

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2016

	Note	3 MONTHS ENDED		PERIOD ENDED	
		31/03/2016	31/03/2015	31/03/2016	31/03/2015
		RM'000	RM'000	RM'000	RM'000
Revenue		147,478	140,064	147,478	140,064
Cost of sales		(115,280)	(106,018)	(115,280)	(106,018)
Gross profit		32,198	34,046	32,198	34,046
Other income		1,112	1,083	1,112	1,083
Selling & marketing expenses		(16,033)	(16,109)	(16,033)	(16,109)
Administrative expenses		(5,339)	(4,918)	(5,339)	(4,918)
Other expenses		(607)	(693)	(607)	(693)
Finance cost		(13)	-	(13)	-
Share of results of an associate		1,048	(1,529)	1,048	(1,529)
Profit before tax	A7	12,366	11,880	12,366	11,880
Income tax expense	B6	(2,547)	(3,434)	(2,547)	(3,434)
Net profit for the period		9,819	8,446	9,819	8,446
Other comprehensive income:					
Exchange differences on translation of foreign operations, net of tax		(2,130)	-	(2,130)	-
Total comprehensive income for the period		7,689	8,446	7,689	8,446
Net profit attributable to:					
Owners of the parent		9,813	8,446	9,813	8,446
Non-controlling interest		6	-	6	-
Net profit for the period		9,819	8,446	9,819	8,446
Total comprehensive income attributable to:					
Owners of the parent		7,683	8,446	7,683	8,446
Non-controlling interest		6	-	6	-
Total comprehensive income for the period		7,689	8,446	7,689	8,446
Earnings per share attributable to owners of the parent:		Sen	Sen	Sen	Sen
- Basic	B11	8.38	7.21	8.38	7.21
- Diluted	B11	8.38	7.21	8.38	7.21

INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2016

(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

	Note	As at 31/03/2016 RM'000	As at 31/12/2015 RM'000 <u>(Audited)</u>
ASSETS			
Non-Current Assets			
Property, plant and equipment	A12	97,061	100,151
Investment properties		6,220	6,413
Intangible assets		1,692	1,737
Investment in an associate		6,363	5,315
Deferred tax assets		236	124
Receivables		10,000	10,000
Long term investment		5,520	5,520
		<u>127,092</u>	<u>129,260</u>
Current Assets			
Inventories		64,147	60,866
Receivables		137,093	129,920
Prepayments		829	494
Tax recoverable		265	269
Derivative financial instruments	A15 & B12	165	52
Deposits, bank and cash balances		81,191	69,353
		<u>283,690</u>	<u>260,954</u>
Assets classified as held for sale			-
		<u>283,690</u>	<u>260,954</u>
TOTAL ASSETS		<u>410,782</u>	<u>390,214</u>
EQUITY AND LIABILITIES			
Current Liabilities			
Borrowings	B8	12	13
Derivative financial instruments	A15 & B12	100	-
Payables		107,520	95,082
Current tax payable		2,325	1,688
		<u>109,957</u>	<u>96,783</u>
Non-Current Liabilities			
Borrowings	B8	20	24
Deferred tax liabilities		4,431	4,722
		<u>4,451</u>	<u>4,746</u>
TOTAL LIABILITIES		<u>114,408</u>	<u>101,529</u>
NET ASSETS		<u>296,374</u>	<u>288,685</u>
EQUITY			
Equity attributable to owners of the parent			
Share capital		117,146	117,146
Reserves		9,068	11,198
Retained earnings	B14	169,771	159,958
		<u>295,985</u>	<u>288,302</u>
Non-controlling interest		389	383
TOTAL EQUITY		<u>296,374</u>	<u>288,685</u>
		RM	RM
Net Assets per share attributable to owners of the parent		<u>2.53</u>	<u>2.46</u>

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2016

Note	← Non-Distributable →		Distributable		Equity attributable to owners of the parent, total	Non- controlling Interest	Total Equity
	Share Capital	Foreign currency translation reserve	Retained Earnings				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
PERIOD ENDED 31 MARCH 2016							
Balance at 1 January 2016	117,146	11,198	159,958	288,302	383	288,685	
Total comprehensive income	-	(2,130)	9,813	7,683	6	7,689	
Transaction with owners							
Dividends on ordinary shares	A8	-	-	-	-	-	
Total transaction with owners		-	-	-	-	-	
Balance as at 31 March 2016	117,146	9,068	169,771	295,985	389	296,374	
PERIOD ENDED 31 MARCH 2015							
Balance at 1 January 2015	117,146	4,181	138,608	259,935	356	260,291	
Total comprehensive income	-	-	8,446	8,446	-	8,446	
Transaction with owners							
Dividends on ordinary shares	A8	-	-	-	-	-	
Balance as at 31 March 2015	117,146	4,181	147,054	268,381	356	268,737	

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31 MARCH 2016

	PERIOD ENDED	
	31/03/2016	31/03/2015
	RM'000	RM'000
Operating activities		
Profit before tax	12,366	11,880
Adjustments for:		
Depreciation and amortisation	2,253	2,230
Net profit on disposal of property, plant and equipment	(40)	(225)
Property, plant and equipment written off	-	1
Share of results of an associate	(1,048)	1,529
Fair value changes of derivative financial instruments	(12)	106
Inventories written off and written down	60	100
Impairment loss on trade receivables	15	51
Interest expense	13	-
Interest income	(420)	(292)
Operating cash flows before changes in working capital	13,187	15,380
Inventories	(3,342)	(7,071)
Receivables	(7,523)	(14,647)
Payables	12,438	14,890
Cash generated from operations	14,760	8,552
Tax paid	(2,307)	(2,432)
Net cash flows generated from operating activities	12,453	6,120
Investing activities		
Purchase of property, plant and equipment & intangible assets	(256)	(1,140)
Proceeds from disposal of property, plant and equipment	40	339
Placement in short term deposit	(2,161)	(125)
Interest received	420	238
Net cash flows used in investing activities	(1,957)	(688)
Financing activities		
Finance lease repaid	(4)	(3)
Other financing activities paid	(13)	-
Net cash flows used in financing activities	(17)	(3)
Net increase in cash and cash equivalents	10,479	5,429
Cash and cash equivalents at 1 January	56,817	44,260
Effect of exchange rate changes on cash and cash equivalents	(802)	-
Cash and cash equivalents at the end of the financial period	66,494	49,689

Included in the deposits, bank and cash balances is RM 14,697,000 (31 March 2015 : RM 11,921,000) placed with money market fund held for investment purposes and does not form part of cash and cash equivalents.

INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2016

(THE FIGURES HAVE NOT BEEN AUDITED)

A NOTES PURSUANT TO MFRS 134 FOR THE PERIOD ENDED 31 MARCH 2016

A1 Basis of preparation

These unaudited condensed consolidated interim financial statements for the period ended 31 March 2016 have been prepared in accordance with MFRS 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. These unaudited condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board. It should be read in conjunction with the Group's most recent audited financial statements for the year ended 31 December 2015.

These unaudited condensed consolidated interim financial statements have been prepared on a historical cost basis except for the certain financial assets and liabilities classified as financial assets and liabilities at fair value through profit or loss and financial assets designated as available for sale.

A2 Significant accounting policies

The significant accounting policies adopted in preparing these unaudited condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2015 except for the adoption of the following standards, wherever applicable to the Group and Company:

Description	Effective for annual periods beginning on or after
Annual Improvements to MFRSs 2012 – 2014 Cycle	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture: Bearer Plants	1 January 2016
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 127: Equity Method in Separate Financial Statements	1 January 2016
Amendments to MFRS 101: Disclosure Initiatives	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities: Applying the Consolidation Exception	1 January 2016
MFRS 14 Regulatory Deferral Accounts	1 January 2016

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

A3 Seasonality or cyclical nature of interim operations

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

A4 Unusual items

There were no unusual items that affected the assets, liabilities, equity, net income or cash flows for the period ended 31 March 2016.

A5 Changes in estimates of amounts reported in prior interim periods of the current financial year or in prior financial year.

There were no changes in estimates of amounts reported in the prior interim periods of the current financial year or prior financial year.

A6 Issuances, cancellations, repurchases, resale and repayments of debt and equity securities

There were no issuance and/or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the period ended 31 March 2016.

A NOTES PURSUANT TO MFRS 134 FOR THE PERIOD ENDED 31 MARCH 2016 (continued)

A7 Profit before tax

Included in profit before tax are the following items:

	3 MONTHS ENDED		PERIOD ENDED	
	31/03/2016 RM'000	31/03/2015 RM'000	31/03/2016 RM'000	31/03/2015 RM'000
Interest income	420	292	420	292
Other income including investment income	431	535	431	535
Interest expense	(13)	-	(13)	-
Depreciation and amortisation	(2,253)	(2,230)	(2,253)	(2,230)
Impairment loss on trade receivables net of reversals	(15)	(51)	(15)	(51)
Written off and written down of inventories written down	(60)	(100)	(60)	(100)
Net profit on disposal of property, plant and equipment	40	225	40	225
Property, plant and equipment written off	-	(1)	-	(1)
Fair value gain/(loss) of derivative financial instruments	12	(106)	12	(106)
Foreign exchange loss	(225)	(118)	(225)	(118)

A8 Dividends paid and declared

There were no dividends paid during the current period ended 31 March 2016.

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 31/03/2016					
External Revenue	5,759	139,633	2,086	-	147,478
Inter-segment revenue	21,705	209	826	(22,740)	-
Total Revenue	27,464	139,842	2,912	(22,740)	147,478
Segment Results (external)	8,325	5,008	(127)	(827)	12,379
Finance costs					(13)
Profit before tax					12,366

PERIOD ENDED 31/03/2015	RM'000	RM'000	RM'000	RM'000	RM'000
External Revenue	7,085	130,896	2,083	-	140,064
Inter-segment revenue	23,581	155	768	(24,504)	-
Total Revenue	30,666	131,051	2,851	(24,504)	140,064
Segment Results (external)	10,108	5,448	(3,047)	(629)	11,880
Finance costs					-
Profit before tax					11,880

Segment assets

31-Mar-2016	104,532	261,932	52,560	(8,242)	410,782
31-Dec-2015	99,123	250,301	48,343	(7,553)	390,214

Segment liabilities

31-Mar-2016	(10,231)	(93,086)	(4,335)	(6,756)	(114,408)
31-Dec-2015	(9,426)	(81,908)	(3,785)	(6,410)	(101,529)

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

A NOTES PURSUANT TO MFRS 134 FOR THE PERIOD ENDED 31 MARCH 2016 (continued)

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 31 March 2016.

A12 Property, plant and equipment

During the current quarter ended 31 March 2016, the Group acquired assets at a cost of RM 253,000 (31 March 2015: RM 1,140,000). Assets with carrying amount of RM 1 were disposed of by the Group during the current quarter ended 31 March 2016 (31 March 2015: RM 114,000), resulting in a net gain on disposal of RM 40,000 (31 March 2015: RM 225,000), recognised and included in other income in the statement of comprehensive income.

A13 Capital Commitments

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

	RM'000
Authorised capital expenditure approved and contracted for	2,943
Authorised capital expenditure approved but not contracted for	6,753
	<u>9,696</u>

A14 Related Party Transactions

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

A15 Fair value hierarchy

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

Financial assets:	31/03/2016	31/12/2015
	RM'000	RM'000
	<u>(Level 2)</u>	
Derivatives - Forward currency contracts	<u>65</u>	<u>52</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 2015.

A16 Changes in Contingent liabilities or Contingent assets.

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

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 2016, the Group achieved record revenue of RM 147 million, a growth of 5% when compared to the first quarter of 2015. Revenue from all business units performed in line with expectations, with good contributions from the Group's subsidiary in Singapore, distribution of consumer healthcare products and pharmaceutical wholesale in Malaysia. This enabled the Group to exceed the revenue achieved in the same period last year, which was aided by a surge in demand before the onset of GST on 1st April 2015.

The Group maintained increased expenditure for the development of new products and international markets in the first quarter. Despite the additional pressure on profit margins due to higher cost of goods attributed to the weak Malaysian Ringgit, the Group managed to grow profit before tax to RM 12.4 million, an increase of 4% over the RM 11.9 million achieved in the same period last year. Profit after tax is RM 9.8 million, growing 16% over that in 2015. This growth is helped by a profit contribution of RM 1.0 million from Associate Company Straits Apex Sdn Bhd, of which RM 0.4 million is attributed to unrealized forex gain from the strengthening of the Malaysian Ringgit.

B2 Material changes in the profit before tax for the quarter

Profit before tax for the first quarter of 2016 is RM 12.4 million, 27% lower than the RM 16.9 million recorded in the immediate preceding quarter. This is due mainly to the recognition of a non-recurring gain of RM 2.6 million from the disposal of two units of investment properties in the last quarter of 2015, as well as a greater proportion of lower margin products in the sales mix in the first quarter of 2016.

B3 Commentary

a Prospects

The prospects for the Group's core businesses of manufacturing, marketing and distribution of pharmaceuticals and consumer healthcare products remain good in the markets we operate. Market demand is underpinned by increasing reliance on generic drugs to reduce healthcare costs, growing affluence and in certain countries, an ageing population.

For the Group's associate company engaged in the contract manufacturing of orthopaedic devices for multinational companies, ongoing effort to broaden its customer base, raise orders and improve production efficiency have led to improvements.

However, the uncertainties in the global economy, continued low oil prices and foreign currency volatility continue to make the operating environment challenging. We have tempered expectations for 2016.

Upon these developments and barring further unforeseen circumstances, the Board expects the Group to perform satisfactorily in 2016.

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	
	31/03/2016 RM'000	31/03/2015 RM'000	31/03/2016 RM'000	31/03/2015 RM'000
In respect of current period:				
Income tax	2,825	3,765	2,825	3,765
Deferred tax	(402)	(388)	(402)	(388)
Foreign tax	124	57	124	57
	<u>2,547</u>	<u>3,434</u>	<u>2,547</u>	<u>3,434</u>

The effective tax rate for the current quarter and 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

On 15 March 2016, the Company announced the proposed executive share option scheme of up to 10% of the issued and paid-up share capital of the Company ("Proposed ESOS").

On 5 April 2016, Bursa Securities resolved to approve the listing of such number of additional new ordinary shares of RM1.00 each in the Company to be issued pursuant to the exercise of options under the Proposed ESOS, subject to the following conditions:-

- (i) submission of a confirmation to Bursa Securities of full compliance of the Proposed ESOS pursuant to Paragraph 6.43(1) of the Main Market Listing Requirements of Bursa Securities and stating the effective date of implementation together with a certified true copy of the resolution passed by the shareholders in general meeting approving the Proposed ESOS; and
- (ii) submission to Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of options under the Proposed ESOS as at the end of each quarter together with a detailed computation of listing fees payable.

The proposed ESOS is approved by the shareholders at the Extraordinary General Meeting on 18 May 2016.

Other than the above, there were no corporate proposals announced but not completed.

B8 Group Borrowings and Debt Securities

	31/03/2016 RM'000	31/12/2015 RM'000
Current		
Secured obligations under finance lease	12	13
Non-current		
Secured obligations under finance lease	20	24
Total	32	37
Obligations under finance lease denominated in foreign currency as at 31 March 2015:	SGD'000	RM'000
Singapore Dollars	11	12

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

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 2016 (31 March 2015: 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	
		31/03/2016	31/03/2015	31/03/2016	31/03/2015
<u>Basic Earnings per share</u>					
Profit after tax	RM'000	9,813	8,446	9,813	8,446
Weighted average number of ordinary shares in issue	'000	117,146	117,146	117,146	117,146
Basic earnings per share	sen	8.38	7.21	8.38	7.21
<u>Diluted Earnings per share</u>					
Profit after tax	RM'000	9,813	8,446	9,813	8,446
Weighted average number of ordinary shares in issue	'000	117,146	117,146	117,146	117,146
Diluted earnings per share	sen	8.38	7.21	8.38	7.21

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 March 2016 are as follows -

Type of Derivatives Forward Currency Contracts	Contract / Notional Amount RM'000	Changes in Fair Value	
		Assets RM'000	Liabilities RM'000
Less than 1 year			
Sale of goods	3,990	-	(100)
Purchase of goods	(2,915)	165	-
	1,075	165	(100)

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 RM1,075,000.

d There have been no changes since the end of the previous financial year in respect of the following:

- 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;
- the risk management policies in place for mitigating and controlling the risks joint venture / associate with these derivative contracts; and
- the related accounting policies.

B13 Fair Value Changes of Financial Liabilities

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

B14 Realised and Unrealised Profits/Losses Disclosure

	31/03/2016 RM'000	Year ended 31/12/2015 RM'000
Total retained earnings of the Group:		
Realised	193,536	184,856
Unrealised	(3,170)	(3,331)
	190,366	181,525
Total share of results of a joint venture prior to becoming an associate::		
Realised	(695)	(695)
Total share of results of an associate:		
Realised	82	(966)
	189,753	179,864
Less: Consolidation adjustments	(19,982)	(19,906)
Total Group's retained earnings as per consolidated accounts	169,771	159,958

B15 Auditors' report on preceding annual financial statements

The Auditors' report on the Group's financial statements for the year ended 31 December 2015 was not qualified.

Authorisation for issue

The interim financial statements have been approved for issue in accordance with a resolution of the Board of Directors dated 18th May 2016.