

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

INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017
(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2017

| | Note | 3 MONTHS ENDED | | PERIOD ENDED | |
|---|------|----------------|----------------|----------------|----------------|
| | | 30/09/2017 | 30/09/2016 | 30/09/2017 | 30/09/2016 |
| | | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | | 157,730 | 142,960 | 467,679 | 437,123 |
| Cost of sales | | (123,652) | (111,567) | (365,729) | (340,888) |
| Gross profit | | 34,078 | 31,393 | 101,950 | 96,235 |
| Other income | | 1,574 | 1,281 | 5,533 | 4,050 |
| Selling & marketing expenses | | (17,045) | (16,208) | (51,382) | (49,338) |
| Administrative expenses | | (5,990) | (5,220) | (17,473) | (16,202) |
| Other expenses | | (35) | (530) | (1,386) | (1,235) |
| Finance cost | | - | - | (1) | (20) |
| Share of results of an associate | | 720 | 820 | 2,426 | 2,725 |
| Profit before tax | A7 | 13,302 | 11,536 | 39,667 | 36,215 |
| Income tax expense | B6 | (2,012) | (2,788) | (7,978) | (7,993) |
| Net profit for the period | | 11,290 | 8,748 | 31,689 | 28,222 |
| Other comprehensive income: | | | | | |
| Exchange differences on translation of foreign operations, net of tax | | (36) | (50) | (106) | (2,199) |
| Total comprehensive income for the period | | 11,254 | 8,698 | 31,583 | 26,023 |
| Net profit attributable to: | | | | | |
| Owners of the parent | | 11,270 | 8,736 | 31,658 | 28,198 |
| Non-controlling interest | | 20 | 12 | 31 | 24 |
| Net profit for the period | | 11,290 | 8,748 | 31,689 | 28,222 |
| Total comprehensive income attributable to: | | | | | |
| Owners of the parent | | 11,234 | 8,686 | 31,552 | 25,999 |
| Non-controlling interest | | 20 | 12 | 31 | 24 |
| Total comprehensive income for the period | | 11,254 | 8,698 | 31,583 | 26,023 |
| Earnings per share attributable to owners of the parent: | | Sen | Sen | Sen | Sen |
| - Basic | B11 | 9.62 | 7.46 | 27.02 | 24.07 |
| - Diluted | B11 | 9.61 | 7.45 | 27.00 | 24.06 |

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 THIRD QUARTER ENDED 30 SEPTEMBER 2017
(THE FIGURES HAVE NOT BEEN AUDITED)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2017

| | Note | As at 30/09/2017 RM'000 | As at 31/12/2016 RM'000 (Audited) |
|--|-----------|-------------------------------|---|
| ASSETS | | | |
| Non-Current Assets | | | |
| Property, plant and equipment | A12 | 116,232 | 100,841 |
| Investment properties | | 9,153 | 7,383 |
| Intangible assets | | 2,037 | 2,022 |
| Investment in an associate | | 7,532 | 5,106 |
| Deferred tax assets | | 449 | 4 |
| Receivables | | 10,000 | 10,000 |
| Long term investment | | 5,520 | 5,520 |
| | | <u>150,923</u> | <u>130,876</u> |
| Current Assets | | | |
| Inventories | | 74,226 | 65,778 |
| Receivables | | 148,529 | 138,827 |
| Prepayments | | 663 | 568 |
| Tax recoverable | | 315 | 223 |
| Derivative financial instruments | A15 & B12 | 10 | 101 |
| Deposits, bank and cash balances | | 81,344 | 82,035 |
| | | <u>305,087</u> | <u>287,532</u> |
| TOTAL ASSETS | | <u>456,010</u> | <u>418,408</u> |
| EQUITY AND LIABILITIES | | | |
| Current Liabilities | | | |
| Borrowings | B8 | 7 | 13 |
| Derivative financial instruments | A15 & B12 | 18 | - |
| Payables | | 119,029 | 99,878 |
| Current tax payable | | 2,495 | 1,927 |
| | | <u>121,549</u> | <u>101,818</u> |
| Non-Current Liabilities | | | |
| Borrowings | B8 | 1 | 12 |
| Deferred tax liabilities | | 3,742 | 4,191 |
| | | <u>3,743</u> | <u>4,203</u> |
| TOTAL LIABILITIES | | <u>125,292</u> | <u>106,021</u> |
| NET ASSETS | | <u>330,718</u> | <u>312,387</u> |
| EQUITY | | | |
| Equity attributable to owners of the parent | | | |
| Share capital | | 117,146 | 117,146 |
| Reserves | | 13,519 | 13,384 |
| Retained earnings | B14 | 199,630 | 181,441 |
| | | <u>330,295</u> | <u>311,971</u> |
| Non-controlling interest | | 423 | 416 |
| TOTAL EQUITY | | <u>330,718</u> | <u>312,387</u> |
| | | RM | RM |
| Net Assets per share attributable to owners of the parent | | <u>2.82</u> | <u>2.66</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 30 SEPTEMBER 2017
(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2017

| | ← Non-Distributable | | → | Distributable | Equity | Non- | Total |
|--|---------------------|---------------|------------|----------------|----------------|-------------|----------------|
| | Share | Foreign | Share | Retained | attributable | controlling | Equity |
| | Capital | currency | option | Earnings | to owners of | Interest | |
| | | translation | reserve | | the parent, | | |
| | | reserve | | | total | | |
| Note | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| PERIOD ENDED 30 SEPTEMBER 2017 | | | | | | | |
| Balance at 1 January 2017 | 117,146 | 13,288 | 96 | 181,441 | 311,971 | 416 | 312,387 |
| Total comprehensive income | - | (106) | - | 31,658 | 31,552 | 31 | 31,583 |
| Share options granted | - | - | 244 | - | 244 | - | 244 |
| Share options lapsed | - | - | (3) | 3 | - | - | - |
| Transaction with owners | | | | | | | |
| Dividends on ordinary shares | A8 | - | - | (13,472) | (13,472) | - | (13,472) |
| Total transaction with owners | | - | - | (13,472) | (13,472) | - | (13,472) |
| Dividend by a subsidiary to non-controlling interest | | - | - | - | - | (24) | (24) |
| Balance as at 30 September 2017 | 117,146 | 13,182 | 337 | 199,630 | 330,295 | 423 | 330,718 |
| PERIOD ENDED 30 SEPTEMBER 2016 | | | | | | | |
| Balance at 1 January 2016 | 117,146 | 11,198 | - | 159,958 | 288,302 | 383 | 288,685 |
| Total comprehensive income | - | (2,199) | - | 28,198 | 25,999 | 24 | 26,023 |
| Share options granted | - | - | 75 | - | 75 | - | 75 |
| Transaction with owners | | | | | | | |
| Dividends on ordinary shares | A8 | - | - | (13,472) | (13,472) | - | (13,472) |
| Total transaction with owners | | - | - | (13,472) | (13,472) | - | (13,472) |
| Balance as at 30 September 2016 | 117,146 | 8,999 | 75 | 174,684 | 300,904 | 407 | 301,311 |

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 30 SEPTEMBER 2017
(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 30 SEPTEMBER 2017

| | PERIOD ENDED | |
|---|-----------------|-----------------|
| | 30/09/2017 | 30/09/2016 |
| | RM'000 | RM'000 |
| Operating activities | | |
| Profit before tax | 39,667 | 36,215 |
| Adjustments for: | | |
| Depreciation and amortisation | 7,252 | 6,742 |
| Net profit on disposal of property, plant and equipment | (442) | (191) |
| Property, plant and equipment written off | 20 | 2 |
| Share of results of an associate | (2,426) | (2,725) |
| Fair value changes of derivative financial instruments | 108 | (23) |
| Share options granted | 244 | 75 |
| Inventories written off and written down | 161 | 341 |
| Impairment loss on trade receivables net of reversals | 107 | 91 |
| Interest expense | 1 | 20 |
| Interest income | (1,884) | (1,188) |
| Operating cash flows before changes in working capital | 42,808 | 39,359 |
| Inventories | (8,609) | (5,499) |
| Receivables | (9,903) | (7,260) |
| Payables | 19,151 | 10,139 |
| Cash generated from operations | 43,447 | 36,739 |
| Tax paid | (8,397) | (8,451) |
| Net cash flows generated from operating activities | 35,050 | 28,288 |
| Investing activities | | |
| Purchase of property, plant and equipment & intangible assets | (24,899) | (7,351) |
| Proceeds from disposal of property, plant and equipment | 788 | 244 |
| Withdrawal from short term deposit | 7,745 | 8,835 |
| Interest received | 1,884 | 1,188 |
| Net cash flows (used in)/generated from investing activities | (14,482) | 2,916 |
| Financing activities | | |
| Finance lease repaid | (16) | (10) |
| Dividends paid | (13,472) | (13,472) |
| Dividends paid to non-controlling interest | (24) | - |
| Other financing activities paid | (1) | (20) |
| Net cash flows used in financing activities | (13,513) | (13,502) |
| Net increase in cash and cash equivalents | 7,055 | 17,702 |
| Cash and cash equivalents at 1 January | 71,812 | 56,817 |
| Effect of exchange rate changes on cash and cash equivalents | - | (833) |
| Cash and cash equivalents at the end of the financial period | 78,867 | 73,686 |

Included in the deposits, bank and cash balances is RM 2,477,000 (30 September 2016 : RM 3,701,000) 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 THIRD QUARTER ENDED 30 SEPTEMBER 2017
(THE FIGURES HAVE NOT BEEN AUDITED)

A NOTES PURSUANT TO MFRS 134 FOR THE PERIOD ENDED 30 SEPTEMBER 2017

A1 Basis of preparation

These unaudited condensed consolidated interim financial statements for the period ended 30 September 2017 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 2016.

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 2016 except for the adoption of the following standards, wherever applicable to the Group and Company:

| Description | Effective for annual periods beginning on or after |
|--|--|
| Annual Improvements to MFRSs 2014 - 2016 Cycle | 1 January 2017 |
| Amendments to MFRS 107: Disclosure Initiative | 1 January 2017 |
| Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses | 1 January 2017 |
| Amendments to MFRS 12: Disclosure of Interests in Other Entities | 1 January 2017 |

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

A3 Seasonality or cyclical 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 September 2017.

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 September 2017.

A7 Profit before tax

Included in profit before tax are the following items:

| | 3 MONTHS ENDED | | PERIOD ENDED | |
|--|----------------|------------|--------------|------------|
| | 30/09/2017 | 30/09/2016 | 30/09/2017 | 30/09/2016 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Interest income | 481 | 341 | 1,884 | 1,188 |
| Other income including investment income | 825 | 439 | 2,320 | 1,922 |
| Interest expense | - | - | (1) | (20) |
| Depreciation and amortisation | (2,455) | (2,245) | (7,252) | (6,742) |
| Impairment loss on trade receivables net of reversals | (87) | (21) | (107) | (91) |
| Written off and written down of inventories | (46) | (177) | (161) | (341) |
| Net profit on disposal of property, plant and equipment | 400 | 155 | 442 | 191 |
| Property, plant and equipment written off | (1) | - | (20) | (2) |
| Fair value (loss)/gain of derivative financial instruments | (5) | (42) | (108) | 23 |
| Foreign exchange gain | 26 | 21 | 107 | 49 |

INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017
(THE FIGURES HAVE NOT BEEN AUDITED)

A NOTES PURSUANT TO MFRS 134 FOR THE PERIOD ENDED 30 SEPTEMBER 2017 (continued)

A8 Dividends paid and declared

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

| | 30/09/2017 | 30/09/2016 |
|--|---------------|---------------|
| | RM'000 | RM'000 |
| <u>In respect of the financial year ended 31 December</u> | | |
| 2017: Interim single-tier dividend of 5.5 sen per share paid on 29-Sep-17 | 6,443 | - |
| 2016: Final dividend comprising 6.0 sen single tier per share paid on 16-June-17 | 7,029 | - |
| 2016: Interim single-tier dividend of 5.5 sen per share paid on 30-Sep-16 | - | 6,443 |
| 2015: Final dividend comprising 6.0 sen single tier per share paid on 17-June-16 | - | 7,029 |
| | <u>13,472</u> | <u>13,472</u> |

A9 Segment Information

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

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

| OPERATING SEGMENTS | Manufacturing and Marketing | Wholesale and Distribution | Corporate | Adjustments and eliminations | GROUP |
|--------------------------------|--------------------------------|----------------------------------|-----------|------------------------------------|------------------|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| PERIOD ENDED 30/09/2017 | | | | | |
| External Revenue | 21,044 | 439,471 | 7,164 | - | 467,679 |
| Inter-segment revenue | 76,118 | 583 | 17,007 | (93,708) | - |
| Total Revenue | 97,162 | 440,054 | 24,171 | (93,708) | 467,679 |
| Segment Results | 27,691 | 14,110 | (606) | (1,527) | 39,668 |
| Finance costs | | | | | (1) |
| Profit before tax | | | | | 39,667 |
| PERIOD ENDED 30/09/2016 | | | | | |
| External Revenue | 18,482 | 412,288 | 6,353 | - | 437,123 |
| Inter-segment revenue | 64,999 | 534 | 18,315 | (83,848) | - |
| Total Revenue | 83,481 | 412,822 | 24,668 | (83,848) | 437,123 |
| Segment Results | 22,942 | 14,727 | 583 | (2,017) | 36,235 |
| Finance costs | | | | | (20) |
| Profit before tax | | | | | 36,215 |
| Segment assets | | | | | |
| 30-Sep-2017 | 127,392 | 290,758 | 43,281 | (5,421) | 456,010 |
| 31-Dec-2016 | 109,796 | 268,474 | 48,461 | (8,323) | 418,408 |
| Segment liabilities | | | | | |
| 30-Sep-2017 | (20,262) | (93,838) | (4,956) | (6,236) | (125,292) |
| 31-Dec-2016 | (12,052) | (84,306) | (3,545) | (6,118) | (106,021) |

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 September 2017.

A12 Property, plant and equipment

During the current quarter ended 30 September 2017, prepaid capital expenditure and assets acquired by the Group was RM 12.5 million (30 September 2016: RM 5.7 million).

Assets with carrying amount of RM 346,000 were disposed of by the Group during the current quarter ended 30 September 2017 (30 September 2016: RM 48,000), resulting in a net gain on disposal of RM 400,000 (30 September 2016: RM 155,000), recognised and included in other income in the statement of comprehensive income.

A NOTES PURSUANT TO MFRS 134 FOR THE PERIOD ENDED 30 SEPTEMBER 2017 (continued)

A13 Capital Commitments

Capital commitments of property, plant and equipment not provided for in the financial statements as at 30 September 2017 are as follows:

| | |
|--|---------------|
| | RM'000 |
| Authorised capital expenditure approved and contracted for | 62,395 |
| Authorised capital expenditure approved but not contracted for | 9,466 |
| | <u>71,861</u> |

A14 Related Party Transactions

The Group does not have any significant transactions with related parties during the period ended 30 September 2017 in addition to the related party transactions disclosed in the audited financial statements for the year ended 31 December 2016.

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: | 30/09/2017 | 31/12/2016 |
|--|------------|------------|
| | RM'000 | RM'000 |
| | (Level 2) | |
| Derivatives - Forward currency contracts | (8) | 101 |

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 2016.

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 THIRD QUARTER ENDED 30 SEPTEMBER 2017
(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

Review of Current Quarter Performance versus Corresponding Quarter Last Year

In the third quarter of 2017, the Group achieved revenue of RM 157.7 million, a growth of 10.3% when compared to the RM 143.0 million in the third quarter of 2016. This is helped by stronger contributions from the consumer products division as well as pharmaceutical sales to the public sector in Malaysia and Singapore. Expenses are in line with budget and in tandem with revenue growth. Share of profit from associate company Straits Apex Sdn Bhd is RM 0.7 million, similar to that in the second quarter. Group profit before tax for the third quarter rose to RM 13.3 million, 15.6% higher than the RM 11.5 million achieved in the corresponding period in 2016.

Review of Year To Date Performance versus Corresponding Period Last Year

For the first nine months of 2017, the Group achieved revenue of RM 467.7 million, a growth of 7% when compared to the RM 437.1 million in the same period in 2016. Steady revenue growth was achieved across all business units, with increased contributions from pharmaceutical sales to the Government sector and contract manufacturing services. Gross profit improved by 6% to RM 102 million in tandem with revenue growth, compared to RM 96.2 million for the first nine months of 2016. Other income rose by 37% to RM 5.5 million for the first nine months due to better interest income from bank deposits and gain on disposal of assets surplus to requirements. Group operating expenses are within budget and in line with expectations. Share of results from associated company is RM 2.4 million, lower than the RM 2.7 million recorded in 2016 due to lower sales. Group profit before tax for the first nine months is RM 39.7 million, 9.7% higher than the RM 36.2 million achieved in the corresponding period in 2016. The Reinvestment Allowance tax incentives enabled Group profit after tax to rise to RM 31.7 million, 12.3% better than the same period in 2016.

B2 Material changes in the profit before tax for the quarter

Profit before tax for the current quarter is RM 13.3 million compared to RM 13.4 million reported for the second quarter of 2017. There is therefore no material change in the profit before taxation for the quarter reported on as compared with the immediate preceding quarter.

B3 Commentary

a Prospects

The Group's core businesses continued to perform consistently into the third quarter, driven by the Group's commitment and focus on product development, brand management, customer service and operational efficiency. During the quarter, the Group's pharmaceutical manufacturing operations secured certification for compliance with European Union Good Manufacturing Practice, opening future growth opportunities. The overall economic outlook remains fair, and the Board is confident that barring unforeseen circumstances, the Group's consistent performance to date and its well-placed fundamentals will enable it to return another satisfactory performance in 2017.

b Progress to achieve forecast revenue or profit estimate

Not applicable.

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

Not applicable.

B5 Profit Forecast /Profit Guarantee

Not applicable.

B6 Income Tax Expense

| | 3 MONTHS ENDED | | PERIOD ENDED | |
|-------------------------------|----------------|--------------|--------------|--------------|
| | 30/09/2017 | 30/09/2016 | 30/09/2017 | 30/09/2016 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| In respect of current period: | | | | |
| Income tax | 2,637 | 2,289 | 8,835 | 7,836 |
| Deferred tax | (287) | 282 | (894) | (288) |
| Foreign tax | 211 | 209 | 586 | 437 |
| | <u>2,561</u> | <u>2,780</u> | <u>8,527</u> | <u>7,985</u> |
| In respect of prior period: | | | | |
| Income tax | (549) | 28 | (549) | 28 |
| Foreign tax | - | (20) | - | (20) |
| | <u>2,012</u> | <u>2,788</u> | <u>7,978</u> | <u>7,993</u> |

The effective tax rate for the current quarter was lower than the statutory tax rate due to the reversal of over provision of tax in prior year and the reinvestment allowance tax incentive granted for qualifying capital expenditure.

The effective tax rate for the cumulative period was lower than the statutory tax rate due to the net of tax profits contributed by the Group's associated company.

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 7 November 2017.

B8 Group Borrowings and Debt Securities

| | 30/09/2017 | 31/12/2016 |
|--|------------|------------|
| | RM'000 | RM'000 |
| Current | | |
| Secured obligations under finance lease | 7 | 13 |
| Non-current | | |
| Secured obligations under finance lease | 1 | 12 |
| | 8 | 25 |
| | | |
| Obligations under finance lease denominated in foreign currency as at 30 September 2017: | SGD'000 | SGD'000 |
| Singapore Dollars | 3 | 8 |

The Group does not have any current or non-current debt securities denominated in Ringgit Malaysia or foreign currency as at 30 September 2017.

B9 Material Litigation

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

B10 Dividend Payable

a The interim single-tier dividend of 5.5 sen per share in respect of the financial year ending 31 December 2017 which was declared by the Board of Directors in the previous quarter has been paid on 29 September 2017. (Year 2016: Interim single-tier dividend of 5.5 sen per share paid on 30 September 2016).

b The total dividend declared and paid to-date in the current financial year is 5.5 sen per share. (Year 2016: Single-tier dividend of 5.5 sen per share).

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 | |
|--|--------|----------------|-------------|--------------|--------------|
| | | 30/09/2017 | 30/09/2016 | 30/09/2017 | 30/09/2016 |
| Basic Earnings per share | | | | | |
| Profit after tax | RM'000 | 11,270 | 8,736 | 31,658 | 28,198 |
| Weighted average number of ordinary shares in issue | '000 | 117,146 | 117,146 | 117,146 | 117,146 |
| | | | | | |
| Basic earnings per share | sen | 9.62 | 7.46 | 27.02 | 24.07 |
| Diluted Earnings per share | | | | | |
| Profit after tax | RM'000 | 11,270 | 8,736 | 31,658 | 28,198 |
| Weighted average number of ordinary shares in issue | '000 | 117,146 | 117,146 | 117,146 | 117,146 |
| Effect of dilution-Share options | '000 | 108 | 54 | 108 | 54 |
| Adjusted weighted average number of ordinary shares in issue | '000 | 117,254 | 117,200 | 117,254 | 117,200 |
| | | | | | |
| Diluted earnings per share | sen | 9.61 | 7.45 | 27.00 | 24.06 |

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 September 2017 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 | 6,289 | - | (18) |
| Purchase of goods | (564) | 10 | - |
| | <u>5,725</u> | <u>10</u> | <u>(18)</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 5,725,000.

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 September 2017, the Group does not have any significant financial liabilities measured at fair value through profit or loss other than the disclosure in note A15.

B14 Realised and Unrealised Profits/Losses Disclosure

| | Year ended | |
|--|----------------------|----------------------|
| | 30/09/2017 RM'000 | 31/12/2016 RM'000 |
| Total retained earnings of the Group: | | |
| Realised | 220,405 | 204,139 |
| Unrealised | (2,643) | (2,926) |
| | <u>217,762</u> | <u>201,213</u> |
| Total share of results of a joint venture prior to becoming an associate:: | | |
| Realised | (695) | (695) |
| Total share of results of an associate: | | |
| Realised | 5,415 | 2,989 |
| | <u>222,482</u> | <u>203,507</u> |
| Less: Consolidation adjustments | (22,852) | (22,066) |
| Total Group's retained earnings as per consolidated accounts | <u>199,630</u> | <u>181,441</u> |

B15 Auditors' report on preceding annual financial statements

The Auditors' report on the Group's financial statements for the year ended 31 December 2016 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 14 November 2017.