DIRECTORS' INFORMATION

DR KEE KIRK CHIN
Chairman and CEO

Dr Kee Kirk Chin, 53, a Singaporean, was appointed to the Board on 15th February 2000, as the Managing Director of the Company on 3rd March 2000 and became Chairman and Chief Executive Officer on 19th May 2010. He obtained a Bachelor in Arts with Honours in 1985, a Bachelor of Medicine & Bachelor of Surgery in 1987 and a Master of Arts in 1989 from University of Cambridge, UK and a Master of Business Administration ("MBA") with distinction in 1993 from University of Hull, UK. He is a registered Medical Practitioner with the Singapore Medical Council and the General Medical Council, UK. He began his career as a House Officer with National University Hospital, later joining United MediCorp Pte Ltd as Director of Business Development in 1990, becoming its Chief Executive Officer in 1996. United MediCorp had interests in several healthcare companies in six Asian countries involved in pharmaceuticals, clinical equipment, hospital support services and private hospitals. He was appointed to the Board of Singapore Corporation of Rehabilitative Enterprises on 4th April 2010.

He is the son of Kee Tah Peng. He is deemed to be a substantial shareholder of the Company as he is a substantial shareholder and Director of Apex Pharmacy Holdings Sdn Bhd, which holds 40.5% equity in the Company. He does not have any other family relationships with any other director and/or major shareholder of the Group, nor any personal interest in any business arrangement involving the Company. He attended all of the four Board Meetings held in the financial year ended 31st December 2014 and has had no convictions for any offences within the past 10 years.

KEE TAH PENG @ HEE TECK PENG
Non-Independent Non-Executive Director

Kee Tah Peng @ Hee Teck Peng, 84, a Singaporean, was appointed to the Board on 15th February 2000 and as Executive Chairman of the Company on 3rd March 2000. He became Non-executive Chairman of the Company on 1st January 2003 and retired as Chairman on 19th May 2010. He graduated with a Pharmaceutical Chemist Certificate issued by the Pharmacy Board of New South Wales, Australia from University of Sydney, Australia in 1958. He started his career as a pharmacist with Federal Dispensary, Singapore, a pharmaceutical retailer and wholesaler. In 1962, he left to establish Apex Pharmacy Sdn Bhd and Xepa-Soul Pattinson (Malaysia) Sdn Bhd in Melaka, eventually becoming the Group Managing Director.

He is the father of Dr Kee Kirk Chin. He is deemed to be a substantial shareholder of the Company as he is a substantial shareholder and director of Apex Pharmacy Holdings Sdn Bhd, which holds 40.5% equity in the Company. He does not have any other family relationships with any other director and/or major shareholder of the Group, nor any personal interest in any business arrangement involving the Company. He attended all of the four Board Meetings held in the financial year ended 31st December 2014. He has had no convictions for any offences within the past 10 years.

DIRECTORS' INFORMATION (CONT'D)

ROBERT DOBSON MILLNER
Non-Independent Non-Executive Director

Robert Dobson Millner, 64, an Australian, was appointed as a Non-Independent Non-Executive Director of the Company on 23rd February 2000. He is currently Chairman of the Remuneration Committee and was appointed as a member of the Nomination Committee on 26th February 2014. He was a farmer and grazier prior to joining the Board of Washington H Soul Pattinson & Co Limited ("WHSP") in 1984, a company listed on the Australian Stock Exchange with principal activities in properties, coal mining, bulk handling, manufacturing, wholesaling and retailing of pharmaceutical products, and reconstitution and extrusion of polyethylene. He was appointed Deputy Chairman of WHSP in 1997, becoming its Chairman in 1998. He is also the Chairman of Brickworks Limited, Milton Corporation Limited, New Hope Corporation Limited, and Director on the Boards of Australian Pharmaceutical Industries Limited and TPG Telecom, all of which are companies listed on the Australian Stock Exchange. He is a member of the Institute of Company Directors, New South Wales, Australia and a fellow of the Australian Institute of Directors.

He is the Chairman of WHSP, which holds 30.3% equity in the Company. He does not have any family relationship with any other director and/or major shareholder of the Group, nor any personal interest in any business arrangement involving the Company. He attended all of the four Board Meetings held in the financial year ended 31st December 2014 and has had no convictions for any offences within the past 10 years.

LEONG KHAI CHEONG
Senior Independent Non-Executive Director

Leong Khai Cheong, 63, a Malaysian, was appointed as an Independent Non-Executive Director of the Company on 18th February 2000 and as Senior Independent Non-Executive Director on 24th August 2005. He is the Chairman of the Audit Committee and a member of the Nomination and Remuneration Committees. He is a Fellow of the Association of Chartered Certified Accountants, UK, a Certified Public Accountant, Singapore, as well as a member of the Malaysian Institute of Accountants. He holds associate membership of the Chartered Institute of Management Accountants and the Institute of Chartered Secretaries and Administrators. He held various senior positions in George Kent (M) Bhd and United Engineers Limited, which are companies listed on the Stock Exchanges of Malaysia and Singapore respectively. He is currently a Director of a private Malaysian company involved in the manufacture and assembly of engineering and other equipment and provision of engineering services for the water industries.

He does not have any family relationship with any director and/or major shareholder of the Group, nor any personal interest in any business arrangement involving the Company. He attended all of the four Board Meetings held in the financial year ended 31st December 2014. He has had no convictions for any offences within the past 10 years.

DIRECTORS' INFORMATION (CONT'D)

JACKSON CHEVALIER YAP-KIT-SIONG
Independent Non-Executive Director

Jackson Chevalier Yap-Kit-Siong, 63, a Singaporean, was appointed as a Non-Independent Non-Executive Director of the Company on 15th February 2000. He was re-designated as an Independent Non-Executive Director on 25th February 2015. He graduated with a Bachelor of Engineering with Honours from University of Auckland, New Zealand in 1974 under a Colombo Plan Scholarship. He worked in various technical and management positions in the oil and gas sector with several multinational corporations before joining United Engineers Limited ("UEL") as Chief Operating Officer and later, Group Managing Director and Director of UEL, a company listed on the Singapore Stock Exchange, whose principal activities are in the construction and engineering of buildings, properties and environmental projects. He retired in January 2014 as CEO and from the UEL Board in April 2014. On 29th January 2015, he was appointed as an independent director of Singapore listed UE E&C Ltd.

He was a director of Apex Pharmacy Holdings Sdn Bhd, which holds 40.5% equity in the Company until 18th March 2014. Save as disclosed above, he does not have any other family relationships with any director and/or major shareholder of the Group, nor any personal interest in any business arrangement involving the Company. He attended three out of the four Board Meetings held in the financial year ended 31st December 2014 and has had no convictions for any offences within the past 10 years.

HENG SU-LING MAE
Independent Non-Executive Director

Heng Su-Ling Mae, 44, a Singaporean, was appointed as Independent Non-Executive Director of the Company on 20th November 2008. She is a Certified Public Accountant and a member of the Audit and Remuneration Committees. She was appointed as Chairman of Nomination Committee on 26th February 2014. She graduated with a Bachelor of Accountancy from Nanyang Technological University, Singapore in 1991 and is a Chartered Accountant with the Institute of Singapore Chartered Accountants (ISCA). She has over 16 years of experience in an audit, corporate finance and business advisory environment with the largest accounting firm in Singapore, Ernst and Young. In senior management positions, her audit portfolio included several Singapore publicly listed companies, multinational companies and private companies of various sizes and industries operating globally. She was appointed an Independent Non-Executive Director of Ossia International Ltd on 27th April 2010 and also Chairman of its Remuneration Committee. She was also appointed an Independent Non-Executive Director and Chairman of the Audit Committee of Asiatravel.com Holdings Limited on 27th April 2012. Both companies are listed on the Singapore Exchange.

She does not have any family relationship with any director and/or major shareholder of the Group, nor any personal interest in any business arrangement involving the Company. She attended all of the four Board Meetings held in the financial year ended 31st December 2014 and has had no convictions for any offences within the past 10 years.

DIRECTORS' INFORMATION (CONT'D)

TONG YEW SUM
Independent Non-Executive Director

Tong Yew Sum, 72, a Malaysian, was appointed as Independent Non-Executive Director of the Company on 21st May 2014. He is member of the Audit Committee. He graduated with a Bachelor of Pharmacy from the University of Singapore in 1964, joining the Apex Pharmacy Group in 1965 as a pharmacist. He held various senior positions in the Group, involving primarily in retail, marketing and distribution activities, and retiring in 2005. He was the Executive Director of Malaysian Organisation of Pharmaceutical Industries from 2007 to 2014 and also its past President. He was formerly an adjunct lecturer at the Pharmacy Faculty of the University of Malaya, council member of the Malaysian Pharmaceutical Society and a current member of the Pharmacy Board of Malaysia.

He does not have any family relationship with any director and/or major shareholder of the Group, nor any personal interest in any business arrangement involving the Company. He attended all three Board Meetings held in the financial year ended 31st December2014 since his date of appointment and has had no convictions for any offences within the past 10 years.

CORPORATE GOVERNANCE STATEMENT

INTRODUCTION

The Company subscribes to the ideals of good Corporate Governance and fair dealing in all its activities with a view to increase shareholders' value. It recognises that a strong governance framework is necessary for the continuous strengthening of self-discipline and the development of a good corporate governance culture.

Since the introduction of the first Malaysian Code on Corporate Governance ('Code') in 2000, and its revision in 2007, the Company has taken conscious steps and made efforts to adopt the principles and recommendations of the Code in its operations. With the launch of the revamped Malaysian Code on Corporate Governance 2012, it has again undertaken a review of its corporate governance framework and initiated changes to embrace the eight principles and twenty six recommendations.

This statement thus describes the position of the Company in regard to each of the eight principles and twenty six recommendations made in the latest Code, noting and explaining exceptions as they arise.

APPLICATION OF PRINCIPLES AND RECOMMENDATIONS

Principle 1: Establish Clear Roles and Responsibilities

1.1 The board should establish clear functions reserved for the board and those delegated to management.

The Board of Directors is elected by the shareholders and is the highest decision-making body of the Company other than a general meeting of the shareholders themselves.

The Board has established a Board Charter. Among the matters set out in the Charter are the role and responsibilities of the Board and Chief Executive Officer ("CEO"), setting of corporate objectives, establishment of performance targets and long-term goals of the Company to be met by the CEO. The Charter also specifies matters reserved exclusively for Board approval. The Board periodically reviews the content of its Charter in order to ensure the needs of the Company are consistently met.

1.2 The board should establish clear roles and responsibilities in discharging its fiduciary and leadership functions.

The Code divides these into topics which are addressed individually as follows:

- **Reviewing and adopting a strategic plan for the company**

  The Board considers, and after discussion and amendment as required, approves strategic multi-year plan proposed by management. Specifically, the Board reviews and challenges management's proposal on strategic business plans for each business unit annually or more frequently should the need arises.

- **Overseeing the conduct of the company's business**

  The Board Charter explicitly specifies that the Board's role includes oversight and appraisal of the Company's strategies and policies and monitoring management's implementation of them. The Board meets quarterly and tracks targets approved by the Board in the furtherance of strategic and other plans. Monthly management reports are made available for the perusal of Board members.

- **Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures**

  Risk Assessment is carried out annually by Senior Management in consultation with the Internal Auditors to identify key risks and devise measures to address these risks. The Risk Assessment report is then reviewed by the Audit Committee and finally by the Board itself before adoption.

  The monitoring of risks is carried out by Management at their respective monthly management meetings. Any variation and developments are reported to the CEO and Financial Controller ("FC") and subsequently to the Audit Committee on a periodic basis.

- **Succession planning**

CORPORATE GOVERNANCE STATEMENT
(CONT'D)

Succession planning is provided for in both the Board Charter and the Terms of Reference of the Nomination Committee. A succession plan has been drawn up for three levels of Senior Management in all the Group's operating subsidiaries and is reviewed by the Board periodically.

- **Overseeing the development and implementation of a shareholder communications policy for the company**

  The Board values dialogue with both institutional and individual shareholders, and has made it a Company Policy to recognise that timely and equal dissemination of relevant information should be made to all shareholders and stakeholders. Management meets with shareholders and investment analysts from time to time to explain the Group's strategy, performance and major developments, and receive feedback. Shareholders' concerns may be directed to the Senior Independent Non-Executive Director, via the Company Secretaries.

  The Board welcomes shareholders' participation at the Annual General Meeting, which is the principal forum for dialogue with the shareholders, and is an opportunity for the Board to respond directly to shareholders queries and to undertake to provide sufficient clarification on issues and concerns raised by shareholders. Directors are always pleased to interact with the shareholders during and after a general meeting.

  The Company's website has contact details for shareholders' comments, which are reviewed by the Senior Independent Director and CEO.

- **Reviewing the adequacy and the integrity of the management information and internal controls system of the company**

  The Board acknowledges the importance of establishing and maintaining a sound system of internal controls, which provides reasonable assurance in ensuring the effectiveness and efficiency of operations and safeguards the assets and interests in compliance with laws and regulations as well as with internal financial administrative procedures and guidelines.

  The internal controls comprising financial, organisational, operational and compliance controls are devised to safeguard shareholders' investment and the Group's assets. The Board recognises that such systems can provide only a reasonable level of, rather than absolute, assurance against misstatement or loss within the practical constraints of operating a going concern. Improvement and refinement of internal control systems, and their adaptation to changing requirements, is an ongoing process.

  The Internal Audit function has been outsourced to an external service provider, Audex Governance Sdn Bhd. The Internal Auditors meet with the Audit Committee several times a year, including meetings where management is not present. The Internal and External Auditors are unrelated parties.

  Further information may be found in the Statement on Risk Management and Internal Control published annually in the Group's Annual Report.

1.3 The board should formalise ethical standards through a code of conduct and ensure its compliance.

The Founding Values of the Apex Healthcare Group are "Service, Quality and Integrity" and these have been enshrined in the Group's Code of Conduct.

Individual operating subsidiaries have more detailed Employee Handbooks which specify detailed obligations of employees. These are contractual obligations and are drawn up to meet the specific needs of the businesses and the legal requirements of the countries in which the businesses are based.

The Company has put in place a whistle-blowing policy and a summary of the Code of Conduct is available at the Company's website: **www.apexpharmacy.com.**

1.4 The board should ensure that the company's strategies promote sustainability.

The Board reviews operational practices which impact on sustainability of environment, governance and social aspects of its business on a regular basis. In particular, the Company supports social initiatives which are in line with the philosophical underpinnings of its business viz. the Young and the Old, and Healthy Development of the Body. This has translated in practice into tangible support for youth sporting endeavours and projects which give assistance to the elderly. The Group's sustainability endeavours are published on the Group's website and annual reports.

1.5 The board should have procedures to allow its members access to information and advice.

Directors have comprehensive and timely access to information concerning the Company and the Group. Notice is given of Board meetings, and board papers with supporting documents, presentations and materials detailing Group performance and operational, financial and corporate matters, are circulated to Directors, normally at least seven days in advance of Board meetings to ensure that Directors have sufficient time to study them and be prepared for discussion. Comprehensive minutes of Board meetings are maintained and circulated to Directors. Formal channels are usefully augmented and supplemented by regular informal dialogue between non-executive members of the Board and management on matters relating to the Company's business. Directors are entitled to request and receive supplementary information in order to be fully briefed before the meeting.

Directors have access to the advice and services of the Company Secretaries and the Senior Management staff in the Group, and are entitled to seek independent professional advice at the Company's expense through an agreed procedure in the proper discharge of their duties as spelled out in the Board's Charter.

1.6 The board should ensure it is supported by a suitably qualified and competent company secretary.

It is the Board's responsibility to retain the services of a competent Company Secretary. In addition to the internal Company Secretary, currently the Group's FC, the Board has also appointed a second external Company Secretary in order to deepen availability of resources and experience. The Board is assisted by the Nomination Committee in the appointment and assessment of the Company Secretary, as specified in that committee's Terms of Reference.

1.7 The board should formalise, periodically review and make public its board charter.

The Board Charter was formalised in November 2012 and will be reviewed from time to time to ensure that it remains current and relevant. The Board Charter is displayed on the Company's website: **www.apexpharmacy.com.**

Principle 2: Strengthen Composition

2.1 The board should establish a Nomination Committee which should comprise exclusively of non-executive directors, a majority of whom must be independent.

The Nomination Committee was established in 2001 and comprises Non-Executive Directors, a majority of whom are Independent Directors. The responsibility of the Nomination Committee in overseeing the selection and assessment of directors is stipulated in its Terms of Reference, which is included in the Annual Report.

The Chairman of the Nomination Committee is a Non-Executive Director and not the Senior Independent Director as recommended by the Code. As the Senior Independent Director is already the Chairman of the Audit Committee, the Board believes that this arrangement allows for more equitable sharing of the work of the Directors and avoids disproportionate concentration of responsibilities and duties on a single director.

2.2 The Nomination Committee should develop, maintain and review the criteria to be used in the recruitment process and annual assessment of directors.

The Nomination Committee's Terms of Reference specify in some detail the duties and functions of the committee, which relate to the recruitment of Directors and the criteria used in their selection, taking into account also the overall effectiveness of the Board.

The Board embraces diversity amongst its members and has ensured a good representation of

CORPORATE GOVERNANCE STATEMENT (CONT'D)

the relevant skills and experience for the discharge of its duties. Its policy towards boardroom diversity is above all, to be non-discriminatory with regards to gender, ethnicity, age, race or religion, and only considering relevant qualifications, ability and commitment when proposing candidates for shareholders' approval.

The Board considers its current size and composition as ideal. Further changes to the gender ratio of the directors will be guided by the policy stated above. Currently, the Board has a female Independent Non-Executive Director, Ms Heng Su-Ling Mae who has been as a Director since 2008, well before the promulgation of the 2012 Code.

2.3 The board should establish formal and transparent remuneration policies and procedures to attract and retain directors.

The Remuneration Committee was established in 2001 and the task of establishing formal and transparent remuneration policies for Directors is specified in its Term of Reference, which has also been regularly published in the Group's Annual Report. The Remuneration Committee reviews the remuneration of Directors at least once annually, making proposals for change where required, before seeking Board's endorsement and subsequent shareholders' approval where applicable.

Principle 3: Reinforce Independence

3.1 The board should undertake an assessment of its independent directors annually.

The Board has adopted the legal and regulatory definition of Independent Directors as specified in the Listing Requirements of Bursa Malaysia Securities Berhad. The Nomination Committee is specifically tasked to assess the independence of Independent Directors upon admission, annually and when any new interest or relationship develops. The Board will confirm that such assessment has been conducted in the annual report and in any notice convening a general meeting for the appointment and re-appointment of Independent Directors.

3.2 The tenure of an independent director should not exceed a cumulative term of nine years. Upon completion of the nine years, an independent director may continue to serve on the board subject to the director's re-designation as a non-independent director.

This is addressed under point 3.3.

3.3 The board must justify in the notice convening the annual general meeting and submit for shareholders' approval the retention of all independent directors who have served the company for an aggregate of more than nine years at every annual general meeting.

All Independent Directors who have served the Company for an aggregate of more than nine years will submit themselves for retention at every Annual General Meeting. The recommendation by the Board for retention of any such Independent Directors is based on their independence, incumbent knowledge and contributions to the Company.

3.4 The positions of chairman and CEO should be held by different individuals, and the chairman must be a non-executive member of the board.

The functions of Chairman and CEO are currently combined. The Board is of the opinion that no single person has excessive powers of decision as:

- Board decisions are dependent on the consensus of the Directors, who take an active interest in all major and strategic decisions of the Group;
- four of the seven Board members are independent, and supply a strong independent element to the decision-making process;
- the Senior Independent Director avails himself to address shareholders' concerns and is a useful counterbalance in decision-making;
- no single shareholder controls an absolute majority of the voting shares, and while Non-Independent Directors enjoy a good degree of consensus as to the best interests of the Company, agreement is not regarded as a foregone conclusion; and
- at all meetings of the Board of Directors, the Board elects one of its members, other than the Chairman, to be the Chairman of the meeting, thus avoiding any unfettered power of decision-

CORPORATE GOVERNANCE STATEMENT (CONT'D)

making in any one individual.

3.5 The board must comprise a majority of independent directors where the chairman of the board is not an independent director.

The Board comprises the CEO/Chairman, two Non-Independent Non-Executive Directors and four Independent Directors. As the Chairman is not an Independent Director, the Board comprises a majority of Independent Directors.

Principle 4: Foster Commitment

4.1 The board should set out expectations on time commitment for its members and protocols for accepting new directorships.

All Directors are expected to devote sufficient time to carry out their responsibilities and are required to notify the Chairman before accepting any new directorships.

4.2 The board should ensure its members have access to appropriate continuing education programmes.

In addition to continuing education which the Directors undertake in the course of their activities outside the Company, the Company from time to time arranges appropriate and relevant courses and talks for Directors in-house, details of which are disclosed in the report of the Nomination Committee. The requirement to undertake continuing education is built into the Board Charter and the training undertaken by the Directors are reviewed by the Nomination Committee annually.

Principle 5: Uphold Integrity in Financial Reporting

5.1 The Audit Committee should ensure financial statements comply with applicable financial reporting standards.

The requirement is built into the Terms of Reference of the Audit Committee, which states particularly that the Committee should review financial statements focusing particularly on, among other things, "compliance with accounting standards and other legal requirements".

5.2 The Audit Committee should have policies and procedures to assess the suitability and independence of external auditors.

The Audit Committee is delegated the task of assessing whether the External Auditors are suitable for reappointment, of which competence and independence are key considerations. This is spelt out in the Terms of Reference of the Audit Committee.

Principle 6: Recognise and Manage Risk

6.1 The board should establish a sound framework to manage risks.

The Board affirms its overall responsibility for the Group's risk management, and for reviewing the adequacy and integrity of the Group's risk management framework which encompasses all subsidiaries of the Group.

6.2 The board should establish an internal audit function which reports directly to the audit committee.

The Company outsources the internal audit function as being currently the most cost effective means of implementing an internal audit function. The provider of internal audit services is Audex Governance Sdn Bhd, which reports directly to the Audit Committee as specified by the Terms of Reference of that Committee.

Principle 7: Ensure Timely and High Quality Disclosure

7.1 The board should ensure the company has appropriate corporate disclosure policies and procedures.

The Board ensures that the Company complies with all applicable corporate disclosure laws and regulations.

7.2 The board should encourage the company to leverage on information technology for effective dissemination of information.

The Board supports the use of information technology for the effective dissemination of information. The Company has established a website at **www.apexpharmacy.com** which

CORPORATE GOVERNANCE STATEMENT (CONT'D)

has served as a useful reference source of information to many shareholders, investment analysts, business partners and other stakeholders. In addition to publishing financial results, annual reports and business information, the website has dedicated Corporate Governance sections which include the Board Charter, Code of Conduct and Whistle-Blowing Policy.

Principle 8: Strengthen Relationship between Company and Shareholders

8.1 The board should take reasonable steps to encourage shareholder participation at general meetings.

The Board values the participation of shareholders at General Meetings and recognises their contributions as valuable feedback for the conduct of the Group's businesses. Where practical, the Board will serve notices for meetings earlier than the minimum notice period. The Annual General Meeting of the Company has been held in the second half of May at the same venue every year since it became a listed company.

8.2 The board should encourage poll voting.

The Board is of the opinion that the number of shareholders and level of attendance at general meetings do not warrant the introduction of poll voting for all resolutions. However, the Board notes that poll voting may be mandated by the regulators for resolutions relating to defined situations, and in such circumstances, poll voting will be carried out. This apart, the Chair may also call for poll voting for other substantive resolutions.

8.3 The board should promote effective communication and proactive engagements with shareholders.

The Board values dialogue with both institutional and individual investors, and recognises that timely and equal dissemination of relevant information should be made to these groups without favouring one group over another.

Management meets with shareholders and investment analysts from time to time to explain the group's strategy, performance and major developments, and to receive feedback. Board members and Senior Management are very pleased to interact and converse with shareholders at general meetings and other events within the bounds of propriety.

Shareholders' concerns may be directed to the Senior Independent Director, via the Company Secretaries.

ADDITIONAL INFORMATION

1. Non-Audit Fees

The amount of non-audit fees paid and payable to the External Auditors, Ernst & Young, by the Group for the financial year ended 31st December 2014 amounted to RM68,520.

2. Material Contracts

There were no material contracts of Apex Healthcare Berhad and its subsidiaries involving any of its Directors and major shareholders.

3. Recurrent Related Party Transactions

There were no recurrent related party transactions during the financial year.

4. Sanctions

During the financial year, there were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or Management by the relevant regulatory bodies.

5. Directors' Responsibility for Preparing The Financial Statements

The Directors are required by the Companies Act 1965 to prepare financial statements for each financial year which have been made out in accordance with the applicable approved accounting standards and give a true and fair view of the state of affairs of the Group and Company

CORPORATE GOVERNANCE STATEMENT (CONT'D)

at the end of the financial year and of the results and cashflows of the Group and Company for the financial year.

In preparing the financial statements, the Directors have:

- Selected suitable accounting policies and applied them consistently;
- Made judgements and estimates that are reasonable and prudent;
- Ensured that all applicable financial reporting standards have been followed; and
- Prepared financial statements on the going concern basis as the Directors have a reasonable expectation, having made enquiries that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Group and Company and which enable them to ensure that the financial statements comply with the Companies Act 1965. The Directors have overall responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the Group to prevent and detect fraud and other irregularities.

6. Options or Convertible Securities

The Company did not issue any options or convertible securities in respect of the financial year ended 31st December 2014.

7. Depository Receipt ("DR") Programme

During the financial year ended 31st December 2014, the Company did not sponsor any DR programme.

8. Variation in Results

There was no profit estimate, forecast or projection issued by the Company and its subsidiaries during the financial year ended 31st December 2014.

9. Profit Guarantee

The Company did not make any arrangement during the financial year which requires profit guarantee.

10. Contracts Relating to Loans

There were no contracts relating to loans by the Company involved Directors' and Major Shareholders' interests.

11. Utilisation of Proceeds

The Company did not implement any fund raising exercise during the financial year.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors ("the Board") of Apex Healthcare Berhad ("AHB" or "the Group") is pleased to present its Statement on Risk Management and Internal Control, which has been prepared pursuant to paragraph 15.26 (b) of Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("the Guidelines"), in this annual report. This statement outlines the nature and state of the risk management and internal controls of the Group during the financial year under review and up to the date of approval of this statement by the Board.

BOARD RESPONSIBILITY

The Board affirms its overall responsibility for the Group's system of risk management and internal control, and for reviewing its adequacy and effectiveness to ensure that the Group's assets and shareholders' interests are safeguarded. The responsibility for reviewing the adequacy and effectiveness of the risk management and internal control system has been delegated by the Board to the Audit Committee.

Due to inherent limitations in any system of risk management and internal controls, such system put into effect by Management is designed to manage rather than eliminate all risks that may impede the achievement of the Group's business objectives. Therefore, such system can only provide reasonable and not absolute assurance against any material misstatement or loss.

RISK MANAGEMENT FRAMEWORK

The Board acknowledges that the Group's business activities involve some degree of risk and Key Management staff and Head of Departments are delegated with the responsibility to manage identified risks within defined parameters and standards.

During the financial year under review, Management with the assistance of external consultants has updated the Group's key risk profiles. The results of the above risk management update exercise were presented to the Audit Committee on 25th February 2014. Risks identified were prioritised in terms of the possibility of their occurrence and their impact on the Group's business objectives/goals. This allows Management to allocate appropriate resources in the mitigation of such risks identified.

The abovementioned practices and initiatives by Management serves as the on-going process used to identify, evaluate and managed significant risks.

INTERNAL AUDIT FUNCTION

The Group's independent internal audit function is outsourced to a professional service firm to assist the Board and the Audit Committee in providing an independent assessment of the adequacy, efficiency and effectiveness of the Group's internal control system. The outsourced Internal Auditors report directly to the Audit Committee and the internal audit plans are tabled to the Audit Committee for review and approval.

For the financial year, internal audit reviews were carried out in accordance with an internal audit plan approved by the Audit Committee. The result from internal audit reviews, together with proposed action plans and Management's response are presented to the Audit Committee for its review. In addition, the internal audit function follows up and reports to the Audit Committee if the corrective action plans to address control weaknesses have been satisfactorily implemented by the Management.

Based on the internal audit reviews carried out, none of the weaknesses noted have resulted in any material losses, contingencies or uncertainties that would require separate disclosure in this annual report.

The costs incurred in maintaining the outsourced internal audit function for the financial year ended 31st December 2014 amounted to RM 97,073.

OTHER KEY ELEMENTS OF INTERNAL CONTROL

The other key elements of the Group's system of internal control are:

1. **Control Environment**

   - **Policies & Procedures**
     Clearly defined policies and procedures are in

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

place and are undergoing constant improvements to ensure that they continue to support the Group's business activities as the Group continues to grow.

- **Organisation Structure & Authorisation Procedures**
  The Group maintains a formal organisation structure with clear lines of reporting to Board Committees and Senior Management including defined lines of accountability within which senior management operates, such as roles and responsibilities, authority limits, review and approval procedures, etc.

- **Annual Budget**
  The Group has a comprehensive budgeting system. The annual business plan and budget are approved by the Board. Budgetary control is in place for every operation of the Group, where actual performance is monitored against budgets on a quarterly basis to identify and to address significant variances.

- **Human Resource Policy**
  Comprehensive and rigorous guidelines on the employment, performance appraisal and training program and retention of employees are in place, to ensure that the Group has a team of employees who are well trained and equipped with all the necessary knowledge, skills and abilities to carry out their responsibility effectively.

- **Management Styles**
  The Board relies on the experience of the Chief Executive Officer ("CEO"), Chief Operating Officer ("COO"), Senior Vice President ("SVP") and Financial Controller ("FC") and the respective business units' management teams to run and manage the operations and businesses of the Group in an effective and efficient manner.

  The CEO, COO, SVP, FC and management adopt a "hands on" approach in managing the businesses of the Group. This enables the timely identification and resolution of any significant issues arising.

- **Quality Control**
  Strong emphasis is placed on ensuring the manufacturing process of its pharmaceutical plant adheres strictly to health, safety and environmental regulations as required by the various authorities. The Board have ensured that safety and health regulations, environmental controls and all other legislations in connection with the industry the Group operates in have been complied with during the financial year under review.

- **Succession Planning**
  Succession planning for key management staff of the Group is in place and will be reviewed periodically. This is to ensure that business operations and performance will not be adversely affected by the departure of any key personnel.

2. Information and Communication

Information critical to meeting Group's business objectives are communicated through established reporting lines across the Group. This is to ensure that matters that require the Board and Senior Management's attention are highlighted for review, deliberation and resolution on a timely basis.

3. Review & Monitoring Process

The Group's Management teams carry out monthly monitoring and review of the Group's operations and performance, including financial results and forecasts for all business operations within the Group. In addition to the above, scheduled and ad-hoc meetings are held at operational and management levels to identify, discuss and resolve business and operational issues as and when necessary.

The Board monitors the Group's performance by reviewing its quarterly results and operations, and examines the announcement to the Bursa Securities. These are reviewed by the Audit Committee before they are tabled to the Board for approval.

ASSURANCE PROVIDED BY THE GROUP CEO, COO, SVP AND FC

In line with the Guidelines, the Group CEO, COO, SVP and FC have provided assurance to the Board that the Group's risk management and internal control systems have operated adequately and effectively, in all material aspects, to meet the Group's objectives during the financial year under review.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have performed limited assurance procedures on this Statement on Risk Management and Internal Control pursuant to the scope set out in Recommended Practice Guide ("RPG") 5 (Revised), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the Annual Report of the Group for the year ended 31st December 2014, and reported to the Board that nothing has come to their attention that causes them to believe the statement intended to be included in the Annual Report is not prepared, in all material respects, in accordance with the disclosures required by paragraph 41 and 42 of the Guidelines, nor is the Statement factually inaccurate.

RPG 5 does not require the External Auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Directors and management thereon. The report from the External Auditors was made solely for, and directed solely to the Board of Directors in connection with their compliance with the listing requirements of Bursa Malaysia Securities Berhad and for no other purposes or parties. The External Auditors do not assume responsibility to any person other than the board of directors in respect of any aspect of this report.

CONCLUSION

The Board is of the view that the risks faced by the Group are within tolerable levels in the context of the business environment the Group operates in and the system of risk management and internal control that existed throughout the year is sound and adequate to safeguard the interest of the Group and to facilitate the evolution of its businesses.

During the year under review, nothing has come to the attention of the Board which would result in any material losses, contingencies or uncertainties that would require separate disclosure in this Annual Report. Notwithstanding this, the Board will continue to ensure that the Group's system of risk management and internal control continuously evolve to keep up with its dynamic business environment.

The Group's system of risk management and internal control applies principally to the Group and its subsidiaries. Associate companies and joint ventures have been excluded because the Group does not have full management control and/or majority Board representation.

The Board has granted its approval on 25th February 2015 that this Statement on Risk Management and Internal Control be included in the Company's Annual Report 2014.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee of Apex Healthcare Berhad is pleased to present the following report for the financial year ended 31st December 2014.

COMPOSITION OF AUDIT COMMITTEE AND ATTENDANCE RECORD

The Audit Committee currently consists of 3 members, all of whom are Independent Non-Executive Directors. The Chairman of the Audit Committee is a member of the Malaysian Institute of Accountants. Alternate Directors are not appointed as members.

The Committee met 5 times during the financial year ended 31st December 2014 and the attendance record is tabulated as follows:

Director	Position	Attendance					Total
		25th Feb	26th Mar	20th May	19th Aug	17th Nov	
Leong Khai Cheong (Chairman of Audit Committee)	Senior Independent Non-Executive Director	✓	✓	✓	✓	✓	5/5
Dr Ahmad Kamal bin Md Alif (Retired at the conclusion of 2014 Annual General Meeting)	Independent Non-Executive Director	✓	✓	✓	N / A	N / A	3/3
Heng Su-Ling Mae	Independent Non-Executive Director	✓	✓	✓	✓	✓	5/5
Tong Yew Sum (Appointed at the 2014 Annual General Meeting)	Independent Non-Executive Director	N / A	N / A	N / A	✓	✓	2/2
Total Attendance		3/3	3/3	3/3	3/3	3/3	

N/A: Not Applicable

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

1. Constitution

The Board has established a Committee of the Board to be known as the Audit Committee (hereinafter known as the "AC") with authority and duties as specified in these Terms of Reference.

2. Membership of the Committee

2.1 The AC shall be appointed by the Board from amongst the directors of the Company and shall consist of at least 3 members, a majority of whom shall be independent non-executive directors. A quorum requires the majority of members present to be independent directors.

2.2 At least one member of the AC must be a member of the Malaysian Institute of Accountants. If there is none, one member must either have at least 3 years' working experience and (a) have passed the examinations specified in Part 1 of the First Schedule of the Accountants Act, 1967, or (b) be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or have the following qualifications:-

2.2.1 a degree/masters/doctorate in accounting or finance and at least 3 years' post qualification experience in accounting or finance; or

2.2.2 at least 7 years' experience being a chief financial officer of a corporation

REPORT OF THE AUDIT COMMITTEE (CONT'D)

or having a function of being primarily responsible for the management of the financial affairs of a corporation.

2.3 No alternate director shall be appointed as a member of the AC.

2.4 The Board of Directors shall review the composition, term of office and performance of the AC and its members at least once every 3 years to determine whether the AC and its members have carried out their duties in accordance with its Terms of Reference.

2.5 The members of the AC shall elect a Chairman from among their number who shall be an independent non-executive director.

2.6 If a member of the AC resigns, dies or for any other reason ceases to be a member with the result that the number of members is reduced below 3, the Board of Directors shall, within 3 months of that event, appoint such number of new members as may be required to make up the minimum number of 3 members.

2.7 The Company Secretary shall be the Secretary of the AC.

3. Rights of the Audit Committee

3.1 The AC shall, wherever necessary and reasonable for the performance of its duties, in accordance with procedures stipulated by the Board of Directors and at the cost of the Company:

3.1.1 have authority to investigate any matter within its terms of reference;

3.1.2 have the resources that are required to perform its duties;

3.1.3 have full and unrestricted access to any information pertaining to the Company and the Group;

3.1.4 have direct communication channels with the External Auditors and person(s) carrying out the internal audit function or activity;

3.1.5 be able to obtain independent professional or other advice and to invite outsiders to attend AC meetings where necessary; and

3.1.6 be able to convene meetings with the External Auditors and Internal Auditors, without the presence of any employees, at least twice a year and whenever deemed necessary.

3.2 The AC shall take into cognizance in its deliberations the Listing Requirements of Bursa Malaysia Securities Berhad and the Malaysian Code on Corporate Governance 2012, and any other pertinent regulations and laws, as well as revisions which may come into force thereafter.

3.3 Where the AC is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements of Bursa Malaysia Securities Berhad, the AC shall report such matter to Bursa Malaysia Securities Berhad.

4. Duties and Functions of the Audit Committee

4.1 The AC shall review the following and report the same to the Board of Directors:-

4.1.1 with the External Auditors, the nature and scope of the audit before commencement;

4.1.2 with the External Auditors, their evaluation of the system of risk management and internal controls;

4.1.3 with the External Auditors, the audit reports, management letters and management response;

4.1.4 the assistance given by the Company's employees and officers to the External Auditors;

4.1.5 the adequacy of the scope, functions and resources of the internal audit function and that it has the necessary authority to carry out its work;

REPORT OF THE AUDIT COMMITTEE (CONT'D)

4.1.6 the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;

4.1.7 any appraisal or assessment of the performance of members of the internal audit function;

4.1.8 the financial reports at the end of each quarter and year end, prior to approval by the Board of Directors, focusing particularly on:-

- changes in or the implementation of major accounting policy changes;
- the going concern assumption;
- significant adjustments arising out of audit and unusual events; and
- compliance with accounting standards and other legal requirements.

4.1.9 any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;

4.1.10 any letter of resignation from the External Auditors; and

4.1.11 whether there is reason (supported by grounds) to believe that the External Auditors is not suitable for re-appointment.

4.2 The AC shall review any matters concerning the appointment and dismissal of both the Internal and External Auditors, their audit fees and render its recommendations accordingly to the Board of Directors.

4.3 The AC shall evaluate and assess the performance of External Auditors, including their independence.

4.4 The AC shall approve any appointment or termination of senior staff members of the internal audit function; take cognizance of resignations of internal audit staff and provide resigning staff member an opportunity to submit reasons for resigning or if the internal audit function is outsourced, then the AC shall evaluate and assess the performance of outsourced Internal Auditors, including their independence.

4.5 The AC shall consider the major findings of internal investigations and management's response.

4.6 The AC shall verify that the allocation of options pursuant to the Apex Healthcare Berhad Employee Share Option Scheme, where any such Scheme is in operation, is in compliance with criteria that have been disclosed to employees as required under the Listing Requirements of Bursa Malaysia Securities Berhad.

4.7 The AC functions also as a Risk Management Committee. Accordingly, the head of Internal Audit reports directly to the AC. For administrative and operational matters, the Internal Auditors will liaise with either the Chief Executive Officer ("CEO") or Financial Controller ("FC").

4.8 The Chairman of the AC should engage on a continuous basis with senior management in order to be kept informed of matters affecting the Company or Group.

4.9 The AC shall conduct meetings independently and separately from time to time with Internal and External Auditors;

4.10 The AC shall conduct any other duties as may be assigned by the Board of Directors from time to time.

5. Attendance at Meetings

5.1 The CEO, FC, the key representatives of the External and Internal Auditors shall normally attend meetings.

5.2 Other Board members and employees may also attend AC meetings only at the AC's invitation,

REPORT OF THE AUDIT COMMITTEE (CONT'D)

specific to the relevant meeting.

6. Procedure of Audit Committee

6.1 The AC shall regulate its own procedure, in particular:

- the calling of meetings;
- the notice to be given of such meetings;
- the voting and proceedings of such meetings;
- the keeping of minutes; and
- the custody, production and inspection of such minutes.

6.2 The AC shall meet at least 4 times a year. The AC shall meet with the External Auditors, without the presence of any employee, at least twice a year. The External Auditors may request a meeting if they consider that one is necessary.

6.3 The Secretary shall circulate the minutes of meetings of the AC to all members of the Board of Directors.

6.4 The AC shall prepare a report to the Board that provides details of the activities of the AC, number of AC meetings held in a year, details of attendance of directors at such meetings and details of relevant training attended by each director for inclusion in the Company's Annual Report.

ACTIVITIES OF THE AUDIT COMMITTEE

During the financial year ended 31st December 2014, the AC in the discharge of its duties and functions carried out the following activities:

- Reviewed the Report of the External Auditors, Ernst & Young ("EY") to the AC;
- Reviewed the assistance provided by Management to the External Auditors and Internal Auditors;
- Reviewed reports of the Internal Auditors on Principal Risks Assessment and Management for the Company and Group;
- Reviewed the Internal Audit report on Procurement (Property, Plant & Equipment and Raw Materials) and Inventory Distribution of Abio Orthopaedics Sdn Bhd ("AO");
- Reviewed the Internal Audit report on Sales and Marketing and Inventory Distribution processes for Melaka branch of Apex Pharmacy Marketing Sdn Bhd ("APM");
- Reviewed the Internal Audit report on Financial Statement Close Process and Credit Control and Collection Management of Apex Pharma Marketing Pte Ltd ("APS");
- Reviewed the two year Internal Audit Plan submitted by the Internal Auditors;
- Conducted private sessions with the External and Internal Auditors in the absence of the Management;
- Reviewed the draft Statement on Risk Management and Internal Control for inclusion in the Annual Report 2013;
- Reviewed draft financial statements at end of each quarter and financial year prior to approval for release to Bursa Malaysia Securities Berhad by the Board of Directors; and
- Reviewed the Year 2014 Audit Plan and Timetable with EY.

INTERNAL AUDIT FUNCTION

Audex Governance Sdn Bhd has been the outsourced provider of Internal Audit services to the Group since 1st January 2009. The cost incurred for Internal Audit Services in respect of financial year 2014 was RM97,073.

In accordance with the Terms of Reference of the AC, the Internal Auditors report functionally to the Chairman of the AC and administratively to the CEO/FC.

During the financial year ended 31st December 2014, the Internal Auditors undertook the following activities:

- Attended and reported to the AC at four of five AC meetings held during the year 2014;
- Conducted a Principal Risk Assessment with key Management of the Company and Group and reported the findings to the AC;
- Reviewed and reported on Procurement (Property, Plant & Equipment and Raw Materials) and Inventory Distribution processes of AO;
- Reviewed and reported on Sales and Marketing and Inventory Distribution processes for Melaka branch of APM;

REPORT OF THE AUDIT COMMITTEE (CONT'D)

- Reviewed and reported on Financial Statement Close Process and Credit Control and Collection Management of APS; and
- Followed up on previous auditable activities of Xepa-Soul Pattinson (M) Sdn Bhd and APS to ensure compliance of recommendations of Internal Auditors by Management.

REPORT OF THE REMUNERATION COMMITTEE

The Remuneration Committee of Apex Healthcare Berhad is pleased to present the following report for the financial year ended 31st December 2014.

COMPOSITION OF REMUNERATION COMMITTEE AND ATTENDANCE RECORD

The Remuneration Committee consists of 3 members, the majority of whom are Independent Non-Executive Directors. The committee was established on 23rd May 2001. During the year under review, the committee met twice and the attendance record is tabulated as follows:

Director	Position	Attendance		Total
		26th Feb	18th Nov	
Robert Dobson Millner (Chairman of Remuneration Committee)	Non-Independent Non-Executive Director	✓	✓	2/2
Leong Khai Cheong	Senior Independent Non-Executive Director	✓	✓	2/2
Heng Su-Ling Mae	Independent Non-Executive Director	✓	✓	2/2
Total Attendance		3/3	3/3	

TERMS OF REFERENCE OF REMUNERATION COMMITTEE

1. Constitution

The Board has established a Committee of the Board to be known as the Remuneration Committee (hereinafter referred to as the "RC") with authority and duties as specified in these Terms of Reference.

2. Membership

2.1 The RC shall be appointed by the Board from amongst the directors of the Company and shall consist wholly or mainly of non-executive directors. A quorum shall be any 2 members.

2.2 The members of the RC shall elect a Chairman from among their members.

2.3 The Company Secretary shall be the Secretary of the RC.

3. Guiding Principles

3.1 The levels of remuneration should be sufficient to attract and retain the directors needed to run the company successfully. The component parts of remuneration should be structured so as to link rewards to corporate and individual performance, in the case of executive directors. In the case of non-executive directors, the level of remuneration should reflect the experience and level of responsibilities undertaken by the particular non-executive concerned.

3.2 There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors.

3.3 The Committee shall take into cognizance in its deliberations the Listing Requirements of Bursa Malaysia Securities Berhad and the principles in the Malaysia Code on Corporate Governance 2012, and any other pertinent regulations and laws, as well as revisions which may come into force thereafter.

4. Duties and Functions of the Committee

The RC is authorised by the Board to:

4.1 Review and determine, at least once annually, adjustments to the remuneration package, including benefits in kind, of each Executive Director and Senior Management of the Group, taking into account the corporate and individual performance, level of responsibility and complexity of the role, the inflation price index, and where necessary, information

REPORT OF THE REMUNERATION COMMITTEE (CONT'D)

from independent sources on remuneration packages for equivalent jobs in the industry.

4.2 Review and determine the quantum of performance related bonuses, benefits-in-kind and Employee Share Options, if available, to be given to the Executive Directors linked to corporate and individual performance.

4.3 Review and determine the level of fees paid to Non-Executive Directors, taking into consideration the fee levels and trends for similar positions in the market, time commitment required from the director (estimated number of days per year). The review has also taken into consideration any additional responsibilities undertaken by the director acting as Chairman of a Board Sub-Committee or as the Senior Independent Non-Executive Director.

4.4 Review and execute the renewal of the Consulting Agreement with the Founder as a Non-Executive Director.

4.5 Consider and execute the renewal of the service contracts of Senior Management of the Group, as and when due, as well as the service contracts and remuneration package for newly appointed Executive Director(s) prior to their appointment.

4.6 Execute any other duties as may be assigned by the Board of Directors from time to time.

ACTIVITIES OF THE REMUNERATION COMMITTEE

During the year under review the RC in discharge of its duties carried out the following activities:

- Assessed the performance of the Chief Executive Officer and determined his performance bonus for financial year 2013 and adjustments to salary for financial year 2014;
- Reviewed and approved the recommendations of the Chief Executive Officer in respect of performance bonuses for financial year 2013 and salary adjustments and promotions for Senior Management of Apex Healthcare Berhad Group for financial year 2014;
- Reviewed and approved Key Performance Indicators for financial year 2014 for the Chief Executive Officer and Group's Senior Management;
- Reviewed published reports of Directors' Fees of publicly listed Pharmaceutical companies in Malaysia;
- Approved the Renewal of the Consulting Agreement with the Founder Non-Executive Director, Mr Kee Tah Peng and the Consulting Agreement with Mr Ki Tak Sang; and
- Prepared the Annual Remuneration Committee Report to the Board for inclusion in the Company's Annual Report 2013.

DIRECTORS' REMUNERATION

The remuneration of the Directors is presented in bands of RM 50,000 for financial year 2014 in the table below:

Remuneration Band	Non-Executive Directors	Executive Director
Below RM 100,000	3	-
RM 100,001 to RM 150,000	2	-
RM 250,001 to RM 300,000	1	-
RM 2,150,001 to RM 2,200,000	-	1

In addition, the remuneration is analysed into these categories as follows:

Analysis of Remuneration	Executive Director (RM)	Non-Executive Directors (RM)	Total (RM)
Fees	63,000	435,750	498,750
Salaries & other emoluments	674,256	251,881	926,137
Bonus	1,238,358	-	1,238,358
Pension costs – defined contribution plans	138,508	-	138,508
Non-monetary benefits	52,949	52,970	105,919
	2,167,071	740,601	2,907,672

REPORT OF THE NOMINATION COMMITTEE

The Nomination Committee of Apex Healthcare Berhad is pleased to present the following report for the financial year ended 31st December 2014.

COMPOSITION OF NOMINATION COMMITTEE AND ATTENDANCE RECORD

The Nomination Committee consists of 3 members, the majority of whom are Independent Non-Executive Directors. The committee was established on 23rd May 2001. During the year under review, the committee met twice and the attendance record is tabulated as follows:

Director	Position	Attendance		Total
		26th Feb	18th Nov	
Heng Su-Ling Mae (Chairman of Nomination Committee) (Appointed on 26th February 2014)	Independent Non-Executive Director	N / A	✓	1/1
Robert Dobson Millner (Appointed on 26th February 2014)	Non-Independent Non-Executive Director	N / A	✓	1/1
Leong Khai Cheong	Senior Independent Non-Executive Director	✓	✓	2/2
Dr Ahmad Kamal bin Md Alif (Resigned on 26th February 2014)	Independent Non-Executive Director	✓	N / A	1/1
Jackson Chevalier Yap-Kit-Siong (Resigned on 26th February 2014)	Non-Independent Non-Executive Director	x	N / A	0/1
Total Attendance		2/3	3/3	

N/A: Not Applicable

TERMS OF REFERENCE OF NOMINATION COMMITTEE

1. Constitution

The Board has established a Committee of the Board to be known as the Nomination Committee (hereinafter referred to as the "NC") with authority and duties as specified in these Terms of Reference.

2. Membership

2.1 The NC shall be appointed by the Board from amongst the directors of the Company and shall comprise exclusively of non-executive directors, the majority of whom shall be independent. A quorum shall be any 2 members.

2.2 The members of the NC shall elect a Chairman from among their members.

2.3 The Company Secretary shall be the Secretary of the NC.

3. Principles

3.1 The ultimate decision on the appointment of directors to the Board is the responsibility of the Board of Directors after due consideration of the recommendations of the NC.

3.2 The Board embraces diversity amongst its members and has ensured a good representation of the relevant skills and experience for the discharge of its duties. Its policy towards boardroom diversity is above all, to be non-discriminatory with regards to gender, race or religion, and only considering relevant qualifications, ability and commitment when proposing candidates for shareholders' approval.

3.3 The Board desires that each of its directors, Chief Executive Officer and Chief Financial Officer / Financial Controller be of appropriate character, experience, integrity and competence

REPORT OF THE NOMINATION COMMITTEE (CONT'D)

so as to carry out their duties in the best interest of the Company. In addition, each of the non-executive directors must be able to devote time to discharge their responsibilities in their respective roles and Board sub-committees.

3.4 The NC shall take into cognizance in its deliberations the Listing Requirements of Bursa Malaysia Berhad and the principles of the Malaysia Code of Corporate Governance 2012, and any other pertinent regulations and laws, as well as revisions which may come into force thereafter.

4. Duties and Functions of the Committee

The NC shall:

4.1 Assess and recommend to the Board, candidates for all directorships to be filled by the shareholders or the Board, taking into consideration candidates'
- skills, knowledge, expertise and experience;
- professionalism;
- integrity; and
- in the case of candidates for independent directors, ability to discharge the responsibilities and functions expected of Independent Non-Executive Directors.

4.2 Seek, evaluate and recommend candidates for directorship as and when required. The NC should seek recommendations and referrals from shareholders, directors, senior management and external sources where practicable in identifying appropriate candidates. Evaluation of candidates include the review of resumes, reference checks and interviews based on criteria established in para 2.20A of the Listing Requirements. The NC will then recommend chosen candidates to the Board for consideration.

4.3 Assess annually the effectiveness of the Board as a whole, the Committees of the Board, individual Directors including Independent Non-Executive Directors, as well as the Chief Executive Officer, and the Company Secretaries through a process to be implemented by the Board. All assessments and evaluations carried out by the NC in the discharge of all its functions should be properly documented.

4.4 Assess the independence of the Independent Directors upon admission, annually and when any new interest or relationship develops and confirm the conduct of this assessment in the annual report of the Company and in any notice convening a general meeting seeking approval for the appointment and re-appointment of Independent Directors.

4.5 Recommend to the Board, Directors to fill the seats on other Board Committees.

4.6 Review annually the Board's required mix of skills and experience and other qualities, including core competencies which Non-Executive Directors bring to the Board.

4.7 Determine appropriate training for Directors, review the fulfillment of such training, and disclose details in the annual report as appropriate, in accordance with Bursa Malaysia Securities Berhad's guidelines on Directors' Training.

4.8 Consider and recommend the Directors for re-election at each Annual General Meeting.

4.9 Undertake any other duties as may be assigned by the Board of Directors from time to time.

ACTIVITIES OF THE NOMINATION COMMITTEE

The activities of the NC during financial year 2014 included:

- Reviewed the composition of the Board and Board sub-committees with regards to the mix of skills, independence and diversity in accordance with its policy as stated in the Group's Corporate Governance Statement to ensure compliance.
- Assessed and reviewed the independence and continuing independence of the Independent Directors
- Assessment of the effectiveness and performance of the Board, Directors and Board Sub-committees for financial year 2013; This is carried out through a self-assessment document that is completed by each

REPORT OF THE NOMINATION COMMITTEE (CONT'D)

director and reviewed by the NC. Assessment criteria include the following:

- Board composition
- Board process
- Performance of Board Committees
- Information provided to the Board
- Role of the Board in strategy and planning
- Risk management framework
- Accountability and standard of conduct of Directors

- Reviewed and assessed the training record and needs of each director, and proposed training courses to meet any shortfall or gaps in knowledge.
- Determined the Directors to stand for re-election and re-appointment at the 2014 Annual General Meeting on 21st May 2014.
- Reviewed the character, experience, integrity and competence of all the directors, the Chief Executive Officer and Financial Controller and assessed their performance in 2014, paying attention to whether each of the non-executive directors have made available sufficient time to discharge their responsibilities and duties.
- Considered the nomination of Datuk Noharuddin bin Nordin @ Haron as Independent Director.

Attendance Record at Board Meetings in financial year 2014

Director	Position	Attendance				Total
		26th Feb	21st May	20th Aug	18th Nov	
Dr Kee Kirk Chin	Chairman & CEO	✓	✓	✓	✓	4/4
Kee Tah Peng @ Hee Teck Peng	Non-Independent Non-Executive Director	✓	✓	✓	✓	4/4
Robert Dobson Millner	Non-Independent Non-Executive Director and Chairman of Remuneration Committee	✓	✓	✓	✓	4/4
Jackson Chevalier Yap-Kit-Siong	Non-Independent Non-Executive Director	x	✓	✓	✓	3/4
Leong Khai Cheong	Senior Independent Non-Executive Director and Chairman of Audit Committee	✓	✓	✓	✓	4/4
Heng Su-Ling Mae	Independent Non-Executive Director and Chairman of Nomination Committee	✓	✓	✓	✓	4/4
Dr Ahmad Kamal bin Md Aliff (Retired at the conclusion of 2014 Annual General Meeting)	Independent Non-Executive Director	✓	N / A	N / A	N / A	1/1
Tong Yew Sum (Appointed at the 2014 Annual General Meeting)	Independent Non-Executive Director	N / A	✓	✓	✓	3/3
Total Attendance		6/7	7/7	7/7	7/7	

The Secretary was present at all Board Meetings held in 2014.

REPORT OF THE NOMINATION COMMITTEE (CONT'D)

DIRECTORS' TRAINING

The Directors of the Company had attended the following training programmes/seminars during the financial year ended 31st December 2014:-

Name	Date	Subject
Dr Kee Kirk Chin	3rd June 2014	Risk Management & Internal Control Workshops for Audit Committee Members
	20th August 2014	Implementation of GST
Kee Tah Peng @ Hee Teck Peng	20th August 2014	Implementation of GST
Robert Dobson Millner	7th May 2014	What makes for a high performing board
	20th August 2014	Implementation of GST
Leong Khai Cheong	25th March 2014	The Corporate Governance Guide (Towards Boardroom Excellence - 2nd Edition)
	15th May 2014	Corporate Governance Seminar Malaysia
	20th August 2014	Implementation of GST
	4th November 2014 & 5th November 2014	MIA International Accountants Conference 2014
Jackson Chevalier Yap-Kit-Siong	20th August 2014	Implementation of GST
Heng Su-Ling Mae	3rd June 2014	Risk Management & Internal Control Workshops for Audit Committee Members
	20th August 2014	Implementation of GST
Tong Yew Sum	5th June 2014	Risk Management & Internal Control Workshops for Audit Committee Members
	2nd July 2014	Advocacy Sessions on Corporate Disclosures for Director
	6th August 2014 & 7th August 2014	Mandatory Accreditation Programme (MAP) for Directors of Public Listed Companies
	13th August 2014	Enhancing Internal Audit Practice
	20th August 2014	Implementation of GST
	14th October 2014	Risk Management & Internal Control: "An Integrated Assurance on Risk Management and Internal Control - Is Our Line of Defence Adequate and Effective"

SUSTAINABILITY STATEMENT

Apex Healthcare Berhad ('AHB'), with its mission of "Restoring Health, Enhancing Life" believes in serving the community in a sustainable manner, in all aspects of its business operations and in a way which brings value to all stakeholders.

Our Sustainability Statement sets out our approach, based on a foundation of considering the impact of our business endeavours on 'People, Profit and Planet', conveniently referred to as the 3Ps. We believe in sustainable development through the guiding principle of the three pillars of social development (People), economic advancement (Profit) and environmental protection (Planet).

PEOPLE

AHB upholds fair business practices toward all employees in every region where we conduct our business. We ensure that we do not take advantage of our people. A remuneration scheme based on performance is established to ensure that all employees are rewarded fairly. We aim to treat every employee with respect. Taking into account personal and cultural differences, we aim to respect and value our people's diversities and support them to realize their potential. We are concerned with the holistic wellbeing of our employees and we place importance on a healthy work-life balance, with due regard for our employees' working hours and weekends. We ensure a safe and healthy work environment is maintained at all times for our employees.

AHB has a clear vision and strategy in building people competencies and talents for long-term business sustainability and success. We have established Apex Healthcare Continuing Professional Development (CPD) as part of our people development strategies. Through continuing professional development, we aim to create an environment where our people are able to develop their skills and are inspired and motivated to be the best they can be. We place emphasis on effective talent-pool management to sustain the leadership pipeline. We devise models to identify the key roles, define core competencies and motivational profile, assess our people's competencies and institute suitable training programmes to develop the talent pool for advancement into the key roles.

A key element of our Sustainability Statement is to positively impact the communities where we operate through our Corporate Social Responsibility (CSR) initiatives. We have organised gotong royong sessions in schools to support them in their fight against dengue menace and conducted health talks, blood screening programs and blood donation campaign as well as provided donations to support humanitarian causes. In our efforts to nurture the leaders of tomorrow, we have sponsored book prizes for university students and hosted visits by undergraduates. In this regard, we are constantly looking for appropriate avenues to contribute to the communities in a manner which is both sustainable, and relevant to its mission of "Restoring Health, Enhancing Life". We also strive to protect and safeguard everyone who uses our products from harm. We ensure that only those products meeting defined standards of quality, safety and efficacy reach the marketplace.

PROFIT

While we continue to focus on delivering robust profitability, we do not only place emphasis on our internal profits but on the social benefits at large. We price our deliverables fairly thus ensuring a real economic benefit is enjoyed by our customers. Regular reviews are conducted to ensure our profit margins are competitive and fair; and not exploitative. Accurate and timely information is disseminated to our customers regarding our products to ensure each business transaction is conducted in a fair and transparent manner to maximise our customers' benefits.

We aim to give shareholders a fair return by ensuring that in all our business operations, we have the right business strategies in place, supported by optimal implementation of strategies with due emphasis on compliance and governance during the execution. For sustainable growth of the business, we will continue to reinvest to expand our areas of growth and to strengthen operational efficiencies; ultimately ensuring that the communities benefit too from the economic development of our business.

PLANET

AHB believes in sustainable environmental practices. Our environmental policy is to minimise adverse environmental impact as far as possible while ensuring that the relevant regulations and standards are met.

Our manufacturing operations have internal targets for product packaging, production scrap and reject

SUSTAINABILITY STATEMENT (CONT'D)

reduction, with monitoring systems in place to prevent and minimise waste. Such production waste is responsibly disposed of according to strict procedures which satisfy all the stringent regulations applicable to our industry. Likewise in our supply chain business, we strive to minimise product expiry, stock obsolescence and waste, through good management of inventory.

AHB endeavours to reduce its ecological footprint by carefully managing its consumption of energy. Our manufacturing and warehouse facilities review and set targets for energy consumption on a regular basis. In our logistics business, we have located our warehouses to be in geographical proximity with our customers, in order to minimise delivery times and distances. We will continue to explore ways to minimise water and energy consumption.

PRIVACY POLICY

Apex Healthcare Berhad and all its subsidiaries and associates (collectively referred to as "Apex Healthcare" or "we" or "us" or "our") respect and are committed to the protection of your personal data and your privacy. This Privacy Policy explains how we collect, store and handle your personal data in accordance with the Personal Data Protection Act 2010 ("PDPA").

Please read this Privacy Policy to understand how we use the personal data that we may collect from you. By providing your personal data to us or using our website, you are consenting to the terms and conditions of this Privacy Policy and the collection, use, access, transfer, storage and processing of your personal data as described in this Privacy Policy. If you do not wish to give us this consent, kindly notify us in writing and do not use any of the electronic forms on our website. Failure to consent to the terms and conditions of this Privacy Policy will result in us being unable to process your application, request and/or provide you with the relevant product(s) or service(s).

We reserve the right to amend this Privacy Policy at any time without prior notice. We advise that you check this Privacy Policy on a regular basis at our website **www.apexpharmacy.com.**

1. DEFINING PERSONAL DATA

1.1 Type of Personal Data

Personal data means any information which relates directly or indirectly to you and which was collected or provided to Apex Healthcare for the purposes stated in Section 2 below. Your personal information may encompass your name, identity card/passport number, date of birth, age, gender, nationality and race, photograph, education, occupation, job title, employment details, membership of professional associations, contact details including address, e-mail address, phone number and facsimile number, marital status, financial and banking account details, security recordings and location tracking information, and may include in certain cases, sensitive personal information relating to your health and pertinent details concerning your family members and other personal information which may be supplied to us from time to time.

1.2 Source of Personal Data

We may collect personal data from you when you:

- communicate with us
- register interest and/or submit your application for employment with Apex Healthcare
- register interest and/or request for information of our product(s) and/or service(s)
- register or subscribe for any of our product(s) and/or service(s)
- respond to any marketing materials we send out or distribute
- commence a business relationship with us
- visit any of our premises
- visit or browse our websites
- lodge a complaint with us
- provide feedback to us
- participate in any of our surveys
- enter into or participate in any event, workshop or programme run/organised by us
- subscribe to Apex Healthcare Berhad shares in the Bursa Malaysia Securities Berhad Main Market

Other than personal information obtained from you directly (as detailed above), we may also obtain your personal information from third parties we deal with or are connected with you (previous employer(s), credit reference agencies or financial institutions), and from such other sources where you have given your consent for the disclosure of information relating to you, and/or where otherwise lawfully permitted.

1.3 Obligatory Personal Data

All information requested for in the relevant forms is obligatory to be provided by you unless stated otherwise. Should you fail to provide the obligatory information, we will not be able to process your application, request and/or provide you with the relevant product(s) or service(s).

2. HOW WE USE YOUR PERSONAL DATA

PRIVACY POLICY (CONT'D)

Your personal data will be/is being collected, used and/or processed by Apex Healthcare for amongst others, the following purposes:

- to verify your identity
- to enable us to discharge our contractual obligations
- to establish and better manage any business relationship we may have with you
- to engage in business transactions in respect of products and/or services to be offered and provided to you
- to assess and process your application/request for our product(s) and/or service(s)
- to keep in contact with you and provide you with any information you have requested or which may interest you
- for recruitment
- for training and development
- to be used for human resource-related purposes
- to notify you about benefits and changes to the features of our product(s) and/or service(s)
- to administer and manage the product(s) and/or service(s) we provide you (including charging, billing, facilitating payments and collecting debts)
- to investigate and resolve any billing queries, complaints or other enquiries that you submit to us regarding our product(s) and/or service(s)
- to process any communication you send us (for example, dealing with any query, feedback or complaint)
- to assess and/or verify credit worthiness
- to conduct marketing activities (for example, market research)
- to facilitate your participation in any event, workshop or programme run/organised by us
- to develop, maintain and upgrade our business operating system and infrastructure for better efficiency
- to determine how we can improve our services to you
- to manage staff training and quality assurance
- to produce data, reports and statistics which shall be anonymised or aggregated in a manner that does not identify you as an individual
- to investigate, respond to, or defend claims made against, or involving Apex Healthcare
- to detect and prevent fraudulent activity
- to maintain records required for security, claims or other legal purposes
- to comply with legal and regulatory requirements and obligations
- for any other purposes that is required or permitted by any law, regulations, guidelines and/or relevant regulatory authorities.

3. DISCLOSURE OF PERSONAL DATA

Apex Healthcare will keep your personal data confidential but you hereby consent and authorise Apex Healthcare to disclose your personal data to relevant third parties (in and/or outside Malaysia) including:

- Third parties appointed by us to provide services to us or on our behalf (for example auditors, lawyers, company secretary, consultants, contractors, professional advisors, service providers, printing companies, contractors, business partners, conference/training/event organiser, other advisors, travel agencies and insurance companies)
- Any related, affiliated and subsidiaries or associated companies of Apex Healthcare
- Property management/utility/security companies for management of property purchased
- Relevant government agencies, statutory authorities, local council and industry regulators.

4. STORAGE AND RETENTION OF PERSONAL DATA

Your personal data will be stored either in hard copies in our premises or stored in servers located in Malaysia and will either be operated by us or our appointed service providers, consultants or advisors. Apex Healthcare does not rent or sell your personal data to third parties. Apex Healthcare will retain your personal data for the period necessary to fulfill the legal requirements of data retention as stipulated by the respective laws of Malaysia or to protect our interests.

5. PERSONAL DATA INTEGRITY AND SECURITY

We will take reasonable steps to make sure that the personal data we collect, use or disclose is accurate, complete, not misleading and up-to-date. We shall keep and process your data in a

PRIVACY POLICY (CONT'D)

secure manner. We endeavour, where practicable, to implement the appropriate administrative and security safeguards and procedures in accordance with the applicable laws and regulations to prevent the unauthorised or unlawful processing of your personal data and the accidental loss or destruction of, or damage to, your personal data.

In the event that transfer of your personal data outside of Malaysia is rendered necessary for the performance of the services required of us, the transfer of data will be done in accordance with the requirements of the PDPA and you are deemed to have consented to the said data transfer.

6. ACCESS AND CORRECTION TO YOUR PERSONAL DATA

You have the qualified right to access and correct your personal data held by us and in this respect, you may:

- check if we hold or use your personal data and request access to your personal data;
- request for correction of any of your personal information which is inaccurate, incomplete or not up-to-date;
- request for explanation on the policies and procedures in respect of your personal data provided to Apex Healthcare;
- request Apex Healthcare to stop processing your personal data for marketing purposes;
- request Apex Healthcare to limit the process of your personal data, including personal data limiting to the persons who may be identified from your personal data; and
- inform Apex Healthcare on your withdrawal (in full or in part) of your consent given previously to Apex Healthcare subject to any applicable restrictions, contractual conditions and a reasonable duration of time for the withdrawal of consent to be effected.

You may notify us in writing if you do not wish to receive any marketing materials from us and we shall immediately remove you from our marketing contact list.

We recommend that requests for access to your personal data be made in writing. We may also require you to provide us with additional information reasonably required to process your request.

Please note that under the PDPA, we have the right to refuse your requests to access or correct your personal data for certain reasons permitted under the PDPA. We have the right to also charge an administrative fee for responding to your requests.

7. YOUR OBLIGATIONS REGARDING YOUR PERSONAL DATA

You are responsible for informing us about changes to your personal data and for ensuring that such information is accurate, up-to-date and complete.

In the event you may need to provide us with personal data relating to third parties (for example about your spouse or children or where you are the designated person in charge for dealing with us or if you are acquiring and are responsible for a product and/or service that they will use), you confirm that you have (i) obtained their consent or otherwise entitled to provide their personal data to us and for us to use accordingly, and (ii) informed them to read this Privacy Policy at our website.

If you are using our website, you must remember to exit the browser window after use to prevent any unauthorised access to your personal data.

8. CONTACT INFORMATION

If you have any queries, please contact us at +603-56376888 from Monday to Friday (8.15am – 5pm, excluding public holidays) or e-mail us at **privacy@apexpharmacy.com.my**

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31st December 2014.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and the provision of management services. The principal activities of the subsidiaries consist of manufacturing, distribution, marketing and retailing of pharmaceutical products. Other activities include property rental and management.

There have been no significant changes in the nature of the principal activities during the financial year.

RESULTS

	Group RM	Company RM
Profit net of tax	33,977,177	33,887,699
Profit attributable to:		
Owners of the parent	33,864,277	33,887,699
Non-controlling interest	112,900	-
	33,977,177	33,887,699

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

The amounts of dividends paid by the Company since 31st December 2013 were as follows:

	RM
In respect of the financial year ended 31st December 2013 as reported in the directors' report of that year:	
Final single-tier dividend of 6.0 sen per share on 93,716,875 ordinary shares, declared on 26th February 2014 and paid on 5th June 2014;	5,623,011
In respect of the financial year ended 31st December 2014:	
Interim single-tier dividend of 3.5 sen per share on 117,146,093 ordinary shares, declared on 20th August 2014 and paid on 30th September 2014	4,100,111
	9,723,122

DIVIDENDS (Cont'd)

At the forthcoming Annual General Meeting, a final single-tier dividend of 6.0 sen per share in respect of the financial year ended 31st December 2014, on 117,146,093 ordinary shares, amounting to a dividend payable of RM7,028,766 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31st December 2015.

DIRECTORS

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Dr. Kee Kirk Chin	
Kee Tah Peng @ Hee Teck Peng	
Robert Dobson Millner	
Jackson Chevalier Yap-Kit-Siong	
Leong Khai Cheong	
Heng Su-Ling Mae	
Tong Yew Sum	(appointed at the 2014 Annual General Meeting)
Dr. Ahmad Kamal bin Md. Alif	(retired at the conclusion of 2014 Annual General Meeting)

Kee Tah Peng @ Hee Teck Peng and Tong Yew Sum retire pursuant to Section 129(2) of the Companies Act, 1965 ("the Act") and seek re-appointment as directors under Section 129(6) of the Act to hold office until the next Annual General Meeting of the Company.

In accordance with Article 89 of the Company's Articles of Association, Jackson Chevalier Yap-Kit-Siong and Heng Su-Ling Mae retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown in Note 12 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except as disclosed in Note 37 to the financial statements.

DIRECTORS' REPORT
(CONT'D)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares in the Company during the financial year were as follows:

	Number of ordinary shares of RM1 each			
	As at 1.1.2014	Bonus/ Acquired	Disposed	As at 31.12.2014
Direct interest:				
Dr. Kee Kirk Chin	750,000	187,500 #	-	937,500
Kee Tah Peng @ Hee Teck Peng	256,250	64,062 #	-	320,312
Robert Dobson Millner	18,750	4,687 #	-	23,437
Jackson Chevalier Yap-Kit-Siong	18,750	4,687 #	-	23,437
Leong Khai Cheong	118,750	29,687 #	-	148,437
Indirect interest:				
Dr. Kee Kirk Chin	38,430,711	156,000 9,633,144 #	-	48,219,855
Kee Tah Peng @ Hee Teck Peng	38,468,211	156,000 9,642,519 #	-	48,266,730

Bonus issue on the basis of 1 new ordinary share for every 4 existing ordinary shares on 24th June 2014.

Dr. Kee Kirk Chin and Kee Tah Peng @ Hee Teck Peng, by virtue of their interests in shares in the Company, are also deemed interested in shares in all the subsidiaries of the Company to the extent the Company has an interest.

The other directors in office at the end of the financial year do not have any interests in shares in the Company or its related corporations during the financial year.

ISSUE OF SHARES

During the financial year, the Company increased its:

(a) authorised ordinary share capital from RM100,000,000 to RM200,000,000 through the creation of 100,000,000 new ordinary shares of RM1.00 each; and

(b) issued and paid-up ordinary share capital from RM93,716,875 to RM117,146,093 by way of the issuance of 23,429,218 ordinary shares of RM1.00 each through a bonus issue of 1 new ordinary share for every 4 existing ordinary shares ("Bonus Issue") via the capitalisation of retained earnings of the Company.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

OTHER STATUTORY INFORMATION

(a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

  (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

  (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

  (i) the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and

  (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

(e) At the date of this report, there does not exist:

  (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

  (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(f) In the opinion of the directors:

  (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

  (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

DIRECTORS' REPORT
(CONT'D)

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 17th March 2015.

Dr. Kee Kirk Chin

Kee Tah Peng @ Hee Teck Peng

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, Dr. Kee Kirk Chin and Kee Tah Peng @ Hee Teck Peng, being two of the directors of Apex Healthcare Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 62 to 135 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31st December 2014 and of their financial performance and cash flows for the year then ended.

Supplementary information – breakdown of retained profits into realised and unrealised

Further to the statement by directors, pursuant to Section 169(15) of the Companies Act, 1965, as above, the information set out in Note 43 on page 136 to the financial statements have been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the Board in accordance with a resolution of the directors dated 17th March 2015.

Dr. Kee Kirk Chin **Kee Tah Peng @ Hee Teck Peng**

STATUTORY DECLARATION
PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, Chiew Woon Wui, being the officer primarily responsible for the financial management of Apex Healthcare Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 62 to 135 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed Chiew Woon Wui
at Melaka in Malaysia
on 17th March 2015 **Chiew Woon Wui**

Before me,

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF APEX HEALTHCARE BERHAD
(INCORPORATED IN MALAYSIA)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Apex Healthcare Berhad, which comprise statements of financial position as at 31st December 2014 of the Group and of the Company, and statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 62 to 135.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31st December 2014 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 19 to the financial statements, being financial statements that have been included in the consolidated financial statements.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF APEX HEALTHCARE BERHAD (CONT'D)
(INCORPORATED IN MALAYSIA)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS (Cont'd)

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

(d) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 43 on page 136 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young
AF: 0039
Chartered Accountants

Hoh Yoon Hoong
No. 2990/08/16(J)
Chartered Accountant

Kuala Lumpur, Malaysia
17th March 2015

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014

		Group		Company	
		2014	2013	2014	2013
	Note	RM	RM	RM	RM
Revenue	6	**499,237,418**	418,450,850	**36,442,368**	25,578,210
Cost of sales/services rendered	7	**(383,122,647)**	(312,887,604)	**(2,057,720)**	(1,697,148)
Gross profit		**116,114,771**	105,563,246	**34,384,648**	23,881,062
Other income	8	**4,264,970**	2,528,175	**1,942,674**	1,238,575
Administrative expenses		**(20,037,606)**	(18,078,078)	**(1,948,322)**	(1,735,519)
Selling and marketing expenses		**(55,041,098)**	(47,579,526)	**(22,753)**	(5,037)
Other expenses		**(586,560)**	(998,276)	**(142,227)**	(114,768)
Operating profit		**44,714,477**	41,435,541	**34,214,020**	23,264,313
Finance costs	9	**(8,034)**	(42,752)	**-**	-
Share of results of a joint venture		**82,918**	(777,470)	**-**	-
Share of results of an associate		**834,730**	-	**-**	-
Profit before tax	10	**45,624,091**	40,615,319	**34,214,020**	23,264,313
Income tax expense	13	**(11,646,914)**	(10,492,826)	**(326,321)**	(3,123,353)
Profit net of tax		**33,977,177**	30,122,493	**33,887,699**	20,140,960
Other comprehensive income					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations		**963,356**	1,853,284	**-**	-
Income tax effect		**-**	-	**-**	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods, representing total other comprehensive income		**963,356**	1,853,284	**-**	-
Total comprehensive income for the year		**34,940,533**	31,975,777	**33,887,699**	20,140,960

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014 (CONT'D)

		Group		Company	
		2014	2013	2014	2013
	Note	RM	RM	RM	RM
Profit attributable to:					
Owners of the parent		**33,864,277**	30,021,658	**33,887,699**	20,140,960
Non-controlling interest		**112,900**	100,835	**-**	-
		33,977,177	30,122,493	**33,887,699**	20,140,960
Total comprehensive income attributable to:					
Owners of the parent		**34,827,633**	31,874,942	**33,887,699**	20,140,960
Non-controlling interest		**112,900**	100,835	**-**	-
		34,940,533	31,975,777	**33,887,699**	20,140,960
Earnings per share attributable to owners of the parent (sen per share):					
Basic	14	**28.91**	25.63		
Net dividends per share in respect of the year (sen per share):	15	**9.50**	14.25		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31ST DECEMBER 2014

	Note	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Assets					
Non-current assets					
Property, plant and equipment	16	**99,554,525**	106,921,010	**516,549**	308,135
Investment properties	17	**5,854,699**	3,328,599	**-**	-
Intangible assets	18	**1,222,173**	1,190,400	**-**	-
Investment in subsidiaries	19	**-**	-	**56,377,940**	56,377,940
Investment in a joint venture	20	**-**	4,210,530	**-**	-
Investment in an associate	21	**7,116,178**	-	**7,245,139**	-
Deferred tax assets	22	**168,000**	376,000	**-**	-
Receivables	23	**10,000,000**	5,000,000	**18,996,750**	18,815,000
Long term investment	24	**5,520,000**	5,520,000	**5,520,000**	5,520,000
		129,435,575	126,546,539	**88,656,378**	81,021,075
Current assets					
Inventories	25	**51,697,590**	47,742,312	**-**	-
Receivables	23	**113,809,105**	101,323,661	**48,919,973**	35,151,365
Prepayments		**375,144**	120,087	**40,296**	13,747
Tax recoverable		**408,657**	482,049	**408,657**	432,579
Available-for-sale ("AFS") financial asset	26	**-**	3,928,206	**-**	3,870,090
Derivative financial instruments	27	**173,896**	24,596	**-**	-
Short term deposits	28	**26,770,562**	16,033,321	**11,795,562**	5,653,321
Cash and bank balances	28	**29,285,249**	16,770,787	**584,260**	273,408
		222,520,203	186,425,019	**61,748,748**	45,394,510
Assets classified as held for sale	29	**2,479,283**	-	**-**	-
		224,999,486	186,425,019	**61,748,748**	45,394,510
Total assets		**354,435,061**	312,971,558	**150,405,126**	126,415,585

STATEMENTS OF FINANCIAL POSITION

AS AT 31ST DECEMBER 2014 (CONT'D)

		Group		Company	
		2014	2013	2014	2013
	Note	RM	RM	RM	RM
Equity and liabilities					
Current liabilities					
Derivative financial instruments	27	**-**	571	**-**	-
Payables	30	**86,505,256**	70,374,296	**1,483,507**	1,658,543
Hire purchase payable	31	**11,130**	-	**-**	-
Current tax payable		**2,236,343**	1,770,785	**-**	-
		88,752,729	72,145,652	**1,483,507**	1,658,543
Non-current liabilities					
Hire purchase payable	31	**32,463**	-	**-**	-
Deferred tax liabilities	22	**5,358,995**	5,752,443	**-**	-
		5,391,458	5,752,443	**-**	-
Net current assets		**136,246,757**	114,279,367	**60,265,241**	43,735,967
Total liabilities		**94,144,187**	77,898,095	**1,483,507**	1,658,543
Net assets		**260,290,874**	235,073,463	**148,921,619**	124,757,042
Equity attributable to owners of the parent					
Share capital	32	**117,146,093**	93,716,875	**117,146,093**	93,716,875
Foreign currency translation reserve	33	**4,181,178**	3,217,822	**-**	-
Retained earnings	34	**138,607,958**	137,896,021	**31,775,526**	31,040,167
		259,935,229	234,830,718	**148,921,619**	124,757,042
Non-controlling interest		**355,645**	242,745	**-**	-
Total equity		**260,290,874**	235,073,463	**148,921,619**	124,757,042
Total equity and liabilities		**354,435,061**	312,971,558	**150,405,126**	126,415,585

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014

			← Attributable to owners of the parent →				
			Equity	← Non-distributable →		Distributable	
	Note	Equity, total RM	attributable to owners of the parent, total RM	Share capital (Note 32) RM	Foreign currency translation reserve (Note 33) RM	Retained earnings (Note 34) RM	Non-controlling interest RM
Group							
At 1st January 2014		**235,073,463**	**234,830,718**	**93,716,875**	**3,217,822**	**137,896,021**	**242,745**
Total comprehensive income		**34,940,533**	**34,827,633**	**-**	**963,356**	**33,864,277**	**112,900**
Transactions with owners							
Issuance of shares in respect of Bonus Issue	32	**-**	**-**	**23,429,218**	**-**	**(23,429,218)**	**-**
Dividends on ordinary shares, representing total transactions with owners	15	**(9,723,122)**	**(9,723,122)**	**-**	**-**	**(9,723,122)**	**-**
		(9,723,122)	**(9,723,122)**	**23,429,218**	**-**	**(33,152,340)**	**-**
At 31st December 2014		**260,290,874**	**259,935,229**	**117,146,093**	**4,181,178**	**138,607,958**	**355,645**
At 1st January 2013		216,452,344	216,310,434	93,716,875	1,364,538	121,229,021	141,910
Total comprehensive income		31,975,777	31,874,942	-	1,853,284	30,021,658	100,835
Transactions with owners							
Dividends on ordinary shares, representing total transactions with owners	15	(13,354,658)	(13,354,658)	-	-	(13,354,658)	-
At 31st December 2013		235,073,463	234,830,718	93,716,875	3,217,822	137,896,021	242,745

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014 (CONT'D)

	Note	Share capital (Note 32) RM	Distributable Retained earnings (Note 34) RM	Equity, total RM
Company				
At 1st January 2014		**93,716,875**	**31,040,167**	**124,757,042**
Total comprehensive income		**-**	**33,887,699**	**33,887,699**
Transaction with owners				
Issuance of shares in respect of Bonus Issue	32	**23,429,218**	**(23,429,218)**	**-**
Dividends on ordinary shares	15	**-**	**(9,723,122)**	**(9,723,122)**
		23,429,218	**(33,152,340)**	**(9,723,122)**
At 31st December 2014		**117,146,093**	**31,775,526**	**148,921,619**
At 1st January 2013		93,716,875	24,253,865	117,970,740
Total comprehensive income		-	20,140,960	20,140,960
Transaction with owners				
Dividends on ordinary shares	15	-	(13,354,658)	(13,354,658)
At 31st December 2013		93,716,875	31,040,167	124,757,042

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014

	Note	Group 2014 RM	Group 2013 RM (Restated)	Company 2014 RM	Company 2013 RM (Restated)
Operating activities					
Profit before tax		**45,624,091**	40,615,319	**34,214,020**	23,264,313
Adjustments for:					
Property, plant and equipment					
- depreciation	10	**8,797,252**	7,682,811	**83,555**	43,725
- written off	10	**2,024**	12,747	**5**	1,183
Depreciation of investment properties	10	**83,755**	72,717	**-**	-
Intangible assets					
- amortisation	10	**59,420**	43,677	**-**	-
- written off	10	**1**	-	**-**	-
(Gain)/loss on disposal of property, plant and equipment		**(306,227)**	(77,156)	**1,040**	-
Loss on disposal of intangible assets	10	**-**	3	**-**	-
Impairment loss on investment properties	10	**-**	118,766	**-**	-
Profit on disposal of AFS financial asset		**(406,594)**	-	**(464,710)**	-
Interest expense	9	**8,034**	42,752	**-**	-
Interest income		**(929,879)**	(478,402)	**(1,411,266)**	(886,281)
Dividend income	6	**-**	-	**(34,140,000)**	(23,490,000)
Net fair value gain on financial instruments:					
- Financial assets at fair value through profit or loss	8	**-**	(63,138)	**-**	-
- Derivatives		**(149,871)**	(7,462)	**-**	-
Dividend income from investment securities	8	**-**	(61,807)	**-**	-
Share of results of a joint venture		**(82,918)**	777,470	**-**	-
Share of results of an associate		**(834,730)**	-	**-**	-
Total adjustments carried forward		**6,240,267**	8,062,978	**(35,931,376)**	(24,331,373)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014 (CONT'D)

		Group		Company	
		2014	2013	2014	2013
	Note	RM	RM	RM	RM
			(Restated)		(Restated)
Operating activities (Cont'd)					
Total adjustments brought forward		**6,240,267**	8,062,978	**(35,931,376)**	(24,331,373)
Impairment loss on trade receivables	10	**1,235,253**	1,596,335	**-**	-
Reversal of impairment loss on trade receivables	10	**(1,118,702)**	(1,036,071)	**-**	-
Inventories written off	10	**197,583**	191,409	**-**	-
Inventories written down	10	**314,638**	696,941	**-**	-
Reversal of inventories written down	10	**(852,615)**	(840,965)	**-**	-
Unrealised foreign exchange gain	8	**(163,106)**	(324,486)	**(66,698)**	(352,294)
Total adjustments		**5,853,318**	8,346,141	**(35,998,074)**	(24,683,667)
Operating cash flows before changes in working capital		**51,477,409**	48,961,460	**(1,784,054)**	(1,419,354)
Changes in working capital					
Inventories		**(3,614,884)**	(4,666,708)	**-**	-
Receivables		**(17,857,052)**	(11,486,908)	**(18,898,209)**	(5,519,187)
Payables		**16,294,066**	4,517,127	**(175,036)**	319,187
Total changes in working capital		**(5,177,870)**	(11,636,489)	**(19,073,245)**	(5,200,000)
Cash generated from/(used in) operations		**46,299,539**	37,324,971	**(20,857,299)**	(6,619,354)
Tax paid		**(11,294,450)**	(10,068,716)	**(302,399)**	(15,176)
Dividends received		**-**	-	**34,140,000**	20,480,000
Net cash flows generated from operating activities		**35,005,089**	27,256,255	**12,980,302**	13,845,470

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014 (CONT'D)

		Group		Company	
		2014	2013	2014	2013
	Note	RM	RM	RM	RM
			(Restated)		(Restated)
Investing activities					
Investment in a joint venture		**-**	(4,988,000)	**-**	-
Investment in an associate		**(1,988,000)**	-	**(1,988,000)**	-
Dividends received from investment securities		**-**	61,807	**-**	-
Purchases of property, plant and equipment	16	**(5,846,438)**	(36,851,118)	**(293,714)**	(176,985)
Purchase of investment properties	17	**-**	(37,102)	**-**	-
Purchases of intangible assets	18	**(90,544)**	(36,000)	**-**	-
Proceeds from disposal of property, plant and equipment		**357,023**	146,798	**700**	-
Proceed from disposal of investment securities		**-**	30,557,139	**-**	-
Proceed from disposal of AFS financial asset		**4,334,800**	-	**4,334,800**	-
Interest received		**929,879**	478,402	**1,142,127**	886,281
(Placement in)/withdrawal from short term deposit		**(6,142,241)**	1,672,049	**(6,142,241)**	1,672,049
Net cash flows (used in)/generated from investing activities		**(8,445,521)**	(8,996,025)	**(2,946,328)**	2,381,345
Financing activities					
Dividends paid	15	**(9,723,122)**	(13,354,658)	**(9,723,122)**	(13,354,658)
Interest paid		**(8,034)**	(42,752)	**-**	-
Repayment of hire purchase payable		**(5,188)**	-	**-**	-
Placement in long term investment	24	**-**	(5,520,000)	**-**	(5,520,000)
Net cash flows used in financing activities		**(9,736,344)**	(18,917,410)	**(9,723,122)**	(18,874,658)
Net increase/(decrease) in cash and cash equivalents		**16,823,224**	(657,180)	**310,852**	(2,647,843)
Effect of exchange rate changes on cash and cash equivalents		**286,238**	458,740	**-**	-
Cash and cash equivalents at 1st January		**27,150,787**	27,349,227	**273,408**	2,921,251
Cash and cash equivalents at 31st December	28	**44,260,249**	27,150,787	**584,260**	273,408

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014

1. CORPORATE INFORMATION

Apex Healthcare Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The principal place of business and registered office of the Company is located at 1-5, Jalan TTC 1, Cheng Industrial Estate, 75250 Melaka.

The principal activities of the Company are investment holding and provision of management services. The principal activities of the subsidiaries consist of manufacturing, distribution, marketing and retailing of pharmaceutical products. Other activities include property rental and management.

There have been no significant changes in the nature of the principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 17th March 2015.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements have been prepared on a historical cost basis unless otherwise indicate in the summary of accounting policies below.

The financial statements are presented in Ringgit Malaysia ("RM") except when otherwise indicated.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

The Company controls an investee if and only if the Company has all the following:

(i) Power over the investee (i.e existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure, or rights, to variable returns from its involvement with the investee; and

(iii) The ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

(i) The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014 (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Basis of consolidation (Cont'd)

(ii) Potential voting rights held by the Company, other vote holders or other parties;

(iii) Rights arising from other contractual arrangements; and

(iv) Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in profit or loss. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of the investment.

2.3 Business combinations and goodwill

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are expensed and included in administrative expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with MFRS 139 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of MFRS 139, it is measured in accordance with the appropriate MFRS.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.3 Business combinations and goodwill (Cont'd)

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Subsidiaries are consolidated using the acquisition method of accounting except for certain subsidiaries, as disclosed in Note 19, which were acquired prior to 1st January 2002 using the merger method of accounting. These subsidiaries continue to be accounted for using the merger method of accounting.

Under the merger method of accounting, the results of the subsidiaries are presented as if the companies had been combined throughout the current and previous financial years. Any difference between the consideration paid and the share capital of the acquired subsidiary is reflected within equity as merger reserve. The merger reserve has been subsequently set off against retained earnings.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss. The accounting policy for goodwill is set out in Note 2.8(a).

2.4 Subsidiaries

A subsidiary is an entity over which the Group has all the following:

(i) Power over the investee (i.e existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure, or rights, to variable returns from its involvement with the investee; and

(iii) The ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2.5 Investment in an associate and a joint venture

An associate is an entity in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

On acquisition of an investment in associate or joint venture, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's or joint venture's profit or loss for the period in which the investment is acquired.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014 (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.5 Investment in an associate and a joint venture (Cont'd)

An associate or a joint venture is equity accounted for from the date on which the investee becomes an associate or a joint venture.

Under the equity method, on initial recognition the investment in an associate or a joint venture is recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture after the date of acquisition. When the Group's share of losses in an associate or a joint venture equal or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate or joint venture are recognised in the Group's financial statements only to the extent of unrelated investors' interests in the associate or joint venture. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The financial statements of the associates and joint ventures are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as "share of profit of an associate and a joint venture" in the statement of comprehensive income.

In the Company's separate financial statements, investments in associates and joint ventures are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2.6 Foreign currencies

(a) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

(b) Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency spot rate at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014 (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.6 Foreign currencies (Cont'd)

(b) Foreign currency transactions and balances (Cont'd)

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income ("OCI") until the net investment is disposed of, at which time, the cumulative amount is classified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value in the item (i.e., the translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

(c) Group companies

The assets and liabilities of foreign operations are translated into RM at the rate of exchange prevailing at the reporting date and their statement of comprehensive income are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of comprehensive income.

2.7 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

(a) Sale of goods

Revenue from sale of goods is recognised net of sales taxes and discounts upon the transfer of significant risk and rewards of ownership of the goods to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) Rendering of services

Revenue from services rendered is recognised as and when the services are performed.

(c) Dividend income

Dividend income is recognised when the Group's and the Company's right to receive payment is established.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014 (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.7 Revenue recognition (Cont'd)

(d) Interest income

Interest income is recognised using the effective interest method.

(e) Rental income

Rental income from investment properties is recognised on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(f) Management service fees

Management service fees are recognised when services are rendered.

2.8 Intangible assets

(a) Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

(b) Other intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial recognition, intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014 (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.8 Intangible assets (Cont'd)

(b) Other intangible assets (Cont'd)

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss.

Intangible assets with indefinite useful lives or not yet available for use are not amortised, but are tested for impairment annually either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Research and development cost

All research costs are recognised in the profit or loss as incurred.

(i) Trademark

Trademark was acquired through business combinations. The useful life of trademark is estimated to be indefinite because based on the current market share of the trademark, management believes there is no foreseeable limit to the period over which the trademark are expected to generate net cash flows to the Group. Trademark is stated at cost less any impairment losses. They are not amortised but tested for impairment annually or more frequently when indicators of impairment are identified.

(ii) Computer software

Software costs, considered to have finite useful lives, are stated at cost less any impairment losses and amortised using the straight-line basis over the commercial lives of the underlying products not exceeding 5 years. Impairment is assessed whenever there is an indication of impairment and the amortisation period and method are also reviewed at least at each reporting date.

2.9 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014 (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.9 Property, plant and equipment (Cont'd)

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. Freehold land is measured at cost less any accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated. Leasehold land are depreciated over the period of their respective lease term. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold land	38 - 88 years
Buildings	2 - 3%
Plant, machinery and factory equipment	10 - 15%
Furniture, fittings and equipment	10 - 33 1/3%
Motor vehicles	20%
Renovation	10 - 20%

Capital-in-progress included in plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

2.10 Investment properties

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and any accumulated impairment losses. All other repair and maintenance costs are recognised in profit or loss as incurred. The investment properties are depreciated in accordance with that for property, plant and equipment as described in Note 2.9.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. Transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purpose.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.11 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")). In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses including impairment on inventories, are recognised in profit or loss in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

2.12 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined using the standard cost and the weighted average methods. The cost of raw materials comprises costs of purchase. The cost of finished goods and work-in-progress consists of raw materials, direct labour, other direct costs and appropriate proportion of manufacturing overheads based on normal operating capacity. Standard cost approximates actual cost calculated on a weighted average basis.

Net realisable value is the estimate selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

2.13 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at banks and short term deposits with a maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014 (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.14 Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets.

(a) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that is held primarily for trading purposes are presented as current whereas financial assets that is not held primarily for trading purposes are presented as current or non-current based on the settlement date.

(b) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

(c) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are designated as available for sale or are not classified in any of the two preceding categories.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014 (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.14 Financial assets (Cont'd)

(c) Available-for-sale financial assets (Cont'd)

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

2.15 Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

(a) Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014 (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.15 Impairment of financial assets (Cont'd)

(a) Trade and other receivables and other financial assets carried at amortised cost (Cont'd)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(b) Unquoted equity securities carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(c) Available-for-sale financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

2.16 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014 (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.16 Financial liabilities (Cont'd)

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

(b) Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.17 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

(a) Group as a lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014 (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.17 Leases (Cont'd)

(a) Group as a lessee (Cont'd)

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(b) Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.7(e).

2.18 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.19 Income taxes

(a) Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.19 Income taxes (Cont'd)

(b) Deferred tax (Cont'd)

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax, except:

- where the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014 (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.20 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance costs.

2.21 Employee benefits

(a) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(b) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. The Group's foreign subsidiaries in the Republic of Singapore make contributions to their country's Central Provident Fund ("CPF"). Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2.22 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary.

Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

2.23 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 41, including the factors used to identify the reportable segments and the measurement basis of segment information.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.24 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.25 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's financial statements requires management to make judgements, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

(a) Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on MFRS 140 in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rental or for capital appreciation or both.

Some properties comprise a portion that is held to earn rental or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014 (CONT'D)

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (Cont'd)

3.1 Judgements made in applying accounting policies (Cont'd)

(b) Operating lease commitments – as lessor

The Group has entered into commercial property leases on its investment properties. The commercial properties combined leases of land and buildings. At the inception of the lease, it was not possible to obtain a reliable estimate of the split of the fair values of the lease interest between the land and the buildings. Therefore, the Group evaluated based on terms and conditions of the arrangement, whether the land and the buildings were clearly operating leases or finance leases. The Group assessed the following:

(i) The land titles do not pass to the Group, and

(ii) The rentals paid to the landlord for the commercial properties are increased to the market rent at regular intervals, and the Group does not participate in the residual value of the building.

Management judged that the Group retains all the significant risks and rewards of ownership of these properties, thus accounted for the contracts as operating leases.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment of trademark

The Group determines whether the trademark is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units ("CGU") to which the trademark is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the trademark as at 31st December 2014 is RM1,075,850 (2013: RM1,075,200). Further details are disclosed in Note 18.

(b) Useful lives of plant and equipment

The cost of plant and equipment for the manufacture of pharmaceutical products is depreciated on a straight-line basis over the assets' estimated economic useful lives. Management estimates the useful lives of these plant and equipment to be within 7 to 10 years. These are common life expectancies applied in the pharmaceutical industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of the Group's plant and equipment at the reporting date is disclosed in Note 16.

(c) Impairment of loans and receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payment.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (Cont'd)

3.2 Key sources of estimation uncertainty (Cont'd)

(c) Impairment of loans and receivables (Cont'd)

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivables at reporting date is disclosed in Note 23.

(d) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with future tax planning strategies.

Assumptions about generation of future taxable profits depend on management's estimates of future cash flows. These depends on estimates of future production and sales volume, operating costs, capital expenditure, dividends and other capital management transactions. Judgement is also required about application of income tax legislation. These judgements and assumptions are subject to risks and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the statements of financial position and the amount of unrecognised tax losses and unrecognised temporary differences.

The carrying value of deferred tax assets of the Group at 31st December 2014 was RM168,000 (2013: RM376,000) and the unrecognised tax losses at 31st December 2014 was RM187,500 (2013: RM115,487).

(e) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax provisions already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the relevant tax authority.

(f) Provision for liabilities

The Group reviews provision for liabilities at each reporting date and adjusts the provision to reflect the current best estimate. Provision for employee benefits expense in respect of performance bonuses and incentive trip are recognised after taking into consideration of the following:

(i) Present obligation as at the reporting date based on the performance of the Group as at reporting date and the past trend of actual payment; and

(ii) The best estimate of the expenditure required to settle the present obligation as at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014 (CONT'D)

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (Cont'd)

3.2 Key sources of estimation uncertainty (Cont'd)

(g) Write down of inventories

The Group reviews at each reporting date for excess inventory and obsolescence. Inventories are written down to reflect the current net realisable value, which represent the management's estimation of the value recoverable through sale. The carrying amount of the Group's inventories at reporting date is disclosed in Note 25.

4. CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1st January 2014, the Group and the Company adopted the following new and amended MFRSs and IC Interpretation mandatory for annual financial periods beginning on or after 1st January 2014.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1st January 2014
Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities	1st January 2014
Amendments to MFRS 136: Recoverable Amount Disclosures for Non-Financial Assets	1st January 2014
Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting	1st January 2014
IC Interpretation 21 Levies	1st January 2014

The nature and impact of the new and amended MFRSs and IC Interpretation are described below:

Amendments to MFRS 132: Offsetting financial assets and financial liabilities

The amendments clarify the meaning of "currently has a legally enforceable right to set-off" and "simultaneous realisation and settlement". These amendments are to be applied retrospectively. These amendments have no impact on the Group, since none of the entities in the Group has any offsetting arrangements.

Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment entities

These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under MFRS 10 Consolidated Financial Statements and must be applied retrospectively, subject to certain transition relief. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. These amendments have no impact on the Group, since none of the entities in the Group qualifies to be an investment entity under MFRS 10.

Amendments to MFRS 136: Recoverable amount disclosures for non-financial assets

The amendments to MFRS 136 remove the requirement to disclose the recoverable amount of a cash-generating unit ("CGU") to which goodwill or other intangible assets with indefinite useful lives has been allocated when there has been no impairment or reversal of impairment of the related CGU. In addition, the amendments introduce additional disclosure requirements when the recoverable amount is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by MFRS 13 Fair Value Measurements.

The application of these amendments has had no material impact on the disclosures in the Group's and the Company's financial statements.

4. CHANGES IN ACCOUNTING POLICIES (Cont'd)

Amendments to MFRS 139: Novation of derivatives and continuation of hedge accounting

These amendments provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measure of hedge effectiveness. Retrospective application is required.

These amendments have no impact on the Group as the Group does not have any derivatives that are subject to novation.

IC Interpretation 21 Levies

IC 21 defines a levy and clarifies that the obligating event which gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. For a levy which is triggered upon reaching a minimum threshold, IC 21 clarifies that no liability should be recognised before the specified minimum threshold is reached. Retrospective application is required. The application of IC 21 has had no material impact on the disclosures or on the amounts recognised in the Group's and the Company's financial statements.

5. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 119: Defined Benefit Plans: Employee Contributions	1st July 2014
Annual Improvements to MFRSs 2010 – 2012 Cycle	1st July 2014
Annual Improvements to MFRSs 2011 – 2013 Cycle	1st July 2014
Annual Improvements to MFRSs 2012 – 2014 Cycle	1st January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1st January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture: Bearer Plants	1st January 2016
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1st January 2016
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1st January 2016
Amendments to MFRS 127: Equity Method in Separate Financial Statements	1st January 2016
Amendments to MFRS 101: Disclosure Initiatives	1st January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities: Applying the Consolidation Exception	1st January 2016
MFRS 14 Regulatory Deferral Accounts	1st January 2016
MFRS 15 Revenue from Contracts with Customers	1st January 2017
MFRS 9 Financial Instruments	1st January 2018

5. STANDARDS ISSUED BUT NOT YET EFFECTIVE (Cont'd)

The directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of initial application except as discussed below:

Amendments to MFRS 101: Disclosure initiatives

The amendments to MFRS 101 include narrow-focus improvements in the following five areas:

- Materiality
- Disaggregation and subtotals
- Notes structure
- Disclosure of accounting policies
- Presentation of items of other comprehensive income arising from equity accounted investments

The directors of the Company do not anticipate that the application of these amendments will have a material impact on the Group's and the Company's financial statements.

MFRS 15 Revenue from contracts with customers

MFRS 15 establishes a new five-step models that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 Revenue, MFRS 111 Construction Contracts and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

Either a full or modified retrospective application is required for annual periods beginning on or after 1st January 2017 with early adoption permitted. The Group is currently assessing the impact of MFRS 15 and plans to adopt the new standard on the required effective date.

MFRS 9 Financial instruments

In November 2014, MASB issued the final version of MFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous versions of MFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1st January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of MFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014 (CONT'D)

6. REVENUE

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Sale of pharmaceutical products	**498,888,249**	418,117,514	**-**	-
Rental income from investment properties	**349,169**	333,336	**-**	-
Dividend income from subsidiaries	**-**	-	**34,140,000**	23,490,000
Management service fees from subsidiaries	**-**	-	**2,302,368**	2,088,210
	499,237,418	418,450,850	**36,442,368**	25,578,210

7. COST OF SALES/SERVICES RENDERED

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Cost of goods sold on pharmaceutical products	**382,848,155**	312,626,429	**-**	-
Direct cost arising from investment properties that generated rental income	**274,492**	261,175	**-**	-
Cost relating to rendering of management services	**-**	-	**2,057,720**	1,697,148
	383,122,647	312,887,604	**2,057,720**	1,697,148

8. OTHER INCOME

Included in other income are the following:

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Interest income on:				
- advances to subsidiaries	**-**	-	**647,648**	551,919
- advances to an associate	**188,630**	-	**25,274**	-
- short term deposits	**741,249**	478,402	**469,205**	334,362
Fair value adjustments on interest free loan	**-**	-	**269,139**	-
Rental receivable from operating leases, other than those relating to investment properties	**989,573**	435,832	**-**	-
Gain on disposal of AFS financial assets	**406,594**	-	**464,710**	-
Gain on disposal of property, plant and equipment	**306,227**	77,156	**-**	-
Fair value gains on financial instruments:				
- financial assets at fair value through profit or loss	**-**	63,138	**-**	-
- derivatives (Note 27)	**149,871**	16,436	**-**	-
Dividend income from investment securities	**-**	61,807	**-**	-
Net gain on foreign exchange:				
- realised	**245,837**	46,568	**-**	-
- unrealised	**163,106**	324,486	**66,698**	352,294
Product development fee	**156,000**	420,000	**-**	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014 (CONT'D)

9. FINANCE COSTS

	Group 2014 RM	Group 2013 RM
Interest expense on:		
- bank overdraft	**6,573**	33,626
- bankers' acceptance	**-**	9,126
- hire purchase payable	**1,461**	-
	8,034	42,752

10. PROFIT BEFORE TAX

The following items have been included in arriving at profit before tax:

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Auditors' remuneration				
- current year	**272,339**	220,500	**62,000**	51,000
- over provision in respect of previous year	**(509)**	-	**-**	-
Employee benefits expense (Note 11)	**47,109,985**	41,024,088	**1,558,970**	1,190,148
Directors' fees (Note 12)				
- executive director	**63,000**	63,000	**63,000**	63,000
- non-executive directors	**435,750**	444,000	**435,750**	444,000
Consulting fees paid to a director	**180,000**	180,000	**180,000**	180,000
Property, plant and equipment				
- depreciation (Note 16)	**8,797,252**	7,682,811	**83,555**	43,725
- written off	**2,024**	12,747	**5**	1,183
Depreciation of investment properties (Note 17)	**83,755**	72,717	**-**	-
Intangible assets				
- amortisation (Note 18)	**59,420**	43,677	**-**	-
- written off	**1**	-	**-**	-
Loss on disposal of property, plant and equipment	**-**	-	**1,040**	-
Loss on disposal of intangible assets	**-**	3	**-**	-
Fair value loss on derivative financial instruments	**-**	8,974	**-**	-
Realised loss on foreign exchange	**3,025**	64,034	**-**	-
Rental expenses	**1,583,092**	1,818,900	**439,440**	330,600
Research and development cost	**1,096,110**	1,124,631	**-**	-
Impairment loss on trade receivables (Note 23)	**1,235,253**	1,596,335	**-**	-
Bad debts recovered	**(6,198)**	(55)	**-**	-
Reversal of impairment loss on trade receivables (Note 23)	**(1,118,702)**	(1,036,071)	**-**	-
Reversal of inventories written down (Note 25)	**(852,615)**	(840,965)	**-**	-
Inventories written off	**197,583**	191,409	**-**	-
Inventories written down	**314,638**	696,941	**-**	-
Impairment loss on investment properties (Note 17)	**-**	118,766	**-**	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014 (CONT'D)

11. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM	**RM**	**RM**	**RM**
Wages, salaries and social security contributions	**40,914,877**	35,648,776	**1,219,725**	925,102
Contributions to defined contribution plans	**5,396,484**	4,660,203	**221,158**	166,307
Other benefits	**798,624**	715,109	**118,087**	98,739
	47,109,985	41,024,088	**1,558,970**	1,190,148

Included in employee benefit expense of the Group and of the Company are executive director's remuneration other than director's fees and benefits-in-kind amounting to RM2,051,122 and RM552,968 (2013: RM1,896,248 and RM243,170) respectively.

12. DIRECTORS' REMUNERATION

The details of remuneration receivable by directors of the Company during the year are as follows:

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM	**RM**	**RM**	**RM**
Executive director:				
- fees (Note 10)	**63,000**	63,000	**63,000**	63,000
- salaries and other emoluments	**674,256**	652,260	**102,360**	102,360
- bonus	**1,238,358**	1,151,602	**368,268**	107,927
- defined contribution plans	**138,508**	92,386	**82,340**	32,883
Total executive director's remuneration (excluding benefits-in-kind)	**2,114,122**	1,959,248	**615,968**	306,170
- benefits-in-kind	**52,949**	46,310	**52,949**	46,310
Total executive director's remuneration (including benefits-in-kind)	**2,167,071**	2,005,558	**668,917**	352,480
Non-executive directors:				
- fees (Note 10)	**435,750**	444,000	**435,750**	444,000
- other emoluments	**251,881**	242,262	**251,881**	242,262
	687,631	686,262	**687,631**	686,262
- benefits-in-kind	**52,970**	58,231	**17,810**	21,837
Total non-executive directors' remuneration	**740,601**	744,493	**705,441**	708,099
Total directors' remuneration	**2,907,672**	2,750,051	**1,374,358**	1,060,579

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014 (CONT'D)

12. DIRECTORS' REMUNERATION (Cont'd)

The number of directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of directors	
	2014	**2013**
Executive director:		
RM2,000,001 - RM2,050,000	**-**	1
RM2,150,001 - RM2,200,000	**1**	-
Non-executive directors:		
RM50,001 - RM100,000	**3**	4
RM100,001 - RM150,000	**2**	1
RM250,001 - RM300,000	**1**	1

13. INCOME TAX EXPENSE

Major components of income tax expense

The major components of income tax expense for the years ended 31st December 2014 and 2013 are:

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM	**RM**	**RM**	**RM**
Statement of comprehensive income:				
Current income tax:				
- Malaysian income tax	**11,474,990**	10,245,891	**329,426**	3,146,659
- Foreign tax	**334,488**	167,338	**-**	-
- Under/(over) provision in respect of previous years	**23,922**	(215,389)	**(3,105)**	(23,306)
	11,833,400	10,197,840	**326,321**	3,123,353
Deferred tax (Note 22):				
- Relating to origination and reversal of temporary differences	**(219,788)**	339,435	**-**	-
- Under/(over) provision in respect of previous year	**33,302**	(44,449)	**-**	-
	(186,486)	294,986	**-**	-
Income tax expense recognised in profit or loss	**11,646,914**	10,492,826	**326,321**	3,123,353

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014 (CONT'D)

13. INCOME TAX EXPENSE (Cont'd)

Reconciliation between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31st December 2014 and 2013 are as follows:

	2014 RM	2013 RM
Group		
Profit before tax	**45,624,091**	40,615,319
Tax at Malaysian statutory tax rate of 25% (2013: 25%)	**11,406,023**	10,153,830
Different tax rates in other countries	**(194,842)**	(70,395)
Adjustments:		
Share of results of a joint venture	**20,730**	(194,368)
Share of results of an associate	**208,682**	-
Income not subject to taxation	**(556,447)**	(67,158)
Non-deductible expenses	**794,881**	1,150,105
Deferred tax assets not recognised in respect of deductible temporary differences	**20,330**	5,925
Double deduction for tax purposes	**(109,667)**	(225,275)
Under/(over) provision of income tax in respect of previous year	**23,922**	(215,389)
Under/(over) provision of deferred tax in respect of previous year	**33,302**	(44,449)
Income tax expense recognised in profit or loss	**11,646,914**	10,492,826
Company		
Profit before tax	**34,214,020**	23,264,313
Tax at Malaysian statutory tax rate of 25% (2013: 25%)	**8,553,505**	5,816,078
Adjustments:		
Income not subject to taxation	**(8,803,619)**	(2,978,398)
Non-deductible expenses	**579,540**	308,979
Over provision of income tax in prior years	**(3,105)**	(23,306)
Income tax expense recognised in profit or loss	**326,321**	3,123,353

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2013: 25%) of the estimated assessable profit for the year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014 (CONT'D)

14. BASIC EARNINGS PER SHARE

Basic earnings per share amount is calculated by dividing profit for the year, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year.

The comparative figure of weighted average number of ordinary shares in issue of 93,716,875 of RM1.00 each as previously reported was restated to 117,146,093 ordinary shares of RM1.00 each as if the Bonus Issue had taken place at the earliest date presented.

The following reflect the profit and share data used in the computation of basic earnings per share for the years ended 31st December:

	Group	
	2014	**2013**
Profit net of tax attributable to owners of the parent used in the computation of basic earnings per share (RM)	**33,864,277**	30,021,658
Weighted average number of ordinary shares in issue	**117,146,093**	117,146,093
Basic earnings per share (sen)	**28.91**	25.63

The Company does not have any dilutive potential ordinary shares. Accordingly, the diluted earnings per share is not presented.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014 (CONT'D)

15. DIVIDENDS

	2014		2013	
	Dividend per share net of tax Sen	**Amount of dividend net of tax RM**	**Dividend per share net of tax Sen**	**Amount of dividend net of tax RM**
In respect of financial year ended 31st December 2014:				
- Interim single-tier dividend of 3.5 sen per share on 117,146,093 ordinary shares	**3.50**	**4,100,111**	-	-
In respect of financial year ended 31st December 2013:				
- Final single-tier dividend of 6.0 sen per share on 93,716,875 ordinary shares	**6.00**	**5,623,011**	-	-
- Interim single-tier dividend of 4.0 sen per share on 93,716,875 ordinary shares	**-**	**-**	4.00	3,748,675
In respect of financial year ended 31st December 2012:				
- Final dividend of 3.0 sen gross per share less 25% tax on 93,716,875 ordinary shares	**-**	**-**	2.25	2,108,633
- Final tax-exempt dividend of 3.0 sen per share on 93,716,875 ordinary shares	**-**	**-**	3.00	2,811,506
- Special tax-exempt dividend of 5.0 sen per share on 93,716,875 ordinary shares	**-**	**-**	5.00	4,685,844
	9.50	**9,723,122**	14.25	13,354,658

At the forthcoming Annual General Meeting, a final single-tier dividend of 6.0 sen per share in respect of the financial year ended 31st December 2014, on 117,146,093 ordinary shares, amounting to a dividend payable of RM7,028,766 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31st December 2015.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014 (CONT'D)

16. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM	Buildings on freehold land RM	Leasehold land RM	Buildings on leasehold land RM	Plant, machinery and factory equipment RM	Furniture, fittings and equipment RM	Motor vehicles RM	Renovation RM	Capital-in-progress RM	Total RM
At 31st December 2014										
Cost										
At 1st January 2014	11,538,099	10,838,736	7,824,600	49,313,037	48,954,225	31,563,122	5,173,821	375,105	680,552	166,261,297
Additions	-	-	-	26,831	1,812,873	1,828,022	948,645	75,671	1,203,177	5,895,219
Disposals	-	-	-	-	(425,922)	(90,688)	(838,209)	-	-	(1,354,819)
Transfers to investment properties (Note 17)	(3,119,699)	(2,351,160)	-	-	759,252	55,300	-	-	(814,552)	(5,470,859)
Written off	-	-	-	-	(66,730)	(616,890)	-	-	-	(683,620)
Exchange differences	-	-	-	570,783	-	103,557	2,438	-	-	676,778
At 31st December 2014	8,418,400	8,487,576	7,824,600	49,910,651	51,033,698	32,842,423	5,286,695	450,776	1,069,177	165,323,996
Accumulated depreciation and impairment loss										
At 1st January 2014	-	1,826,996	374,028	2,462,905	30,051,351	21,660,090	2,905,389	59,528	-	59,340,287
Depreciation charge for the year (Note 10)	-	177,800	89,644	1,162,791	3,776,065	2,647,794	900,001	43,157	-	8,797,252
Disposals	-	-	-	-	(425,094)	(88,945)	(789,984)	-	-	(1,304,023)
Transfers to investment properties (Note 17)	-	(470,705)	-	-	-	-	-	-	-	(470,705)
Written off	-	-	-	-	(65,890)	(615,706)	-	-	-	(681,596)
Exchange differences	-	-	-	19,556	-	67,789	911	-	-	88,256
At 31st December 2014	-	1,534,091	463,672	3,645,252	33,336,432	23,671,022	3,016,317	102,685	-	65,769,471
Net carrying amount										
At 31st December 2014	8,418,400	6,953,485	7,360,928	46,265,399	17,697,266	9,171,401	2,270,378	348,091	1,069,177	99,554,525

16. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Group	Freehold land RM	Buildings on freehold land RM	Leasehold land RM	Buildings on leasehold land RM	Plant, machinery and factory equipment RM	Furniture, fittings and equipment RM	Motor vehicles RM	Renovation RM	Capital-in-progress RM	Total RM
At 31st December 2013										
Cost										
At 1st January 2013	11,426,188	10,754,461	7,824,600	16,369,311	46,803,734	27,454,363	5,041,643	287,000	2,687,235	128,648,535
Additions	-	-	-	28,526,945	596,689	3,435,057	598,955	88,105	3,605,367	36,851,118
Disposals	-	-	-	-	(9,900)	(13,327)	(470,556)	-	-	(493,783)
Transfers	-	-	-	3,276,097	1,630,932	705,021	-	-	(5,612,050)	-
Written off	-	-	-	-	(67,230)	(217,927)	-	-	-	(285,157)
Exchange differences	111,911	84,275	-	1,140,684	-	199,935	3,779	-	-	1,540,584
At 31st December 2013	11,538,099	10,838,736	7,824,600	49,313,037	48,954,225	31,563,122	5,173,821	375,105	680,552	166,261,297
Accumulated depreciation and impairment loss										
At 1st January 2013	-	1,613,904	280,521	1,865,191	26,478,512	19,490,337	2,449,003	29,217	-	52,206,685
Depreciation charge for the year (Note 10)	-	196,298	93,507	588,180	3,649,965	2,263,345	861,205	30,311	-	7,682,811
Disposals	-	-	-	-	(9,898)	(8,547)	(405,696)	-	-	(424,141)
Written off	-	-	-	-	(67,228)	(205,182)	-	-	-	(272,410)
Exchange differences	-	16,794	-	9,534	-	120,137	877	-	-	147,342
At 31st December 2013	-	1,826,996	374,028	2,462,905	30,051,351	21,660,090	2,905,389	59,528	-	59,340,287
Net carrying amount										
At 31st December 2013	11,538,099	9,011,740	7,450,572	46,850,132	18,902,874	9,903,032	2,268,432	315,577	680,552	106,921,010

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014 (CONT'D)

16. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Company	**Furniture, fittings and equipment RM**
Cost	
At 1st January 2013	384,900
Additions	176,985
Written off	(34,719)
At 31st December 2013	527,166
Additions	293,714
Disposals	(2,400)
Written off	(8,999)
At 31st December 2014	809,481
Accumulated depreciation	
At 1st January 2013	208,842
Depreciation charge for the year (Note 10)	43,725
Written off	(33,536)
At 31st December 2013	219,031
Depreciation charge for the year (Note 10)	83,555
Disposals	(660)
Written off	(8,994)
At 31st December 2014	292,932
Net carrying amount	
At 31st December 2014	516,549
At 31st December 2013	308,135

(a) The Group's freehold land and building with a carrying amount of RM Nil (2013: RM4,664,223) are mortgaged to secure the Group's undrawn banking facilities.

(b) Acquisitions of property, plant and equipment were financed as follows:

	Group	
	2014 RM	**2013 RM**
Cash	**5,846,438**	36,851,118
Hire purchase	**48,781**	-
	5,895,219	36,851,118

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014 (CONT'D)

16. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

(c) The carrying amount of furniture, fittings and equipment held under finance leases at the reporting date were RM39,024 (2013: RM Nil).

(d) During the financial year, the Group transferred one unit of one and a half storey terraced factory and one unit of warehouse from freehold land and buildings to investment properties amounting to RM5,000,154.

17. INVESTMENT PROPERTIES

	Group	
	2014 RM	**2013 RM**
Cost		
At beginning of financial year	**3,663,682**	3,626,580
Additions	**-**	37,102
Transfers from property, plant and equipment (Note 16)	**5,470,859**	-
Reclassified as held for sale (Note 29)	**(2,690,000)**	-
Exchange differences	**98,093**	-
At end of financial year	**6,542,634**	3,663,682
Accumulated depreciation and impairment		
At beginning of financial year	**335,083**	143,600
Depreciation charge for the financial year (Note 10)	**83,755**	72,717
Impairment (Note 10)	**-**	118,766
Transfers from property, plant and equipment (Note 16)	**470,705**	-
Reclassified as held for sale (Note 29)	**(210,717)**	-
Exchange differences	**9,109**	-
At end of financial year	**687,935**	335,083
Net carrying amount	**5,854,699**	3,328,599

Fair value measurement hierarchy for investment properties is as follows:

	Valuation method	**Date of valuation**	**Fair value measurement using significant unobservable inputs (Level 3) RM**
As at 31st December 2014			
Commercial properties	Comparison method	31st December 2014	**1,500,000**
Warehouse	Comparison method	20th January 2015	**10,865,000**
As at 31st December 2013			
Commercial properties	Comparison method	13th December 2013	3,450,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014 (CONT'D)

17. INVESTMENT PROPERTIES (Cont'd)

The properties are valued by reference to transactions of similar properties in surrounding with adjustments made for differences in location, terrain, size and shape of the land, tenure, title restrictions, if any and other relevant characteristics.

The Group's investment properties with a carrying amount of RM4,716,199 (2013: RM Nil) are mortgaged to secure the Group's undrawn banking facilities.

During the financial year, the Group has reclassified 2 units of retail premises amounting to RM2,479,283 (2013: RM Nil) to assets classified as held for sale as disclosed in Note 29.

18. INTANGIBLE ASSETS

	Trademark RM	Computer software RM	Total RM
Group			
Cost			
At 1st January 2013	1,073,900	2,311,343	3,385,243
Additions	-	36,000	36,000
Disposals	-	(3,600)	(3,600)
Exchange differences	1,300	25,306	26,606
At 31st December 2013	1,075,200	2,369,049	3,444,249
Additions	-	90,544	90,544
Written off	-	(64,813)	(64,813)
Exchange differences	650	8,435	9,085
At 31st December 2014	**1,075,850**	**2,403,215**	**3,479,065**
Accumulated amortisation			
At 1st January 2013	-	2,188,465	2,188,465
Amortisation (Note 10)	-	43,677	43,677
Disposals	-	(3,597)	(3,597)
Exchange differences	-	25,304	25,304
At 31st December 2013	-	2,253,849	2,253,849
Amortisation (Note 10)	-	59,420	59,420
Written off	-	(64,812)	(64,812)
Exchange differences	-	8,435	8,435
At 31st December 2014	**-**	**2,256,892**	**2,256,892**
Net carrying amount			
At 31st December 2014	**1,075,850**	**146,323**	**1,222,173**
At 31st December 2013	1,075,200	115,200	1,190,400

18. INTANGIBLE ASSETS (Cont'd)

Impairment tests for trademark

The intangible assets relating to trademark arose as a result of the acquisition of a subsidiary, Apex Pharma Marketing Pte. Ltd. ("APS") in prior years, where a fair value was ascribed to the AGNESIA trademark and all other intellectual property rights in relation to the AGNESIA trademark based on a valuation carried out by management as at 31st December 2005. APS operates in Singapore and its principal activity is as disclosed in Note 19. The management reviews the recoverable amount of the trademark on a yearly basis.

Key assumptions used in value-in-use calculations

The recoverable amount of the CGU is determined based on value-in-use calculations using the royalty relief method. This method discounts to present value the estimated future royalties that would be payable for its use were it owned by a third party net of direct expenses necessarily incurred in connection with the trademark. The estimated future royalties have been derived based on projected revenue arising from sale of products marketed under the trademark approved by management covering a five-year period. The key assumptions used for value-in-use calculations are:

	2014 %	2013 %
Royalties rate		
- Local market	**10.0**	10.0
- Foreign market	**2.0**	2.0
Growth rate	**3.0**	3.0
Discount rate	**11.0**	11.0

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of trademark:

(i) Royalties rate

The royalty rate is based on a range for each application of the brand by reviewing comparable licensing agreements and industry royalty rates.

(ii) Growth rate

The management believes that the growth rates used are appropriate for the business segments in which the entity operates after considering the marketability, control and size and diversity factors relating to the product.

(iii) Discount rate

The discount rate used reflects specific risks relating to the relevant segments.

Sensitivity to changes in assumptions

With regards to the assessment of value-in-use, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the CGU to materially exceed its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014 (CONT'D)

19. INVESTMENT IN SUBSIDIARIES

	Company 2014 RM	Company 2013 RM
Unquoted shares, at cost	**56,377,940**	56,377,940

Details of the subsidiaries are as follows:

Name of companies	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2014 %	% of ownership interest held by the Group * 2013 %	% of ownership interest held by non-controlling interest 2014 %	% of ownership interest held by non-controlling interest 2013 %
Held by the Company						
Xepa-Soul Pattinson (Malaysia) Sdn. Bhd. +	Malaysia	Manufacturing and marketing of pharmaceutical products	**100**	100	**-**	-
Apex Pharmacy Marketing Sdn. Bhd. +	Malaysia	Marketing and distribution of pharmaceutical products	**100**	100	**-**	-
ABio Marketing Sdn. Bhd. +	Malaysia	Marketing and distribution of healthcare products	**100**	100	**-**	-
Apex Pharmacy Corporate Sdn. Bhd.	Malaysia	Property rental and management	**100**	100	**-**	-
Apex Retail Sdn. Bhd.	Malaysia	Retailing of pharmaceutical products	**100**	100	**-**	-
Apex Pharma Marketing Pte. Ltd. ^	Singapore	Marketing and distribution of pharmaceutical products	**100**	100	**-**	-
Avex Pharmaceuticals Pte. Ltd. ^	Singapore	Brands management and development of pharmaceutical and healthcare products	**100**	100	**-**	-
First SGC Pte. Ltd. ^	Singapore	Investment holding	**100**	100	**-**	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014 (CONT'D)

19. INVESTMENT IN SUBSIDIARIES (Cont'd)

Name of companies	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group *		% of ownership interest held by non-controlling interest	
			2014 %	2013 %	2014 %	2013 %
Subsidiary of Xepa-Soul Pattinson (Malaysia) Sdn. Bhd.						
Xepa-Soul Pattinson (S) Pte. Ltd. ^	Singapore	Marketing and distribution of pharmaceutical products	**100**	100	**-**	-
Subsidiary of Apex Retail Sdn. Bhd.						
CS Health Store Sdn. Bhd.	Malaysia	Retailing of pharmaceutical products	**60**	60	**40**	40

\+ Consolidated using merger accounting.
^ Audited by member firms of Ernst & Young Global in the respective countries.
* Equals to the proportion of voting rights held.

The non-controlling interest in respect of CS Health Store Sdn. Bhd. is not material to the Group.

20. INVESTMENT IN A JOINT VENTURE

On 18th January 2013, the Company's wholly owned subsidiary, ABio Marketing Sdn. Bhd. ("ABio Marketing") completed its acquisition of 40% equity representing 2,000,000 ordinary shares in ABio Orthopaedics Sdn. Bhd. ("AO") for a total consideration of RM4,988,000. The total consideration was settled using funds advanced by the Company to ABio Marketing as disclosed in Note 23. Under the contractual arrangement, unanimous consent is required from all parties to the agreement to direct the activities that significantly affect the returns of the arrangement.

The joint arrangement is structured via a separate entity and provide the Group with the rights to the net assets of the entity under the arrangement. Accordingly, this entity is classified as a joint venture of the Group.

Details of the joint venture are as follows:

Name of company	Country of incorporation/ principal place of business	% of ownership interest held by the Group *		Accounting model applied
		2014 %	2013 %	
ABio Orthopaedics Sdn. Bhd. #	Malaysia	**-**	40	Equity method

* Equals to the proportion of voting rights held.
\# Audited by a firm of auditors other than Ernst & Young.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014 (CONT'D)

20. INVESTMENT IN A JOINT VENTURE (Cont'd)

The joint venture has the same reporting period as the Group. No quoted market prices are available for the shares of AO as the company is a private limited company.

AO is a contract manufacturer of surgical grade orthopaedics devices, components and instruments for multinational orthopaedics companies.

On 20th November 2014, ABio Marketing had entered into a share swap agreement with November Union Sdn. Bhd. ("November Union") and Straits Apex Sdn. Bhd. ("Straits Apex"), whereby ABio Marketing and November Union shall transfer their respective entire 40% (representing 2,000,000 ordinary shares of RM1.00 each) and 60% (representing 3,000,000 ordinary shares of RM1.00 each) equity interest in AO to Straits Apex, an associate of the Company (Note 21). In return, Straits Apex issued 2,000,000 and 3,000,000 ordinary shares to ABio Marketing and November Union, respectively as consideration for the share swap. These transactions are collectively referred to as Share Swap Arrangement.

21. INVESTMENT IN AN ASSOCIATE

On 29th September 2014, the Company completed its acquisition of 40% equity representing 8,000 ordinary shares in Straits Apex, a newly incorporated company, for a total consideration of RM1,988,000, of which RM1,980,000 is the share premium. The remaining 60% equity interest in Straits Apex is held by November Union. Straits Apex has subsequently issued a total of 1,980,000 bonus shares to both the Company and November Union from its share premium account in accordance with their proportionate shareholdings in Straits Apex.

As disclosed in Note 20, following the Share Swap Arrangement, 2,000,000 shares held by ABio Marketing in Straits Apex was transferred to the Company in consideration for the full settlement of debt owing to the Company of RM4,988,000.

	Company	
	2014 RM	2013 RM
Unquoted shares, at cost	**6,976,000**	-
Fair value adjustments on interest free loan	**269,139**	-
	7,245,139	-

(a) Details of the associate are as follows:

Name of company	Country of incorporation/ principal place of business	% of ownership interest held by the Group * 2014 %	2013 %	Accounting model applied
Straits Apex Sdn. Bhd. #	Malaysia	**40**	-	Equity method

21. INVESTMENT IN AN ASSOCIATE (Cont'd)

(a) Details of the associate are as follows: (Cont'd)

Name of companies	Country of incorporation/ principal place of business	% of ownership interest held by Straits Apex * 2014 %	2013 %
Subsidiaries of Straits Apex Sdn. Bhd.			
ABio Orthopaedics Sdn. Bhd. #	Malaysia	**100**	-
Straits Orthopaedics (Mfg) Sdn. Bhd. #	Malaysia	**87.36**	-

* Equals to the proportion of voting rights held.
\# Audited by a firm of auditors other than Ernst & Young.

Straits Apex and its subsidiaries are collectively referred to as SA Group. The associate has the same reporting period as the Group. No quoted market prices are available for the shares of Straits Apex as the company is a private limited company. Straits Apex is an investment holding company.

AO is currently a sub-contractor of Straits Orthopaedics (Mfg) Sdn. Bhd. performing orthopaedics subcontracting works primarily in the areas of trauma, instrumentation and spine.

(b) Summarised financial information of Straits Apex is set out below. The summarised information represents the amounts in the financial statements of the associate and not the Group's share of the amounts.

(i) Summarised statement of financial position

	2014 RM
Non-current asset	**50,125,206**
Current assets	**26,771,073**
Total assets	**76,896,279**
Non-current liabilities	**18,675,409**
Current liabilities	**50,721,485**
Total liabilities	**69,396,894**
Net assets	**7,499,385**
Equity attributable to:	
Owners of the associated company	**7,379,385**
Non-controlling interest of the associated company	**120,000**
	7,499,385

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014 (CONT'D)

21. INVESTMENT IN AN ASSOCIATE (Cont'd)

(b) Summarised financial information of Straits Apex is set out below. The summarised information represents the amounts in the financial statements of the associate and not the Group's share of the amounts. (Cont'd)

(ii) Summarised statement of comprehensive income

	2014 RM
Revenue	40,344,257
Profit before tax	3,536,275
Profit after tax, representing total comprehensive income	379,385

(c) Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in associate.

	2014 RM
Net assets of SA Group as at 1st October after fair value adjustments	2,642,349
Interest in associate	40%
	1,056,940
Add: Goodwill on acquisition of SA Group (before Share Swap Arrangement)	931,060
	1,988,000
Add: Group's carrying amount of AO as at 20th November 2014 (previously accounted for as a joint venture now transferred to Straits Apex via the Share Swap Arrangement)	4,293,448
Add: Post acquisition results of SA Group	834,730
	7,116,178

22. DEFERRED TAX

Deferred income tax as at 31st December relates to the following:

Group	As at 1st January 2013 RM	Recognised in profit or loss (Note 13) RM	As at 31st December 2013 RM	Recognised in profit or loss (Note 13) RM	Exchange differences RM	As at 31st December 2014 RM
Deferred tax liabilities:						
Property, plant and equipment	4,668,077	(134,866)	4,533,211	(289,423)	1,038	**4,244,826**
Revaluation surplus of property, plant and equipment/investment properties	1,874,358	(76,399)	1,797,959	(38,783)	-	**1,759,176**
	6,542,435	(211,265)	6,331,170	(328,206)	1,038	**6,004,002**
Deferred tax assets:						
Provisions	(1,460,978)	506,251	(954,727)	141,720	-	**(813,007)**
	5,081,457	294,986	5,376,443	(186,486)	1,038	**5,190,995**

Presented after appropriate offsetting as follows:

	Group 2014 RM	Group 2013 RM
Deferred tax assets	**(168,000)**	(376,000)
Deferred tax liabilities	**5,358,995**	5,752,443
	5,190,995	5,376,443

Tax consequences of proposed dividends

There are no income tax consequences attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements (Note 15).

Deferred tax assets not recognised

Deferred tax assets have not been recognised in respect of the following items:

	Group 2014 RM	Group 2013 RM
Unused tax losses	**187,500**	115,487
Unutilised capital allowances	**61,291**	51,985
Other deductible temporary differences	**4,829**	4,829
	253,620	172,301

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014 (CONT'D)

22. DEFERRED TAX (Cont'd)

Unrecognised tax losses

At the reporting date, the Group has tax losses of approximately RM187,500 (2013: RM115,487) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The availability of unused tax losses for offsetting against future taxable profits of the respective subsidiaries in Malaysia are subject to no substantial changes in shareholdings of those subsidiaries under the Income Tax Act, 1967 and guidelines issued by the tax authority. The use of tax losses of subsidiaries in other jurisdictions is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the subsidiaries operate.

23. RECEIVABLES

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Current				
Trade receivables				
Third parties	**111,843,247**	100,812,128	**-**	-
Less: Allowance for impairment	**(2,082,051)**	(2,434,607)	**-**	-
Trade receivables, net	**109,761,196**	98,377,521	**-**	-
Other receivables				
Amounts due from associate				
- non-interest bearing	**188,630**	-	**188,630**	-
Amounts due from subsidiaries:				
- interest bearing	**-**	-	**2,225,000**	4,185,000
- non-interest bearing	**-**	-	**46,423,465**	30,947,847
Deposits	**1,793,777**	1,805,642	**5,070**	3,970
Sundry receivables	**2,065,502**	1,140,498	**77,808**	14,548
	4,047,909	2,946,140	**48,919,973**	35,151,365
	113,809,105	101,323,661	**48,919,973**	35,151,365
Non-current				
Other receivables				
Loan to a joint venture	**-**	5,000,000	**-**	-
Loan to an associate	**5,000,000**	-	**5,000,000**	-
Loan to a subsidiary of an associate	**5,000,000**	-	**5,000,000**	-
Amounts due from subsidiaries:				
- interest bearing	**-**	-	**8,996,750**	13,827,000
- non-interest bearing	**-**	-	**-**	4,988,000
	10,000,000	5,000,000	**18,996,750**	18,815,000
Total trade and other receivables	**123,809,105**	106,323,661	**67,916,723**	53,966,365
Add: Cash and cash equivalents (Note 28)	**44,260,249**	27,150,787	**584,260**	273,408
Total loans and receivables	**168,069,354**	133,474,448	**68,500,983**	54,239,773

23. RECEIVABLES (Cont'd)

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 120 days (2013: 30 to 120 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The currency exposure profile of trade receivables is as follows:

	Group 2014 RM	Group 2013 RM
Ringgit Malaysia	**82,498,413**	78,284,524
Singapore Dollar	**25,083,566**	17,698,562
United States Dollar	**2,153,622**	2,290,136
Others	**25,595**	104,299
	109,761,196	98,377,521

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group 2014 RM	Group 2013 RM
Neither past due nor impaired	**94,707,978**	84,346,159
1 to 30 days past due not impaired	**10,492,743**	9,270,534
31 to 60 days past due not impaired	**3,249,496**	3,420,049
61 to 90 days past due not impaired	**688,501**	994,261
More than 90 days past due not impaired	**622,478**	346,518
	15,053,218	14,031,362
Impaired	**2,082,051**	2,434,607
	111,843,247	100,812,128

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired relates to customers with good track record with the Group. Based on past experience, the Board believes that no allowance for impairment is necessary in respect of those balances.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

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FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014 (CONT'D)

23. RECEIVABLES (Cont'd)

(a) Trade receivables (Cont'd)

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM15,053,218 (2013: RM14,031,362) that are past due at the reporting date but not impaired.

Receivables that are past due but not impaired relate to customers that the Group still deems to be creditworthy. Based on the past experience, the Board believes that no allowance of impairment is necessary in respect of those balances.

The receivables that are past due but not impaired are unsecured in nature.

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group		
	Collectively impaired RM	**Individually impaired RM**	**Total RM**
As at 31st December 2014			
Trade receivables - nominal amounts	**-**	**2,082,051**	**2,082,051**
Less: Allowance for impairment	**-**	**(2,082,051)**	**(2,082,051)**
	-	**-**	**-**
As at 31st December 2013			
Trade receivables - nominal amounts	357,502	2,077,105	2,434,607
Less: Allowance for impairment	(357,502)	(2,077,105)	(2,434,607)
	-	-	-

Movement in allowance for impairment accounts:

	Group	
	2014 RM	**2013 RM**
At beginning of financial year	**2,434,607**	1,899,996
Charge for the year (Note 10)	**1,235,253**	1,596,335
Written off	**(473,836)**	(36,613)
Reversal of impairment losses (Note 10)	**(1,118,702)**	(1,036,071)
Exchange differences	**4,729**	10,960
At end of financial year	**2,082,051**	2,434,607

23. RECEIVABLES (Cont'd)

(a) Trade receivables (Cont'd)

Receivables that are impaired (Cont'd)

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(b) Amounts due from subsidiaries

The amounts due from subsidiaries are unsecured and repayable on demand. The weighted average effective interest rate for amounts due from subsidiaries which are interest bearing at reporting date is 4.00% (2013: 4.00%) per annum.

Included in the amount due from subsidiaries is an unsecured interest bearing loan of an amount of RM5,000,000 granted to ABio Marketing. However, the loan is interest free from the date the loan was extended to 28th February 2014. Thereafter, the loan will bear interest at 4.5% per annum. Pursuant to the assignment of debt from ABio Marketing to the Company signed in accordance with the Share Swap Arrangement, the said loan of RM5,000,000 is deemed fully settled.

(c) Other receivables

The Group and the Company have no significant concentration of credit risk that may arise from exposures to a single debtor or group of debtors.

Movement in allowance for impairment accounts:

	Group	
	2014	**2013**
	RM	**RM**
At beginning of financial year	-	868,109
Written off	-	(868,109)
At end of financial year	-	-

(d) Loan to a joint venture

The loan to a joint venture is an unsecured interest bearing loan. However, there is an interest free period from the date the loan was given to 28th February 2014. Thereafter, the loan will bear interest at 4.5% per annum. The loan to a joint venture is subordinated to the joint venture's borrowing from a financial institution until the borrowing is fully repaid by 31st March 2018. The loan was assigned by ABio Marketing to the Company on 20th November 2014 following the Share Swap Arrangement.

(e) Loan to an associate

During the year, an unsecured interest bearing loan of RM5,000,000 was extended to Straits Apex. Nonetheless, a 12 months interest free grace period was granted from the date of release of the said loan until 28th September 2015. Thereafter, the loan will bear interest at 4.5% per annum.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014 (CONT'D)

23. RECEIVABLES (Cont'd)

(f) Loan to a subsidiary of an associate

The loan of RM5,000,000 as mentioned in Note 23(d) above was assigned by ABio Marketing to the Company on 20th November 2014 following the Share Swap Arrangement (Note 20). The interest charged and terms of repayment of the said loan remained unchanged.

24. LONG TERM INVESTMENT

	Group/Company	
	2014	2013
	RM	RM
Non-current		
Long term deposit with a licensed bank	**5,520,000**	5,520,000

The long term deposit with a licensed bank of RM5,520,000 is pledged against a term loan entered into by AO, with the maturity period of 5 years effective from 25th May 2013.

The long term deposit earns dividends based on the concept of profit-sharing, whereby the profit earned from the investment by way of dividends fixed at 7.63% will be shared between the Group/Company and the bank according to the predetermined mutually agreed profit sharing ratio established at 50.46 : 49.54 respectively. Dividends are received by the Group/Company at 6 months interval.

25. INVENTORIES

	Group	
	2014	2013
	RM	RM
Cost		
Raw materials	**5,372,521**	4,645,606
Work-in-progress	**218,991**	324,225
Finished goods	**8,406,785**	7,052,444
Pharmaceutical products held for resale	**37,699,293**	35,720,037
	51,697,590	47,742,312

During the financial year, the amount of inventories recognised as an expense in cost of sales of the Group was RM358,232,480 (2013: RM290,905,774). During the financial year, the Group made a reversal of inventories previously written down amounting to RM852,615 (2013: RM840,965) when the related inventories were sold above their carrying amounts (Note 10).

26. AVAILABLE-FOR-SALE ("AFS") FINANCIAL ASSET

	2014 RM	2013 RM
Group		
Current		
Equity instruments (unquoted), at cost, representing total available-for-sale financial asset	-	3,928,206
Company		
Current		
Equity instruments (unquoted), at cost, representing total available-for-sale financial asset	-	3,870,090

On 11th February 2014, the Company entered into a Share Sale Agreement with P.T. Maramakmur Selaras, a company incorporated in the Republic of Indonesia to dispose its entire equity interest in Maritzberg Investments Ltd. for a total consideration of USD1,300,000 approximating RM4,290,000 (based on the exchange rate of USD1: RM3.30 as at 31st December 2013). The sale was completed on the same date of execution.

Further details on available-for-sale financial asset are disclosed in Note 38.

27. DERIVATIVE FINANCIAL INSTRUMENTS

	Contract/ Notional amount RM	Assets RM	Liabilities RM
Group			
As at 31st December 2014			
Non-hedging derivatives:			
Forward currency contracts			
- in respect of sales transactions	**3,598,841**	**84,763**	**-**
- in respect of purchases transactions	**(3,598,969)**	**89,133**	**-**
		173,896	**-**
As at 31st December 2013			
Non-hedging derivatives:			
Forward currency contracts			
- in respect of sales transactions	2,954,441	24,596	-
- in respect of purchases transactions	(1,577,770)	-	571
		24,596	571

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014 (CONT'D)

27. DERIVATIVE FINANCIAL INSTRUMENTS (Cont'd)

The Group uses forward currency contracts to manage some of the transaction exposure. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency transaction exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting.

Forward currency contracts are used to hedge the Group's sales and purchase denominated in SGD and USD respectively for which firm commitment existed at the reporting date, extending to June 2015 (2013: March 2014) for its purchases and May 2015 (2013: May 2014) for its sales.

During the financial year, the Group recognised a gain of RM149,871 (2013: RM16,436) and a loss of RM Nil (2013: RM8,974) arising from fair value changes of derivative instruments. The fair value changes are attributable to changes in foreign exchange spot and forward rates. The method and assumptions applied in determining the fair values of derivatives are disclosed in Note 38.

28. SHORT TERM DEPOSITS AND CASH AND BANK BALANCES

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Short term deposits	**26,770,562**	16,033,321	**11,795,562**	5,653,321
Cash and bank balances	**29,285,249**	16,770,787	**584,260**	273,408
	56,055,811	32,804,108	**12,379,822**	5,926,729

Cash at banks earn interest at floating rates based on daily bank deposit rates. Short term deposits are made for varying periods of between 1 to 20 days (2013: 1 to 20 days) depending on the immediate cash requirements of the Group and the Company, and earn interest rates at the respective short-term deposit rates.

Included in the short term deposits is RM11,795,562 (2013: RM5,653,321) placed with money market fund held for investment purposes and does not form part of cash and cash equivalents.

The weighted average interest rates during the financial year and the average maturities of deposits as at the reporting date were as follows:

	Group		Company	
	2014	2013	2014	2013
Weighted average interest rate (%)	**2.29**	2.09	**3.30**	3.03
Average maturity days	**14**	11	**1**	1

For the purpose of the consolidated statements of cash flows, cash and cash equivalents comprise the following as at the reporting date:

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
		(Restated)		(Restated)
Short term deposits	**14,975,000**	10,380,000	**-**	-
Cash and bank balances	**29,285,249**	16,770,787	**584,260**	273,408
Cash and cash equivalents (Note 23)	**44,260,249**	27,150,787	**584,260**	273,408

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014 (CONT'D)

29. ASSETS CLASSIFIED AS HELD FOR SALE

In the current financial year, the Group has determined its 2 units of retail premises as assets classified as held for sale amounting to RM2,479,283 (previously classified as investment properties (Note 17)).

As at the date of these financial statements, these disposals are still pending completion as certain terms and conditions in the sales and purchase agreement have yet to be fulfilled.

30. PAYABLES

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Trade payables				
Third parties	**63,017,778**	53,375,244	**-**	-
Other payables				
Amounts due to related parties	**44,000**	24,000	**-**	-
Other payables	**12,289,830**	5,981,653	**24,429**	40,458
Other accruals	**10,683,898**	10,515,399	**989,328**	1,140,085
Accrual of directors' fee	**469,750**	478,000	**469,750**	478,000
	23,487,478	16,999,052	**1,483,507**	1,658,543
Total trade and other payables	**86,505,256**	70,374,296	**1,483,507**	1,658,543
Add: Loans and borrowings (Note 31)	**43,593**	-	**-**	-
Total financial liabilities carried at amortised cost	**86,548,849**	70,374,296	**1,483,507**	1,658,543

The currency profile of payables is as follows:

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Ringgit Malaysia	**55,127,335**	49,332,010	**1,483,507**	1,658,543
Singapore Dollar	**28,705,909**	19,003,564	**-**	-
United States Dollar	**2,272,298**	1,542,867	**-**	-
Euro	**360,614**	449,415	**-**	-
Others	**39,100**	46,440	**-**	-
	86,505,256	70,374,296	**1,483,507**	1,658,543

(a) Trade payables

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 90 days (2013: 30 to 90 days).

(b) Other payables

These amounts are non-interest bearing. Other payables are normally settled on an average term of 3 months (2013: 3 months).

Included in the other payables of the Group is the refundable deposits received from the disposal of properties of RM441,011 (2013: RM Nil) as disclosed in Note 29.

(c) Amounts due to related parties

These amounts are unsecured, non-interest bearing and are repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014 (CONT'D)

31. HIRE PURCHASE PAYABLE

The Group has finance leases for certain items of plant and equipment (Note 16).

The commitment terms under the hire purchase payable are summarised as follows:

	Group	
	2014 RM	**2013 RM**
Future minimum lease payments:		
Within 1 year after reporting date	**12,502**	-
More than 1 year but not later than 2 years	**12,502**	-
More than 2 years but not later than 5 years	**25,456**	-
	50,460	-
Less: Unexpired interest	**(6,867)**	-
	43,593	-
Less: Amount repayable within 12 months	**(11,130)**	-
	32,463	-
Analysis of present value of hire purchase payable (Note 30):		
Within 1 year after reporting date	**11,130**	-
More than 1 year but not later than 2 years	**11,130**	-
More than 2 years but not later than 5 years	**21,333**	-
	43,593	-

32. SHARE CAPITAL

	Group/Company			
	Number of ordinary shares of RM1 each		Amount	
	2014 Units	**2013 Units**	**2014 RM**	**2013 RM**
Authorised				
At beginning of financial year	**100,000,000**	100,000,000	**100,000,000**	100,000,000
Created during the year	**100,000,000**	-	**100,000,000**	-
At end of financial year	**200,000,000**	100,000,000	**200,000,000**	100,000,000
Issued and fully paid				
At beginning of financial year	**93,716,875**	93,716,875	**93,716,875**	93,716,875
Issued during the year	**23,429,218**	-	**23,429,218**	-
At end of financial year	**117,146,093**	93,716,875	**117,146,093**	93,716,875

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014 (CONT'D)

32. SHARE CAPITAL (Cont'd)

During the financial year, the Company increased its:

(a) authorised ordinary share capital from RM100,000,000 to RM200,000,000 through the creation of 100,000,000 new ordinary shares of RM1.00 each; and
(b) issued and paid-up ordinary share capital from RM93,716,875 to RM117,146,093 by way of the issuance of 23,429,218 ordinary shares of RM1.00 each through a bonus issue of 1 new ordinary share for every 4 existing ordinary shares ("Bonus Issue") via the capitalisation of retained earnings of the Company.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

33. FOREIGN CURRENCY TRANSLATION RESERVE

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

34. RETAINED EARNINGS

The Company may distribute dividends out of its entire retained earnings as at 31st December 2014 and 31st December 2013 under the single-tier system.

35. COMMITMENTS

(a) Capital commitments

Capital expenditure as at the reporting date is as follows:

	Group		Company	
	2014 **RM**	**2013** **RM**	**2014** **RM**	**2013** **RM**
Approved and contracted for:				
Property, plant and equipment	**563,936**	529,405	**-**	-
Approved but not contracted for:				
Property, plant and equipment	**10,459,636**	11,866,728	**285,786**	555,515
	11,023,572	12,396,133	**285,786**	555,515

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014 (CONT'D)

35. COMMITMENTS (Cont'd)

(b) Operating lease commitments - as lessee

The future minimum lease payments under non-cancellable operating lease contracted as at reporting date are as follows:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Not later than one year	**971,288**	1,080,797	**439,440**	330,600
Later than one year and not later than five years	**830,214**	351,402	**-**	-
	1,801,502	1,432,199	**439,440**	330,600

36. FINANCIAL GUARANTEES

The Company has provided corporate guarantees to banks of RM14,644,996 (2013: RM8,530,390) for credit facilities granted to subsidiaries.

As at the reporting date, no values were ascribed on corporate guarantees provided by the Company to secure bank loans and other banking facilities granted to its subsidiary companies as these facilities are either not utilised or have been fully settled as at the reporting date.

37. RELATED PARTY TRANSACTIONS

(a) Sale and purchase of goods and services

In addition to the transactions disclosed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Management service fees received from subsidiary companies	**-**	-	**2,302,368**	2,088,210
Interest income received from subsidiary companies	**-**	-	**647,648**	551,919
Dividend income received from subsidiary companies	**-**	-	**34,140,000**	23,490,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014 (CONT'D)

37. RELATED PARTY TRANSACTIONS (Cont'd)

(a) Sale and purchase of goods and services (Cont'd)

In addition to the transactions disclosed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year: (Cont'd)

	Group		Company	
	2014 RM	**2013 RM**	**2014 RM**	**2013 RM**
Interest income on advances to an associate	**188,630**	-	**25,274**	-
Consulting fees paid to a director	**(180,000)**	(180,000)	**(180,000)**	(180,000)
Rental expense paid to subsidiary companies	**-**	-	**(439,440)**	(330,600)

Information regarding outstanding balances arising from related party transactions as at 31st December 2014 is disclosed in Note 23 and Note 30.

(b) Compensation of key management personnel

The remuneration of directors and other members of key management during the financial year was as follows:

	Group		Company	
	2014 RM	**2013 RM**	**2014 RM**	**2013 RM**
Short-term employment benefits	**7,848,835**	7,606,291	**1,815,546**	1,655,981
Defined contribution plans	**898,589**	839,470	**181,086**	138,651
Other long-term benefits	**34,092**	32,520	**17,283**	16,491
	8,781,516	8,478,281	**2,013,915**	1,811,123

Included in the total key management personnel is:

	Group		Company	
	2014 RM	**2013 RM**	**2014 RM**	**2013 RM**
Director's remuneration (Note 12)	**2,167,071**	2,005,558	**668,917**	352,480

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014 (CONT'D)

38. FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) Fair value of financial instruments that are carried at fair value

The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy:

Group	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
At 31st December 2014				
Financial asset:				
Derivatives - Forward currency contracts	**-**	**173,896**	**-**	**173,896**
At 31st December 2013				
Financial asset:				
Derivatives - Forward currency contracts	-	24,596	-	24,596
Financial liability:				
Derivatives - Forward currency contracts	-	(571)	-	(571)

Fair value hierarchy

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 financial years ended 2014 and 2013.

(b) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

		2014		2013	
	Note	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Group					
Financial assets:					
Available-for-sale financial asset	26	**-**	**-**	3,928,206	*

38. FAIR VALUE OF FINANCIAL INSTRUMENTS (Cont'd)

(b) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value (Cont'd)

	Note	2014 Carrying amount RM	2014 Fair value RM	2013 Carrying amount RM	2013 Fair value RM
Company					
Financial assets:					
Available-for-sale financial asset	26	-	-	3,870,090	*

* Investment in equity instruments carried at cost

These equity instruments represent ordinary shares in Maritzberg Investments Ltd. that is not quoted on any market and does not have any comparable industry peer that is listed.

(c) Determination of fair value

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Receivables (current and non-current)	23
Payables (current)	30
Hire purchase payable (current and non-current)	31

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

Quoted equity instruments

Fair value is determined directly by reference to their published market bid price at the reporting date.

Derivatives

Forward currency contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014 (CONT'D)

38. FAIR VALUE OF FINANCIAL INSTRUMENTS (Cont'd)

(c) Determination of fair value (Cont'd)

Amounts due from subsidiaries

The fair values of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of borrowing at the reporting date.

Financial guarantees

Fair value is determined based on probability weighted discounted cash flow method. The probability has been estimated and assigned for the following key assumptions:

- The likelihood of the guaranteed party defaulting within the guaranteed period;
- The exposure on the portion that is not expected to be recovered due to the guaranteed party's default; and
- The estimated loss exposure if the guaranteed party were to default.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include foreign currency risk, interest rate risk, credit risk and liquidity risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks. The audit committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures arising from sales and purchases that are denominated in a currency other than the respective functional currencies of Group entities, primarily RM and Singapore Dollar ("SGD"). The foreign currencies in which these transactions are denominated are mainly United States Dollar and Euro. Foreign currency exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

Approximately 2% (2013: 3%) of the Group's sales are denominated in foreign currencies.

The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes. At the reporting date, such foreign currency balances amount to RM2,341,455 (2013: RM2,077,284).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014 (CONT'D)

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(a) Foreign currency risk (Cont'd)

The Group requires all of its operating entities to use forward currency contracts to eliminate the currency exposures on any individual transactions in excess of RM50,000 for which payment is anticipated more than one month after the Group has entered into a firm commitment for a sale or purchase. The forward currency contracts must be in the same currency as the hedged item. It is the Group's policy not to enter into forward contracts until a firm commitment is in place. It is the Group's policy to negotiate the terms of the hedge derivatives to match the terms of the hedged item to maximise hedge effectiveness.

The Group is also exposed to currency translation risk arising from its net investments in foreign operations in Singapore. The Group's net investments in Singapore are not hedged as currency positions in SGD are considered to be long-term in nature.

The net unhedged financial assets and financial liabilities of the Group that are not denominated in their functional currencies are as follows:

	Group	
	2014 RM	**2013 RM**
Receivables		
United States Dollar	**2,153,622**	2,290,136
Singapore Dollar	**919,257**	470,980
Others	**25,596**	104,299
	3,098,475	2,865,415
Payables		
United States Dollar	**(2,272,298)**	(1,542,867)
Singapore Dollar	**(1,870,454)**	(1,397,370)
Euro	**(360,614)**	(449,415)
Others	**(39,100)**	(46,440)
	(4,542,466)	(3,436,092)

Sensitivity analysis for foreign currency risk

The Group's exposure to currency risk is not significant in the context of the financial statements and accordingly the sensitivity analysis is not presented.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from their loan to a joint venture, an associate, an associate's subsidiary and amounts due from subsidiaries. The Group's policy is to manage interest cost using a mix of fixed and floating rate debts.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014 (CONT'D)

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(b) Interest rate risk (Cont'd)

At the reporting date, the interest rate profile of the interest-bearing financial instruments is as follows:

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM	**RM**	**RM**	**RM**
Fixed rate instruments				
Financial assets	**5,000,000**	5,000,000	**16,221,750**	18,012,000
Financial liabilities	**43,593**	-	**-**	-
Floating rate instrument				
Financial asset	**14,975,000**	10,380,000	**-**	-

Fair value sensitivity analysis for fixed rate instruments

The Group does not measure any fixed rate instruments at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Sensitivity analysis for floating rate instrument

The directors have assessed that there are no reasonably possible change in interest rates that would result in a material impact to the financial results of the Group.

(c) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from sales made on deferred credit terms. For other financial assets (including cash and bank balances and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group seeks to control credit risk by ensuring that sales of products are made to customers who have been subjected to stringent credit review, a process of the Group's credit control policy. Concentrations of credit risk with respect to trade receivables are limited due to the Group's large number of customers.

Exposure to credit risk

The Group considers the risk of material loss in the event of non-performance by customers to be unlikely.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014 (CONT'D)

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(c) Credit risk (Cont'd)

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date are as follows:

	2014		2013	
	RM	**% of total**	**RM**	**% of total**
By industry sectors				
Malaysia Private Sector	**79,935,716**	**72.82%**	74,475,455	75.70%
Malaysia Government Sector	**2,565,183**	**2.34%**	3,767,706	3.83%
Singapore Private Sector	**24,164,309**	**22.02%**	17,850,222	18.15%
Export Market	**3,095,988**	**2.82%**	2,284,138	2.32%
	109,761,196	**100.00%**	98,377,521	100.00%

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 23. Deposits with banks, investment securities and derivatives that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 23.

(d) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the Group aims at maintaining flexibility in funding by keeping committed credit lines available.

Analysis of financial instruments by remaining contractual maturities

All financial liabilities of the Group and the Company at the reporting date are repayable within one year except the Group's hire purchase payables as disclosed in Note 31.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014 (CONT'D)

40. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31st December 2014 and 31st December 2013.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio to not more than 40%. The Group includes within net debt, loans and borrowings, trade and other payables, less short term deposits and cash and bank balances. Capital includes equity attributable to the owners of the parent.

		Group		Company	
		2014	2013	2014	2013
	Note	RM	RM	RM	RM
Payables	30	**86,505,256**	70,374,296	**1,483,507**	1,658,543
Hire purchase payable	31	**43,593**	-	**-**	-
Less: Short term deposits	28	**(26,770,562)**	(16,033,321)	**(11,795,562)**	(5,653,321)
Less: Cash and bank balances	28	**(29,285,249)**	(16,770,787)	**(584,260)**	(273,408)
Net debt/(cash)		**30,493,038**	37,570,188	**(10,896,315)**	(4,268,186)
Equity attributable to the owners of the parent, representing total capital		**259,935,229**	234,830,718	**148,921,619**	124,757,042
Capital and net debt		**290,428,267**	272,400,906	**138,025,304**	120,488,856
Gearing ratio		**10%**	14%	**-**	-

41. SEGMENT INFORMATION

For management purposes, the Group is organised into three main business units based on their products, 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.

Except as indicated above, no operating segment has been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

41. SEGMENT INFORMATION (Cont'd)

	Manufacturing and marketing		Wholesale and distribution		Corporate		Adjustments and eliminations		Note	Consolidated	
	2014 RM	2013 RM	2014 RM	2013 RM	2014 RM	2013 RM	2014 RM	2013 RM		2014 RM	2013 RM
Revenue											
External revenue	**27,639,396**	21,818,837	**463,752,910**	389,223,111	**7,845,112**	7,408,902	**-**	-		**499,237,418**	418,450,850
Inter-segment revenue	**72,083,862**	67,100,505	**607,622**	-	**38,504,818**	27,395,772	**(111,196,302)**	(94,496,277)	A	**-**	-
Total revenue	**99,723,258**	88,919,342	**464,360,532**	389,223,111	**46,349,930**	34,804,674	**(111,196,302)**	(94,496,277)		**499,237,418**	418,450,850
Results											
Interest income	**268,134**	132,346	**163,967**	717	**766,917**	345,339	**(269,139)**	-		**929,879**	478,402
Interest expense	**-**	-	**(1,315,081)**	(749,923)	**(91,097)**	(92,474)	**1,398,144**	799,645	A	**(8,034)**	(42,752)
Depreciation and amortisation	**(6,263,979)**	(5,966,548)	**(2,350,380)**	(1,532,985)	**(335,841)**	(299,672)	**9,773**	-	A	**(8,940,427)**	(7,799,205)
Impairment loss on investment properties	**-**	-	**-**	-	**-**	(118,766)	**-**	-		**-**	(118,766)
Share of results of a joint venture	**-**	-	**-**	-	**82,918**	(777,470)	**-**	-		**82,918**	(777,470)
Share of results of an associate	**-**	-	**-**	-	**834,730**	-	**-**	-		**834,730**	-
Other non-cash gain/ (expenses)	**144,089**	(18,915)	**377,127**	(585,201)	**183,329**	(8,819)	**(169,750)**	324,487	B	**534,795**	(288,448)
Segment results (external)	**29,928,623**	28,286,651	**18,970,631**	17,334,256	**(1,153,827)**	(3,107,513)	**(2,121,336)**	(1,898,075)	C	**45,624,091**	40,615,319

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014 (CONT'D)

41. SEGMENT INFORMATION (Cont'd)

	Manufacturing and marketing		Wholesale and distribution		Corporate		Adjustments and eliminations		Note	Consolidated	
	2014 RM	2013 RM	2014 RM	2013 RM	2014 RM	2013 RM	2014 RM	2013 RM		2014 RM	2013 RM
Assets and liabilities											
Additions to non-current assets	**3,677,564**	5,334,020	**1,753,937**	31,351,335	**554,262**	238,865	**-**	-	D	**5,985,763**	36,924,220
Segment assets	**84,284,735**	81,718,954	**225,472,355**	207,715,203	**50,667,304**	28,675,130	**(5,989,333)**	(5,137,729)	E	**354,435,061**	312,971,558
Segment liabilities	**(9,270,158)**	(8,165,837)	**(73,222,896)**	(58,819,604)	**(4,055,795)**	(3,389,426)	**(7,595,338)**	(7,523,228)	F	**(94,144,187)**	(77,898,095)
Other information											
Depreciation and amortisation	**6,263,979**	5,966,548	**2,350,379**	1,532,985	**335,842**	299,672	**(9,773)**	-		**8,940,427**	7,799,205
Impairment loss on investment properties	**-**	-	**-**	-	**-**	118,766	**-**	-		**-**	118,766
Non-cash items other than depreciation and amortisation	**144,090**	(18,915)	**377,127**	(585,201)	**183,329**	(8,819)	**(169,750)**	324,487		**534,796**	(288,448)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014 (CONT'D)

41. SEGMENT INFORMATION (Cont'd)

A Inter-segment revenues are eliminated on consolidation.

B Other material non-cash (gain)/expenses consist of the following items as presented in the respective notes to the financial statements:

	2014 RM	2013 RM
Impairment loss on financial assets, net of reversals	**116,551**	560,264
Reversal of inventories written down	**(852,615)**	(840,965)
Inventories written off	**197,583**	191,409
Inventories written down	**314,638**	696,941
Property, plant and equipment written off	**2,024**	12,747
Intangible asset written off	**1**	-
Unrealised gain on foreign exchange	**(163,106)**	(324,486)
Fair value changes on derivatives instruments	**(149,871)**	(7,462)
	(534,795)	288,448

C Unallocated corporate expense of RM2,121,336 (2013: RM1,898,075) was deducted from segment profit to arrive at "Profit before tax from continuing operations" presented in the consolidated statement of comprehensive income.

D Additions to non-current assets consist of:

	2014 RM	2013 RM
Property, plant and equipment	**5,895,219**	36,851,118
Investment properties	**-**	37,102
Intangible assets	**90,544**	36,000
	5,985,763	36,924,220

E The following items were added to segment assets in arriving at total assets reported in the consolidated statement of financial position:

	2014 RM	2013 RM
Deferred tax assets	**168,000**	376,000
Tax recoverable	**408,657**	482,049
Property, plant and equipment	**(6,565,990)**	(5,995,778)
	(5,989,333)	(5,137,729)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014 (CONT'D)

41. SEGMENT INFORMATION (Cont'd)

F The following items were added to segment liabilities in arriving at total liabilities reported in the consolidated statement of financial position:

	2014 RM	2013 RM
Current tax payable	**2,236,343**	1,770,785
Deferred tax liabilities	**5,358,995**	5,752,443
	7,595,338	7,523,228

Geographical information

Revenue and non-current assets other than financial instruments, deferred tax assets, investment in an associate, investment in a joint venture, post-employment benefit assets, and rights arising from insurance contracts information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	2014 RM	2013 RM	2014 RM	2013 RM
Malaysia	**353,676,511**	325,556,859	**69,532,489**	74,140,408
Singapore	**145,560,907**	92,893,991	**37,098,908**	37,299,601
	499,237,418	418,450,850	**106,631,397**	111,440,009

Non-current assets information presented above consists of the following items as presented in the consolidated statement of financial position:

	2014 RM	2013 RM
Property, plant and equipment	**99,554,525**	106,921,010
Investment properties	**5,854,699**	3,328,599
Intangible assets	**1,222,173**	1,190,400
	106,631,397	111,440,009

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014 (CONT'D)

42. RECLASSIFICATION

Following the issuance of Financial Reporting Standards Implementation Committee Consensus 22 "Classification of Fixed Deposits and Similar Instruments as Cash and Cash Equivalents", the Group has revisited the classification of its investment in money market fund as cash and equivalents and resulting therefrom, the comparative cash and cash equivalents have been reclassified to conform with current year's presentation.

	As previously reported RM	Re-classification RM	As restated RM
Statements of cash flows			
Group			
Cash and cash equivalents as at 1st January 2014	**32,804,108**	**(5,653,321)**	**27,150,787**
Cash and cash equivalents as at 1st January 2013	34,674,597	(7,325,370)	27,349,227
Company			
Cash and cash equivalents as at 1st January 2014	**5,926,729**	**(5,653,321)**	**273,408**
Cash and cash equivalents as at 1st January 2013	10,246,621	(7,325,370)	2,921,251

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014 (CONT'D)

43. SUPPLEMENTARY INFORMATION

The breakdown of the retained profits of the Group and of the Company as at 31st December 2014 into realised and unrealised profits is presented in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

	Group		Company	
	2014 RM'000	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
Total retained profits of the Company and its subsidiaries:				
Realised	**159,516**	159,851	**31,776**	31,040
Unrealised	**(2,597)**	(3,204)	**-**	-
	156,919	156,647	**31,776**	31,040
Total share of results of a joint venture:				
Realised	**(694)**	(777)	**-**	-
Total share of results of an associate:				
Realised	**835**	-	**-**	-
	157,060	155,870	**31,776**	31,040
Less: Consolidation adjustments	**(18,452)**	(17,974)	**-**	-
Total retained profits	**138,608**	137,896	**31,776**	31,040

LIST OF PROPERTIES
AT 31ST DECEMBER 2014

	Registered Owner & Address	Land area sq.metres	Built-up area sq.metres	Existing use/ Description	Tenure/ (Expiry date) Age of building	Net Carrying Amount RM	Date of last revaluation
	APEX PHARMACY CORPORATE SDN BHD						
1	Unit No F120 First Floor, Holiday Plaza Jalan Dato' Sulaiman Taman Century Johor Bahru Johor Darul Takzim	-	158	Leased / 1 parcel of commercial space located on the 1st floor of Holiday Plaza	Freehold / 30 years old	782,901	Revalued Dec 2014
2	No 21 Jalan Permas Jaya 9/12 Bandar Baru Permas Jaya Masai Johor	279	369	1 1/2 - storey terraced warehouse cum office	Freehold 15 years old	355,600	Revalued Dec 2014
3	No 83 Jalan Munshi Abdullah Melaka	130	330	Pharmacy outlet / 3 - storey terraced shop office	Freehold / 52 years old	444,000	Revalued Dec 2011
4	No 134, 134/1, 134/2 and 134/3 Kompleks Perniagaan Munshi Abdullah Jalan Munshi Abdullah Melaka	137	524	Warehouse cum office / 4 1/2 - storey shop office	Leasehold / (exp. 2102) 24 years old	678,863	Revalued Dec 2011
5	Unit No H-G-33 (D) AH - 106 Batu Kawah New Township Jalan Batu Kawa Kuching Sarawak	98	98	Warehouse / Ground Floor Block H Commercial (D) Plot 14	Leasehold / (exp. 2058) 14 years old	273,558	Revalued Dec 2011
6	Unit No H-G-33A (F1) AH - 107 Batu Kawah New Township Jalan Batu Kawa Kuching Sarawak	127	127	Warehouse cum office / Ground Floor Block H Commercial (D) Plot 14	Leasehold / (exp. 2058) 14 years old	372,100	Revalued Dec 2011

LIST OF PROPERTIES
AT 31ST DECEMBER 2014 (CONT'D)

	Registered Owner & Address	Land area sq.metres	Built-up area sq.metres	Existing use/ Description	Tenure/ (Expiry date) Age of building	Net Carrying Amount RM	Date of last revaluation
	XEPA-SOUL PATTINSON (MALAYSIA) SDN BHD						
7	No 1-5 Jalan TTC 1 Cheng Industrial Estate Melaka	38,966	17,345	Factory Complex / 1 1/2 - storey factory building	Leasehold / (exp. 2096) 22 years old	23,086,680	Revalued Dec 2009
	APEX PHARMACY MARKETING SDN BHD						
8	No 2 Jalan SS 13/5 Subang Jaya Selangor Darul Ehsan	10,116	9,548	Industrial Land / Corporate office and warehouse	Freehold 10 years old	15,275,975	Revalued Dec 2009
	APEX PHARMA MARKETING PTE LTD						
9	49 Tannery Lane #04-01 & 04-07 Noble Warehouse Singapore	-	700	Industrial Land / Warehouse	Freehold 29 years old	4,716,199	Revalued Dec 2014
10	4 Loyang Way 1 Singapore	3,673	4,879	Industrial warehouse / 3 - storey detached buidling	Leasehold / (exp. 2052) 18 years old	29,215,129	Revalued Dec 2014

ANALYSIS OF SHAREHOLDINGS
AT 31ST MARCH 2015

Authorised Share Capital	:	RM200,000,000
Issued and Paid-Up Capital	:	RM117,146,093
Class of Shares	:	Ordinary Shares of RM1.00 each
Voting Right	:	One (1) vote per Ordinary Share
Number of Shareholders	:	1,580

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	81	5.13	4,195	0.00
100 to 1,000	107	6.77	58,220	0.05
1,001 to 10,000	1,054	66.71	3,896,767	3.33
10,001 to 100,000	281	17.78	7,563,191	6.45
100,001 – less than 5% of issued shares	54	3.42	22,722,145	19.40
5% and above issued shares	3	0.19	82,901,575	70.77
Total	1,580	100.00	117,146,093	100.00

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

	No. of Shares Held			
Names of Substantial Shareholders	Direct Interest	%	Indirect Interest	%
Apex Pharmacy Holdings Sdn Bhd	47,438,855	40.50	-	-
Washington H Soul Pattinson and Company Limited	35,462,720	30.27	-	-
Xepa Holdings Sdn Bhd	462,250	0.39	47,438,855[1]	40.50
Apex Holdings (Pte) Ltd	318,750	0.27	47,901,105[1]	40.89
Kee Tah Peng @ Hee Teck Peng	320,312	0.27	48,266,730[4]	41.20
Dr Kee Kirk Chin	937,500[2]	0.80	48,219,855[1]	41.16
Xepa Holdings Pte Ltd	-	-	48,219,855[1]	41.16
Yang Liew Fang	-	-	48,219,855[1]	41.16
Kee Kirk Chuen	46,875[3]	0.04	48,219,855[1]	41.16
Dr Kee Loo	-	-	48,219,855[1]	41.16
United Engineers Limited	-	-	47,438,855[1]	40.50
UE UMC Pte Ltd	-	-	47,438,855[1]	40.50
Oversea-Chinese Banking Corporation Limited	-	-	47,438,855[1]	40.50
Great Eastern Holdings Limited	-	-	47,438,855[1]	40.50

Notes:

1 Deemed interest by virtue of Section 6A of the Companies Act, 1965.

2 Held through nominee company.

3 Partly held through nominee company.

4 Deemed interest by virtue of Section 6A and Section 134(12)(c) of the Companies Act, 1965.

ANALYSIS OF SHAREHOLDINGS
AT 31ST MARCH 2015 (CONT'D)

DIRECTORS' SHAREHOLDINGS

	No. of Shares Held			
Name of Directors	**Direct Interest**	**%**	**Indirect Interest**	**%**
Dr Kee Kirk Chin	937,500[2]	0.80	48,219,855[3]	41.16
Kee Tah Peng @ Hee Teck Peng	320,312	0.27	48,266,730[1]	41.20
Jackson Chevalier Yap-Kit-Siong	23,437	0.02	-	-
Leong Khai Cheong	148,437	0.13	-	-
Robert Dobson Millner	23,437	0.02	-	-
Heng Su-Ling Mae	-	-	-	-
Tong Yew Sum	-	-	-	-

Notes:
1 Deemed interest by virtue of Section 6A and Section 134(12)(c) of the Companies Act, 1965.
2 Held through nominee company.
3 Deemed interest by virtue of Section 6A of the Companies Act, 1965.

TOP THIRTY (30) SHAREHOLDERS

No.	Names	No. of Shares	%
1.	APEX PHARMACY HOLDINGS SENDIRIAN BERHAD	47,438,855	40.50
2.	WASHINGTON H.SOUL PATTINSON AND COMPANY LIMITED	18,560,937	15.84
3.	WASHINGTON H.SOUL PATTINSON AND COMPANY LIMITED	16,901,783	14.43
4.	HSBC NOMINEES (ASING) SDN BHD KBL EURO PB FOR HALLEY SICAV - HALLEY ASIAN PROSPERITY	2,031,250	1.73
5.	LIM TEH REALTY SDN BERHAD	1,625,000	1.39
6.	MD ALI BIN MD DEWAL	1,453,062	1.24
7.	LIEW YOON YEE	1,313,000	1.12
8.	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR SKANDINAVISKA ENSKILDA BANKEN AB (SWEDISH CLIENTS)	1,140,550	0.97
9.	MAYBANK NOMINEES (ASING) SDN BHD DBS BANK FOR KEE KIRK CHIN (211434)	937,500	0.80
10.	ROSINA BINTI ALADAD KHAN	898,437	0.77
11.	TAN YAN MENG WARREN	878,906	0.75
12.	LIEW YOON YEE	800,000	0.68
13.	CARTABAN NOMINEES (TEMPATAN) SDN BHD RHB TRUSTEES BERHAD FOR MANULIFE INVESTMENT SHARIAH PROGRESSFUND	627,125	0.54
14.	TEOH CHOON NEO @ IVY TEOH CHOON NEO	625,000	0.53
15.	CHAN HENG KOON	612,000	0.52
16.	SINGAM A/L KUMARASAMY	514,500	0.44

ANALYSIS OF SHAREHOLDINGS
AT 31ST MARCH 2015 (CONT'D)

TOP THIRTY (30) SHAREHOLDERS (Cont'd)

No.	Names	No. of Shares	%
17.	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR SKANDINAVISKA ENSKILDA BANKEN AB (AIF SWEDISH RES)	501,600	0.43
18.	YEO LEE HEE	475,000	0.41
19.	XEPA HOLDINGS SDN BHD	462,250	0.39
20.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (F TEMPLETON)	439,875	0.38
21.	OH SIEW HEONG	375,000	0.32
22.	ONG WOAN HUA	365,000	0.31
23.	AHMAD KAMAL BIN MD. ALIF	328,125	0.28
24.	KEE TAH PENG @ HEE TECK PENG	320,312	0.27
25.	APEX HOLDINGS (PTE) LTD	318,750	0.27
26.	MARGARET LIM	312,500	0.27
27.	LEONG WAI KUEN	303,250	0.26
28.	LIM KHUAN ENG	270,000	0.23
29.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (HWNG SML CAP FD)	264,000	0.23
30.	UOBM NOMINEES (TEMPATAN) SDN BHD UOB ASSET MANAGEMENT (MALAYSIA) BERHAD FOR GIBRALTAR BSN AGGRESSIVE FUND	250,000	0.21

NOTICE OF SIXTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Sixteenth Annual General Meeting ("AGM") of Apex Healthcare Berhad ("AHB") will be held at Bendahara Room 1, 2nd Floor, Ramada Plaza Melaka, Jalan Bendahara, 75100 Melaka on Wednesday, 20th May 2015 at 10.00 a.m. for the following purposes:-

As Ordinary Business

1. To receive the Statutory Financial Statements for the financial year ended 31st December 2014 together with the Directors' and Auditors' Reports thereon. **(please refer to explanatory Note 1)**

2. To approve a final single-tier dividend of 6 sen per share for the financial year ended 31st December 2014. **Resolution 1**

3. To approve the payment of Directors' fees for the financial year ended 31st December 2014. **Resolution 2**

4. To appoint Datuk Noharuddin Bin Mohd Nordin @ Harun as Independent Non-Executive Director of the Company. **Resolution 3**

5. To re-elect Mr Jackson Chevalier Yap-Kit-Siong who retires in accordance with Article 89 of the Company's Articles of Association. **Resolution 4**

6. To re-elect Ms Heng Su-Ling Mae who retires in accordance with Article 89 of the Company's Articles of Association. **Resolution 5**

7. To re-appoint Messrs Ernst & Young as the Company's Auditors and to authorise the Directors to fix their remuneration. **Resolution 6**

As Special Business

To consider and if thought fit, to pass the following ordinary resolutions, with or without modifications:

8. **RE-APPOINTMENT OF DIRECTOR OVER SEVENTY (70) YEARS OF AGE** **Resolution 7**

   "THAT Mr Kee Tah Peng @ Hee Teck Peng, who retires pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed as Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company."

9. **RE-APPOINTMENT OF DIRECTOR OVER SEVENTY (70) YEARS OF AGE** **Resolution 8**

   "THAT Mr Tong Yew Sum, who retires pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed as Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company."

10. **AUTHORITY FOR MR LEONG KHAI CHEONG TO CONTINUE OFFICE AS INDEPENDENT DIRECTOR** **Resolution 9**

    "THAT authority be and is hereby given for Mr Leong Khai Cheong who has served as an Independent Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Director of the Company until the conclusion of the next Annual General Meeting in accordance with Malaysian Code of Corporate Governance 2012 ("MCCG 2012")."

NOTICE OF SIXTEENTH ANNUAL GENERAL MEETING (CONT'D)

11. **AUTHORITY UNDER SECTION 132D OF THE COMPANIES ACT, 1965 FOR THE DIRECTORS TO ISSUE SHARES** **Resolution 10**

    "THAT pursuant to Section 132D of the Companies Act, 1965, and subject to the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue new shares in the Company at any time, at such price, upon such terms and conditions and for such purposes and to such person or persons whomsoever as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution in any one financial year does not exceed 10% of the total issued share capital of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN THAT a final single-tier dividend of 6 sen per share for the financial year ended 31st December 2014, if approved, will be paid on 17th June 2015. The entitlement date for the payment is 3rd June 2015.

A depositor shall qualify for entitlement only in respect of:

a) Shares transferred into the Depositor's Securities Accounts before 4.00 p.m. on 3rd June 2015 in respect of transfer; and
b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

CHIEW WOON WUI (MIA 20586)
CHAN YOKE PENG (MAICSA 7053966)
Secretaries

Melaka
28th April 2015

NOTICE OF SIXTEENTH ANNUAL GENERAL MEETING (CONT'D)

Notes:

(i) In respect of deposited securities, only members whose names appear in the Company's Record of Depositors as at 13th May 2015 shall be eligible to attend, speak and vote at this meeting or appoint proxy(ies) to attend and vote on his/her behalf.

(ii) A member of the Company who is entitled to attend and vote at this meeting is entitled to appoint not more than two (2) proxies, and in the case of a corporation, a duly authorised representative to attend and vote in its stead.

(iii) A proxy may but need not be a member of the Company, an advocate, an approved company auditor or a person approved by the Registrar (the provisions of Section 149(1) of the Companies Act, 1965 shall not apply). Where a member appoints more than one (1) proxy, he shall specify the proportions of his shareholdings to be represented by each proxy.

(iv) Where a member of the company is an exempt authorised nominee which holds ordinary shares in the company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

(v) The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised in writing.

(vi) The original instrument appointing a proxy must be deposited at the Registered Office of the Company situated at 1-5 Jalan TTC 1, Cheng Industrial Estate, 75250 Melaka, Malaysia, not less than forty-eight (48) hours before the time set for holding this meeting or at any adjournment thereof.

Explanatory Notes

1. The Audited Financial Statements is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 ("the Act") does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this item on the Agenda is not put forward for voting.

2. Resolution 3

This proposed resolution if passed, Datuk Noharuddin Bin Mohd Nordin @ Harun, will be appointed as Independent Non-Executive Director of the Company. His details are set out in the Statement Accompanying the Notice of Annual General Meeting on page 146 of this Annual Report.

3. Resolution 7

This proposed resolution is in accordance with Section 129(6) of the Companies Act, 1965 and if passed, Mr Kee Tah Peng @ Hee Teck Peng, who is over seventy (70) years of age, will be re-appointed as Director of the Company and will hold office until the conclusion of the next Annual General Meeting.

4. Resolution 8

This proposed resolution is in accordance with Section 129(6) of the Companies Act, 1965 and if passed, Mr Tong Yew Sum, who is over seventy (70) years of age, will be re-appointed as Director of the Company and will hold office until the conclusion of the next Annual General Meeting.

NOTICE OF SIXTEENTH ANNUAL GENERAL MEETING (CONT'D)

5. Resolution 9

Mr Leong Khai Cheong was appointed as an Independent Non-Executive Director of the Company on 18th February 2000 and has reached the nine (9) years term limit prescribed by the MCCG 2012. In accordance with the MCCG 2012, the Board of Directors of the Company, after having assessed the independence of Mr Leong, considers him to be independent based on amongst others, the following justifications and recommends that Mr Leong be retained as an Independent Non-Executive Director of the Company:-

(i) He has confirmed and declared that he is an Independent Director as defined under Paragraph 1.01 of the Listing Requirements of Bursa Securities;
(ii) He does not have any conflict of interest with the Company and has not been entering/is not expected to enter into contract(s) especially material contract(s) with the Company and/or its subsidiary companies;
(iii) He is currently not sitting on the board of any other public and/or private companies having the same nature of business as that of the Company and its subsidiary companies; and
(iv) The Board of Directors of the Company is of the opinion that Mr Leong is an important Independent Non-Executive Director in view of his many years on the Board with incumbent knowledge of the Company and the Group's activities and corporate history and has provided invaluable contributions to the Board in his role as an Independent Non-Executive Director.

6. Resolution 10

This proposed resolution, if passed, will renew the authority given to the Directors of the Company to issue and allot new shares in the Company at any time, to such person or persons, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit ("General Mandate"), provided that the number of shares issued pursuant to this General Mandate, when aggregated with the nominal value of any such shares issued during the preceding twelve (12) months, does not exceed 10% of the total issued share capital of the Company at the time of issue. This renewed General Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

The General Mandate procured and approved in the preceding year 2014 which was not exercised by the Company during the year, will expire at the forthcoming Sixteenth AGM of the Company.

With this renewed General Mandate, the Company will be able to raise funds expeditiously for the purpose of funding future investment, working capital and/or acquisition(s) without having to convene a general meeting to seek shareholders' approval when such opportunities or needs arise.

PERSONAL DATA POLICY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof) and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. Details of Datuk Noharuddin Bin Nordin @ Harun, who is nominated for appointment as Independent Director of the Company at the Sixteenth Annual General Meeting of the Company are as follows:

Name	:	Datuk Noharuddin Bin Nordin @ Harun
Age	:	59
Nationality	:	Malaysian
Qualification	:	Chartered Institute of Transport (UK) 1978 Diploma in Public Administration, National Institute of Public Administration, Malaysia, 1986 (Prime Minister's Award for Best Trainee) Diploma in Trade Policy GATT, Geneva, Switzerland, 1988 Master of Business Administration University of Birmingham, UK 1992 Advance Management Program Harvard Business School, Boston, USA, 2006 Leaders in Governance Program School of Public Policy, Singapore, 2012
Position in Board	:	Independent Non-Executive Director
Working experience	:	1978 – 1985, Assistant Director of Road Transport Department, Malaysia 1986 – 1993, Assistant Director of Ministry of International Trade and Industry (MITI), Malaysia 1994 – 2000, Trade Commissioner of Malaysia Trade Commission, New York, USA 2000 – 2003, Director of Americas / Europe Division, Malaysia External Trade Development Corporation (MATRADE) 2003 – 2006, Deputy Chief Executive of MATRADE 2006 – August 2011, Chief Executive Officer of MATRADE August 2011 – February 2014, Chief Executive Officer of Malaysian Investment Development Authority (MIDA)

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Other directorship in public companies	:	Independent Director and Chairman of the Audit Committee of Malaysia Venture Capital Management Berhad Kulim Technology Park Corporation Sdn Bhd
Any interest in Securities of the Company and its subsidiaries	:	Nil
Family relationship with any Director or major shareholders of the Company	:	None
Conflict of Interest with the Company	:	None
List of Conviction for Offenses within the Past Ten (10) Years other than traffic offences	:	None

2. Directors who are standing for re-election

The Directors standing for re-election at the Sixteenth Annual General Meeting are as follows:

(a)	Mr Jackson Chevalier Yap-Kit-Siong	Retiring pursuant to Article 89 of the Company's Articles of Association
(b)	Ms Heng Su-Ling Mae	Retiring pursuant to Article 89 of the Company's Articles of Association
(c)	Mr Kee Tah Peng @ Hee Teck Peng	Retiring pursuant to Section 129(6) of the Companies Act, 1965
(d)	Mr Tong Yew Sum	Retiring pursuant to Section 129(6) of the Companies Act, 1965

3. Further details of Directors who are standing for re-election

(a) Details of the above Directors who are standing for re-election are set out in the Directors' Profile appearing on pages 23 to 26 of this Annual Report.

(b) The direct and indirect shareholdings of the above Directors who are standing for re-election are set out in the Analysis of Shareholdings on page 140 of this Annual Report.

4. Details of Attendance of Directors at Board Meetings

Four (4) Board meetings were held during the financial year ended 31st December 2014. Details of the attendance of each Director are set out in the Report of the Nomination Committee appearing on page 46 of this Annual Report.

5. Place, Date and Time of Sixteenth Annual General Meeting

The Sixteenth Annual General Meeting of the Company will be convened and held at Bendahara Room 1, 2nd Floor, Ramada Plaza Melaka, Jalan Bendahara, 75100 Melaka on Wednesday, 20th May 2015 at 10.00 a.m.

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

FORM OF PROXY

No. of Shares held	
CDS Account No.	

I/We, ______________________________ NRIC/Company No. ______________________
(Full name in block letters)

of ____
(Full Address)

being a member/members of APEX HEALTHCARE BERHAD, hereby appoint ______________________

______________________________ of ______________________________
(Full name in block letters) (Full Address)

or failing him/her, ______________________________ of ______________________________
(Full name in block letters) (Full Address)

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the Sixteenth Annual General Meeting of the Company to be held at Bendahara Room 1, 2nd Floor, Ramada Plaza Melaka, Jalan Bendahara, 75100 Melaka on Wednesday, 20th May 2015 at 10.00 a.m. and at any adjournment thereof on the following resolutions referred to in the Notice of Sixteenth Annual General Meeting.

My/Our proxy is to vote as indicated below:-

RESOLUTIONS	*FOR	*AGAINST
1. To approve a final single-tier dividend of 6 sen per share for the financial year ended 31st December 2014.		
2. To approve the payment of Directors' fees for the financial year ended 31st December 2014.		
3. To appoint Datuk Noharuddin Bin Mohd Nordin @ Harun as Independent Non-Executive Director of the Company.		
4. To re-elect Mr Jackson Chevalier Yap-Kit-Siong as Director of the Company.		
5. To re-elect Ms Heng Su-Ling Mae as Director of the Company.		
6. To re-appoint Messrs Ernst & Young as the Company's Auditors and to authorise the Directors to fix their remuneration.		
7. To re-appoint Mr Kee Tah Peng @ Hee Teck Peng who retires under Section 129(6) of the Companies Act, 1965 to hold office until the conclusion of the next Annual General Meeting.		
8. To re-appoint Mr Tong Yew Sum who retires under Section 129(6) of the Companies Act, 1965 to hold office until the conclusion of the next Annual General Meeting.		
9. To retain Mr Leong Khai Cheong as Independent Non-Executive Director of the Company.		
10. To authorise Directors to issue shares pursuant to Section 132D of the Companies Act, 1965.		

*Please indicate with an "X" in the appropriate spaces on how you wish your vote to be cast. In the absence of specific direction, your proxy will vote or abstain as he/she thinks fit.

Dated this ____________ day of ____________ 2015

____
Signature of Member(s) or Common Seal

Notes:

(i) In respect of deposited securities, only members whose names appear in the Company's Record of Depositors as at 13th May 2015 shall be eligible to attend, speak and vote at this meeting or appoint proxy(ies) to attend and vote on his/her behalf.

(ii) A member of the Company who is entitled to attend and vote at this meeting is entitled to appoint not more than two (2) proxies, and in the case of a corporation, a duly authorised representative to attend and vote in its stead.

(iii) A proxy may but need not be a member of the Company, an advocate, an approved company auditor or a person approved by the Registrar (the provisions of Section 149(1) of the Companies Act, 1965 shall not apply). Where a member appoints more than one (1) proxy, he shall specify the proportions of his shareholdings to be represented by each proxy.

(iv) Where a member of the company is an exempt authorised nominee which holds ordinary shares in the company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

(v) The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised in writing.

(vi) The original instrument appointing a proxy must be deposited at the Registered Office of the Company situated at 1-5 Jalan TTC 1, Cheng Industrial Estate, 75250 Melaka, Malaysia, not less than forty-eight (48) hours before the time set for holding this meeting or at any adjournment thereof.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and /or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 28th April 2015.

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AFFIX
STAMP

The Company Secretaries

APEX HEALTHCARE BERHAD (473108-T)

1 - 5 Jalan TTC 1
Cheng Industrial Estate
75250 Melaka
Malaysia

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DIRECTORY OF DISTRIBUTION DEPOTS

Branch and Address	Tel Number	Fax No	Contact Person
Subang Jaya Head Office			
No 2, Jalan SS 13/5 47500 Subang Jaya Selangor Darul Ehsan	03-5629 3688 03-5629 3686	03-5636 8200 03-5636 8025 03-5636 8110 03-5629 3777	Mr Tan Hing Tai (Executive Director) Mr Lau Ah Tee (Director - Sales & Marketing) Mr Loo Kok Yuan (GM - Distribution) Ms Ang Girl Bee (Asst GM - Consumer Healthcare / Distribution) Ms Tan Pei Leng (Asst GM - Wholesale) Ms Lee Siew Bee (F&A Manager) Mr Ling Chin Huat (Senior ICT Manager) Ms Wong Mei Ling (Training Manager - Pharma) Ms Liew Sheau Seen (Product Manager - Pharma) Mr Calvin Tan Chun Seong (Brand Manager - Consumer Healthcare) Mr Lim Soon Chow (Product Manager - Consumer Healthcare) Ms Yoong Siew Li (Wholesale Manager) Ms Beh Gim Sang (Regulatory Affairs Manager - Sales & Marketing) Mr Chong Wing Hoa (Assistant Operations Manager - PJW)
Ipoh			
2-4, Medan Bendahara 2 Medan Bendahara 31650 Ipoh Perak Darul Ridzuan	05-254 5833 05-253 6307 05-241 5613	05-253 2213	Mr Wong Teck Onn (Branch Manager)
Melaka			
134/1, Kompleks Perniagaan Munshi Abdullah Jalan Munshi Abdullah 75100 Melaka	06-284 7350 06-282 8695 06-282 2168	06-283 7704	Mr Low Chor Ling (Branch Manager)
Seremban (Sales Office)			
11, Tingkat 1 Jalan Dato Sheikh Ahmad 70000 Seremban N. Sembilan Darul Khusus	06-764 2810	06-767 0327	Ms Tan Pei Leng (Asst GM - Wholesale)
Johor			
11, Jalan Mutiara 5 Taman Perindustrian Plentong 81100 Johor Bahru Johor	07-353 5534	07-353 4816	Ms Melissa Hong Chui Ean (Pharmacist)
Kota Bahru			
PT 533/A & 534/A, Taman Murni Jalan Pengkalan Chepa 16100 Kota Bahru Kelantan	09-774 3666	09-774 9428	Ms Lim Gim Hoon (Senior Branch Manager)
Penang			
No 10, Lintang Beringin 1 Off Jalan Permatang Damar Laut 11960 Bayan Lepas Penang	04-626 2739	04-626 3392	Ms Kew Miaw Fung (Branch Manager)
Sarawak			
AH 106-107, Batu Kawah New Township Jalan Batu Kawa 93250 Kuching Sarawak	082-451 119 082-459 398	082-578 418	Ms Hui Lai Fong (Branch Manager)
Sabah			
Lot 24, Karamunsing Warehouse Jalan Sembulan Lama Karamunsing 88000 Kota Kinabalu Sabah	088-270 100 088-270 200	088-270 300	Ms Chan Jit Ngo (Branch Manager)
Singapore			
4, Loyang Way 1 Singapore 508708	65-6741 3803	65-6749 3839	Ms Loh Pei Juin (General Manager)

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