



APEX HEALTHCARE BERHAD
(473108-T)
Incorporated in Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2002

THE FIGURES HAVE NOT BEEN AUDITED.

CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31/03/2002 RM'000	Preceding Year Corresponding Quarter 31/03/2001 RM'000	Current Year To Date 31/03/2002 RM'000	Preceding Year Corresponding Period 31/03/2001 RM'000
1. (a) Revenue	39,344	34,548	39,344	34,548
(b) Investment income	-	-	-	-
(c) Other income	115	315	115	315
2. (a) Profit/(loss) before finance cost, depreciation and amortisation, exceptional items, income tax, minority interests and extraordinary items	4,115	3,817	4,115	3,817
(b) Finance cost	(35)	(51)	(35)	(51)
(c) Depreciation and amortisation	(764)	(664)	(764)	(664)
(d) Exceptional items	-	-	-	-
(e) Profit/(loss) before income tax, minority interests and extraordinary items.	3,316	3,102	3,316	3,102
(f) Share of profits and losses of associated companies	-	-	-	-
(g) Profit/(Loss) before income tax, minority interests and extraordinary items	3,316	3,102	3,316	3,102
(h) Income tax	(874)	(752)	(874)	(752)
(i) (i) Profit/(Loss) after income tax before deducting minority interests	2,442	2,350	2,442	2,350
(ii) Less: Minority interests	-	-	-	-
(j) Pre-acquisition profit/(loss), if applicable	-	-	-	-
(k) Net profit/(loss) from ordinary activities attributable to members of the Company	2,442	2,350	2,442	2,350
(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	2,442	2,350	2,442	2,350



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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
	31/03/2002	31/03/2001	31/03/2002	31/03/2001
	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 43,410,750 ordinary shares) (sen)	<u>5.62</u>	<u>5.41</u>	<u>5.62</u>	<u>5.41</u>
(b) Fully diluted (based on 44,259,822 ordinary shares) (sen)	<u>5.52</u>	<u>-</u>	<u>5.52</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
	31/03/2002 RM'000	31/12/2001 RM'000
1. Property, plant and equipment	31,735	31,988
2. Investment property	-	-
3. Investment in associated companies	-	-
4. Long term investments	-	-
5. Goodwill on consolidation	-	-
6. Intangible assets	-	-
7. Other long term assets	-	-
	31,735	31,988
8. Current Assets		
Inventories	29,223	26,978
Trade receivables	32,030	27,120
Bills and other receivables	1,348	874
Deposits	601	546
Prepayments	173	128
Short term investments	-	-
Term Deposits	5,053	3,903
Cash and bank balances	3,371	2,710
	71,799	62,259
9. Current Liabilities		
Trade payables	19,903	16,214
Trade accruals	3,267	2,574
Retirement benefits	507	501
Proposed Directors' fees	49	37
Short term borrowings	3,809	2,006
Provision for taxation	1,393	1,156
Proposed dividend	-	-
	28,928	22,488
10. Net current assets	42,871	39,771
	74,606	71,759
11. Shareholders' funds		
Share capital	43,478	43,400
Reserves		
Share premium	3,551	3,439
Revaluation reserve	5,628	5,628
Capital reserve	-	-
Statutory reserve	-	-
Retained profits	20,600	18,158
Currency translation reserve	(26)	(25)
	29,753	27,200
	73,231	70,600
12. Minority interests	-	-
13. Long term borrowings	-	-
14. Other long term liabilities		
Retirement benefits	849	764
15. Deferred taxation	526	395
	74,606	71,759
16. Net Tangible Assets per share (RM)	1.68	1.63



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III. NOTES TO THE FINANCIAL STATEMENTS

1. Group Accounting Policies

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 in the preparation of the most recent Audited Financial Statements except for the change in accounting policy on the recognition of final dividends proposed.

In compliance with MASB 19 which became operative for financial statements covering periods beginning on or after 1 July 2001, the final dividend which was previously accrued as a liability when proposed by the Board of Directors, is now accrued as a liability after approval by shareholders in the Annual General Meeting.

The effect of the change in accounting policy on the Group's financial statements is as follows:

Group	As previously reported RM'000	Effect of change in policy RM'000	As restated RM'000
At 31 December 2001			
- Retained profits	16,422	1,736	18,158
- Proposed dividends	1,736	(1,736)	-
At 31 March 2002			
- Retained profits	18,864	1,736	20,600
- Proposed dividends	1,736	(1,736)	-

2. Exceptional Item

There were no exceptional items in the results for the current quarter and financial year to date ended 31 March 2002.

3. Extraordinary Item

There were no extraordinary items in the results for the current quarter and financial year to date ended 31 March 2002.

4. Tax Charge

The analysis of tax charge for the financial year to date is as follows:

	RM'000
Income taxation in Malaysia	744
Deferred taxation	130
Adjustment in respect of prior years	-
Total	874

The Group's effective tax rate for the current quarter is marginally lower than the statutory tax rate mainly due to the availability of tax incentives for a subsidiary company.

5. Sale of Unquoted Investments and/or Properties

There were no sales of unquoted investments and/or properties during the current quarter and financial year to date ended 31 March 2002.

6. Quoted Securities

- a) There were no acquisitions or disposals of quoted securities for the current quarter and financial year to date ended 31 March 2002.
- b) There were no investments in quoted securities as at 31 March 2002.

7. Changes in Group Composition

The Group did not undertake any business combinations, acquisitions or disposals of subsidiaries and long-term investments, restructuring or discontinuation of operations for the current quarter and financial year to date ended 31 March 2002.

8. Status of Corporate Proposals

There are no corporate proposals announced and not completed at 15 May 2002, being the latest practicable date for reporting.



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9. Changes in Debt and Equity Securities

During the financial year to date ended 31 March 2002, the Company increased its issued and paid up share capital to RM43,478,000 from RM43,400,000 by way of the issue of 78,000 ordinary shares at RM1.00 each following the exercise of share options by the employees.

There was no other issuance and/or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares undertaken by the Group and the Company for the current financial year to date ended 31 March 2002.

10. Group Borrowings

The Group's short-term borrowings denominated in Ringgit Malaysia as at 31 March 2002 were as follows:

Short term borrowings	Secured	Unsecured	Total
Domestic	RM'000	RM'000	RM'000
- Banks	-	3,809	3,809
- Others	-	-	-
TOTAL	-	3,809	3,809

The Group did not have any long term borrowings and debt securities as at 31 March 2002.

11. Changes in Contingent liabilities

There were no changes in the total corporate guarantees amounting to RM 15.5 million that have been furnished by the Company to banks in respect of credit facilities extended to its subsidiary companies since 31 December 2001. As at 15 May 2002, being the latest practicable date for reporting, a total of RM7.4 million of the credit facilities have been utilized.

12. Financial Instruments with Off Balance Sheet Risks

At 15 May 2002, the Group's outstanding forward foreign exchange contracts for trade receivables are as follows –

Contracted amount in S\$'000	RM'000 equivalent	Contractual rate	Maturity date
137	283	2.060 to 2.084	30 September 2002
76	159	2.094 to 2.105	30 October 2002
213	442		

The Group does not anticipate any market or credit risks arising from these financial instruments.

The Group's policy is that foreign currency transactions hedged by forward foreign exchange contracts are translated to Ringgit Malaysia at the rates specified in such forward contracts. Exchange differences do not arise from such transactions as the rates used at transaction dates are similar to that adopted at settlement dates.

13. Material Litigations

The Company and its subsidiaries have no outstanding material litigations since the last balance sheet date ended 31 March 2002 till the date of this announcement.

14. Segmental reporting for the current financial year to date ended 31 March 2002

Analysis by Business	Revenue RM'000	Profit/(Loss) Before Tax RM'000	Total Assets Employed RM'000
Manufacturing	5,683	1,867	39,416
Retailing and Distribution	33,661	1,420	60,283
Investment holding & others	-	29	3,835
TOTAL	39,344	3,316	103,534



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15. Comparison with Preceding Quarterly Results

For the quarter under review, the Group's profit before tax is RM 3.32 million, a 31% increase over RM 2.53 million recorded in the immediate preceding quarter. The stronger performance is due largely to improved domestic and export sales arising from good demand for the Group's products.

16. Review of Performance for the Current Quarter and Financial Year to date

The Group recorded a turnover of RM 39.3 million and profit before tax of RM 3.32 million for the current quarter and the financial year to date ended 31 March 2002, increases of 14% and 7% respectively over that recorded for the financial year to date ended 31 March 2001. During the quarter, the group's manufacturing and distribution subsidiaries performed well due largely to improved demand from the group's broad base of private sector customers.

Xepa-Soul Pattinson (Malaysia) Sdn Bhd recorded strong sales for its newly launched generic drugs, Covastin[®], a lipid lowering agent and Ezedo[®], an anti-histamine. As part of its retail expansion programme, Apex Pharmacy Sdn Bhd opened a retail pharmacy at the new Tesco Hypermarket development in Puchong. Consumer product lines distributed by Apex Pharmacy Marketing Sdn Bhd benefited from increased advertising exposure. Year to date performance of the Group is in line with the expectations of the Board of Directors.

17. Significant Subsequent Events

There were no material events that have arisen in the interval between the end of the current quarter ended 31 March 2002 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 31 March 2002.

18. Seasonal and Cyclical Factors

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

Global and domestic economic recovery appears to be gaining momentum. The Group will continue to implement plans to expand through the opening of new retail pharmacy outlets and use of new store concepts, launching of new pharmaceutical products and widening export coverage. Effort will also be spent to continually upgrade IT and warehousing facilities for the Group's marketing and distribution operations. Barring unforeseen circumstances, the Board expects performance for the current financial year to be comparable to that of the previous year.

20. Profit Forecast

Not applicable.

21. Dividend

Nil.