



APEX HEALTHCARE BERHAD
(473108-T)
Incorporated in Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2001

THE FIGURES HAVE NOT BEEN AUDITED.

CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30/09/2001 RM'000	Preceding Year Corresponding Quarter 30/09/2000 RM'000	Current Year To Date 30/09/2001 RM'000	Preceding Year Corresponding Period 30/09/2000 RM'000
1. (a) Revenue	35,315	32,841	104,343	94,097
(b) Investment income	-	-	-	-
(c) Other income	161	148	628	364
2. (a) Profit/(loss) before finance cost, depreciation and amortisation, exceptional items, income tax, minority interests and extraordinary items	3,366	3,201	10,761	9,904
(b) Finance cost	(32)	(39)	(133)	(307)
(c) Depreciation and amortisation	(723)	(620)	(2,077)	(1,859)
(d) Exceptional items	-	-	-	-
(e) Profit/(loss) before income tax, minority interests and extraordinary items.	2,611	2,542	8,551	7,738
(f) Share of profits and losses of associated companies	-	-	-	-
(g) Profit/(Loss) before income tax, minority interests and extraordinary items	2,611	2,542	8,551	7,738
(h) Income tax	(615)	(545)	(2,028)	(1,643)
(i) (i) Profit/(Loss) after income tax before deducting minority interests	1,996	1,997	6,523	6,095
(ii) Less: Minority interests	-	-	-	-
(j) Pre-acquisition profit/(loss), if applicable	-	-	-	-
(k) Net profit/(loss) from ordinary activities attributable to members of the Company	1,996	1,997	6,523	6,095
(j) (i) Extraordinary items	-	-	-	-
(ii) Less: Minority interests	-	-	-	-
(iii) Extraordinary items attributable to members of the Company	-	-	-	-
(m) Net profit/(loss) attributable to members of the Company	1,996	1,997	6,523	6,095



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CONSOLIDATED INCOME STATEMENT (Contd.)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30/09/2001	30/09/2000	30/09/2001	30/09/2000
	RM'000	RM'000	RM'000	RM'000
3. Earnings per share based on 2(m) above after deducting any provision for preference dividends if any:-				
(a) Basic (based on 43,400,000 ordinary shares) (sen)	<u>4.60</u>	<u>4.60</u>	<u>15.03</u>	<u>14.04</u>
(b) Fully diluted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>



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CONSOLIDATED BALANCE SHEET

	Unaudited As at the end of current quarter	Audited As at the preceding financial year end
	30/09/2001 RM'000	31/12/2000 RM'000
1. Property, plant and equipment	32,479	27,878
2. Investment property	-	-
3. Investment in associated companies	-	-
4. Long term investments	-	-
5. Goodwill on consolidation	-	-
6. Intangible assets	-	-
7. Other long term assets	-	-
	32,479	27,878
8. Current Assets		
Inventories	25,552	22,275
Trade receivables	30,098	22,857
Bills and other receivables	1,242	1,155
Deposits	520	655
Prepayments	333	230
Short term investments	-	-
Term Deposits	3,453	11,703
Cash and bank balances	3,382	3,423
	64,580	62,298
9. Current Liabilities		
Trade payables	15,979	11,645
Trade accruals	6,310	5,630
Retirement benefits	479	457
Short term borrowings	2,254	4,784
Provision for taxation	907	916
Proposed dividend	1,302	2,604
	27,231	26,036
10. Net current assets	37,349	36,262
	69,828	64,140
11. Shareholders' funds		
Share capital	43,400	43,400
Reserves		
Share premium	3,439	3,439
Revaluation reserve	5,628	5,628
Capital reserve	-	-
Statutory reserve	-	-
Retained profit	16,414	11,193
Currency translation reserve	(5)	13
	25,476	20,273
	68,876	63,673
12. Minority interests	-	-
13. Long term borrowings	-	-
14. Other long term liabilities		
Retirement benefits	599	467
15. Deferred taxation	353	-
	69,828	64,140
16. Net Tangible Assets per share (RM)	1.59	1.47



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III. NOTES TO THE FINANCIAL STATEMENTS

1. The unaudited quarterly consolidated financial statements have been prepared by applying the same accounting policies, methods of computation and basis of consolidation consistent with those used for the year ended 31 December 2000.
2. There were no exceptional items in the results for the current quarter and financial year to date ended 30 September 2001.
3. There were no extraordinary items in the results for the current quarter and financial year to date ended 30 September 2001.
4. The analysis of tax charge for the financial year to date is as follows:

	RM'000
Income taxation in Malaysia	1,675
Deferred taxation	353
Adjustment in respect of prior years	-
Total	<u>2,028</u>

The lower effective tax rate of the Group for the current quarter and financial year to date is mainly due to the availability of tax incentives for a subsidiary company.

5. There were no sales of unquoted investments and/or properties during the current quarter and financial year to date ended 30 September 2001.
- 6a) There were no acquisitions or disposals of quoted securities for the current quarter and financial year to date ended 30 September 2001.
- 6b) There were no investments in quoted securities as at 30 September 2001.

7. Changes in the Composition of the Group

As of 1 July 2001, the retail and distribution operations of Apex Pharmacy (E.M.) Sdn Bhd were transferred to Apex Pharmacy Sdn Bhd and Apex Pharmacy Marketing Sdn Bhd respectively. All three companies are wholly-owned subsidiaries of Apex Healthcare Berhad. The restructuring is not expected to have a material impact on the Group's financial performance. Other than disclosed above, the Group did not undertake any business combinations, acquisitions or disposals of subsidiaries and long-term investments, restructuring or discontinuation of operations for the current quarter and financial year to date ended 30 September 2001.

8. Status of Corporate Proposals

At the Extraordinary General Meeting held on 16 August 2001, the Shareholders approved the proposed Employees' Share Option Scheme ("ESOS") for employees and Executive Directors of Apex Healthcare Berhad ("AHB") and its subsidiaries, the proposed amendments to the Articles of Association of Apex Healthcare Berhad and the shareholders' mandate for recurrent related party transactions of a revenue or trading nature which are in the ordinary course of business.

9. The Group and the Company did not undertake any issuance and/or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial year to date ended 30 September 2001.

10. The details of the Group's short-term borrowings denominated in Ringgit Malaysia as at 30 September 2001 were as follows:

	<u>Short term borrowings</u>		
	Secured RM'000	Unsecured RM'000	Total RM'000
Domestic			
- Banks	-	2,254	2,254
- Others	-	-	-
TOTAL	-	<u>2,254</u>	<u>2,254</u>

The Group did not have any long term borrowings and debt securities as at 30 September 2001.

11. Changes in Contingent liabilities

Total corporate guarantees amounting to RM 15.5 million (RM13.8 million: 31 December 2000) have been furnished by the Company to banks in respect of credit facilities extended to its subsidiary companies. As at 31 October 2001, being the latest practicable date for reporting, a total of RM4.05 million of the credit facilities have been utilized.



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12. There were no financial instruments with off-balance sheet risks as at the date of this announcement.
13. The Company and its subsidiaries have no outstanding material litigations since the last balance sheet date ended 31 December 2000 as at the date of this announcement.
14. Segmental reporting is not applicable as the Group's pharmaceutical business is principally based in Malaysia for the current financial year to date ended 30 September 2001.
15. For the quarter under review, the Group's profit before tax is RM 2.61 million, an 8% decrease over RM 2.84 million recorded in the immediate preceding quarter.
16. Review of Performance for the Current Quarter and Financial Year to date

The Group recorded a turnover of RM 35.3 million and profit before tax of RM 2.61 million for the current quarter and a turnover of RM 104.3 million and profit before tax of RM 8.55 million for the current financial year to date ended 30 September 2001. During the quarter, nationwide 'Mega Sales' and the good performance of newly acquired consumer product agency lines contributed positively to Group turnover. Year to date performance is in line with the expectations of the Board of Directors.
17. There were no material events that have arisen in the interval between the end of the current quarter ended 30 September 2001 to the date of the announcement, which would substantially affect the financial results of the Group and of the Company for the current quarter and financial year to date ended 30 September 2001.
18. The Group's operations were not subject to any seasonal or cyclical factors.
19. Prospects for the remaining period to the end of the financial year.

The pessimistic global outlook and slowing domestic economy contributed to the Group's weaker 3rd quarter performance as compared to the 2nd quarter and the effect is expected to continue in the short term. The Group will continue to exercise stringent control over operating costs while working to strengthen market share through the opening of new retail outlets and the launching of new pharmaceutical products. Barring unforeseen circumstances, the Board expects performance for the current Financial Year to be satisfactory.
20. Profit Forecast

Not applicable.
21. Dividend
 - (a) The Board of Directors do not recommend the payment of an interim dividend for the current quarter ended 30 September 2001.
 - (b) The total dividend declared and paid for the current financial year to date amounts to 3 sen tax exempt per share.