at City Square Mall, Johor Bahru rose 22% year on year due to improved customer traffic. Rental income from investment properties was stable.

B2 Material changes in the profit before tax for the quarter

Profit before tax for the current quarter is RM 9.9 million, which is 13% higher than the RM 8.7 million achieved in the immediate preceding quarter. This is mainly attributed to lower operating costs and a proportionately higher percentage of high margin own brand products in the sales mix in the final quarter.

B3 Commentary

(a) Prospects

The continued strong performance of the Group's core businesses in 2012 is the result of sound strategic planning and execution, continuous upgrading of manufacturing facilities, careful regional expansion, focused brand management, strategic new product launches and an emphasis on staff training and development. The prospects for manufacturing, marketing and distribution of pharmaceuticals and consumer healthcare products remain good in the markets we operate. Market demand is underpinned by continual focus on generic drugs to reduce healthcare costs, affluent and informed consumers demanding quality and value in healthcare products and in certain countries, an ageing population.

The Group's entry into the contract manufacturing of orthopaedic devices for multinational customers enables it to add a new engine of growth for the future, increasing opportunities while diversifying risk.

Barring unforeseen circumstances, the Board expects these foundations to enable the Group to return yet 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.



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**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2012
(THE FIGURES HAVE NOT BEEN AUDITED)**

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

B6 Income Tax Expense

	3 MONTHS ENDED		YEAR ENDED	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
	RM'000	RM'000	RM'000	RM'000
In respect of current year:				
income tax	1,954	1,121	10,377	6,931
deferred tax	80	213	352	686
capital gains tax from the disposal of an asset held for sale	(3)	-	2,534	-
	<u>2,031</u>	<u>1,334</u>	<u>13,263</u>	<u>7,617</u>
In respect of prior year:				
income tax	(11)	(12)	20	(236)
	<u>2,020</u>	<u>1,322</u>	<u>13,283</u>	<u>7,381</u>

The effective tax rate for the year was higher than the statutory tax rate principally due to the capital gain tax paid upon the disposal of a non-current asset held for sale in the first quarter 2012.

B7 Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 20th February 2013.

B8 Group Borrowings and Debt Securities

	AS AT	
	31/12/2012	31/12/2011
	RM'000	RM'000
Short term bank borrowings		
Secured	-	-
Unsecured	-	2,267
Total	<u>-</u>	<u>2,267</u>
Long term bank borrowings		
Unsecured	-	1,345
Total	<u>-</u>	<u>1,345</u>
Bank borrowings denominated in foreign currency as at 31 December 2012:	SGD'000	RM'000
Singapore Dollars	-	-

The Group did not have any non-current debt securities denominated in Ringgit Malaysia or foreign currency as at 31 December 2012.

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 dividend of 6.0 sen gross per share less 25% tax and a special tax-exempt dividend of 5.0 sen per share in respect of the financial year ended 31 December 2012 for shareholders' approval at the forthcoming Annual General Meeting. (Year 2011: Final taxable dividend of 5.0 gross sen less 25% tax and a special tax-exempt of 5.0 sen per share).
- The total taxable and tax-exempt dividends for the current financial year is 12.0 sen gross per share less tax and 5.0 sen per share respectively. (Year 2011: Total tax-exempt dividend of 5.0 sen per share and taxable dividend of 10.50 sen gross per share).
- Subject to the approval of shareholders at the forthcoming Annual General Meeting of the Company, the final dividend and special tax-exempt dividend will be paid on 31 May 2013 and the entitlement date for the payment is 27 May 2013.

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	
		31/12/2012	31/12/2011	31/12/2012	31/12/2011
<u>Basic Earnings per share</u>					
Profit after tax	RM'000	7,894	8,000	29,016	28,004
Weighted average number of ordinary shares in issue	'000	93,717	93,717	93,717	93,717
Basic earnings per share	sen	8.42	8.54	30.96	29.88
<u>Diluted Earnings per share</u>					
Profit after tax	RM'000	7,894	8,000	29,016	28,004
Weighted average number of ordinary shares in issue	'000	93,717	93,717	93,717	93,717
Diluted earnings per share	sen	8.42	8.54	30.96	29.88



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**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2012
(THE FIGURES HAVE NOT BEEN AUDITED)**

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 2012 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	3,045	8	-
Purchase of goods	(868)	9	-
	<u>2,177</u>	<u>17</u>	<u>-</u>

(b) The Group does not anticipate any market or credit risks arising from these derivatives.

(c) The cash requirements relating to these contracts is RM 2,177,000.

(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 associated with these derivative contracts; and

(iii) the related accounting policies.

B13 Fair Value Changes of Financial Liabilities

As at 31 December 2012, the Group does not have any financial liabilities measured at fair value through profit or loss.

B14 Realised and Unrealised Profits/Losses Disclosure

	31/12/2012 RM'000	Year ended 31/12/2011 RM'000
Total retained profits of the Company and its subsidiaries:		<u>(restated)</u>
Realised	141,234	104,608
Unrealised	(2,433)	(2,059)
	<u>138,801</u>	<u>102,549</u>
Total share of retained profits from associated companies		
Realised	34,508	27,520
Unrealised	-	6,988
	<u>173,309</u>	<u>137,057</u>
Less: Consolidation adjustments	(51,589)	(31,936)
Total group retained profits as per consolidated accounts	<u>121,720</u>	<u>105,121</u>

B15 Auditors' report on preceding annual financial statements

The Auditors' report on the Group's financial statements for the year ended 31 December 2011 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 27 February 2013.