



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER  
ENDED 31 MARCH 2003

THE FIGURES HAVE NOT BEEN AUDITED

**CONDENSED CONSOLIDATED INCOME STATEMENTS**  
**INTERIM REPORT FOR THE YEAR ENDED 31 MARCH 2003**

	Note	3 MONTHS ENDED		PERIOD ENDED	
		31/03/2003	31/03/2002	31/03/2003	31/03/2002
		RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	8	<b>46,257</b>	<b>39,344</b>	<b>46,257</b>	<b>39,344</b>
Expenses excluding finance cost and tax		(42,622)	(36,107)	(42,622)	(36,107)
Other Operating Income		276	115	276	115
Profit from operations		3,911	3,352	3,911	3,352
Finance cost		(14)	(36)	(14)	(36)
Share of results of associates and jointly controlled entities		-	-	-	-
<b>Profit before tax</b>	8	<b>3,897</b>	<b>3,316</b>	<b>3,897</b>	<b>3,316</b>
Tax	15	(1,086)	(874)	(1,086)	(874)
<b>Profit after tax</b>		<b>2,811</b>	<b>2,442</b>	<b>2,811</b>	<b>2,442</b>
Less: Minority interests		-	-	-	-
<b>Net profit for the period</b>		<b>2,811</b>	<b>2,442</b>	<b>2,811</b>	<b>2,442</b>
<b>Earnings per share</b>		<u><b>Sen</b></u>	<u><b>Sen</b></u>	<u><b>Sen</b></u>	<u><b>Sen</b></u>
- Basic	27	<b>6.46</b>	<b>5.62</b>	<b>6.46</b>	<b>5.62</b>
- Diluted	27	<b>6.44</b>	<b>5.52</b>	<b>6.44</b>	<b>5.52</b>



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER  
ENDED 31 MARCH 2003

**CONDENSED CONSOLIDATED BALANCE SHEET**  
**INTERIM REPORT FOR THE YEAR ENDED 31 MARCH 2003**

	Note	As at 31/03/2003 RM'000	<u>Audited</u> As at 31/12/2002 RM'000
<b>Non Current Assets</b>			
Property, plant and equipment	9	37,146	31,554
Other non-current assets		-	-
		37,146	31,554
<b>Current Assets</b>			
Inventories		30,367	28,091
Trade and other receivables		42,255	35,641
Deposits, bank & cash balances		7,822	12,176
		80,444	75,908
<b>Less: Current Liabilities</b>			
Trade and other payables		31,917	25,708
Retirement benefits		39	39
Provision for taxation		1,202	1,081
Bank borrowings	19	2,987	2,187
Proposed dividend		-	-
		36,145	29,015
<b>Net Current Assets</b>		44,299	46,893
<b>Less: Non-Current Liabilities</b>			
Provision for retirement benefits		1,187	1,149
Deferred taxation	1	2,287	2,138
		3,474	3,287
		<b>77,971</b>	<b>75,160</b>
<b>Capital and Reserves</b>			
Share Capital		43,557	43,557
Reserves	1	34,414	31,603
Shareholders' equity		<b>77,971</b>	<b>75,160</b>
<b>Net Tangible Assets per share (RM)</b>		<b>1.79</b>	<b>1.73</b>



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER  
ENDED 31 MARCH 2003

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**INTERIM REPORT FOR THE PERIOD ENDED 31 MARCH 2003**

	Share capital	Share Premium	<u>Non-Distributable</u> Revaluation & other reserves	<u>Distributable</u> Retained Profits	Total
Note	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Balance as at 1 January 2003</b>					
- as previously reported	43,557	3,664	5,765	23,944	76,930
- prior year adjustment	1	-	(1,574)	(196)	(1,770)
- as restated	43,557	3,664	4,191	23,748	75,160
Net profit for the interim period				2,811	2,811
Dividends for the interim period				-	-
Issue of shares:					
-Employees Share Option Scheme	-	-			-
<b>Balance as at 31 March 2003</b>	<b>43,557</b>	<b>3,664</b>	<b>4,191</b>	<b>26,559</b>	<b>77,971</b>

**Note:** There are no comparative figures as this is the third interim Statement of Changes in Equity prepared in accordance with MASB 26 – “Interim Financial Reporting”.



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER  
ENDED 31 MARCH 2003

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
**INTERIM REPORT FOR THE PERIOD ENDED 31 MARCH 2003**

	<b>Period ended</b> <b><u>31.03.2003</u></b> <b>RM'000</b>
<b>Cash flows from operating activities</b>	
Net profit for the interim period	2,811
Adjustments	1,767
Operating profit before working capital changes	<u>4,578</u>
Increase in inventories	(2,275)
Increase in receivables	(6,577)
Increase in payables	6,208
Cash generated from operations	<u>1,934</u>
Retirement benefits paid	-
Tax paid	(852)
Dividends received	-
<b>Net cash generated from operating activities</b>	<b><u>1,082</u></b>
<b>Net cash flow used in investing activities</b>	<b>(6,235)</b>
<b>Net cash flow used in financing activities</b>	<b>(722)</b>
Net decrease in cash and cash equivalents	<u>(5,875)</u>
<b>Cash and cash equivalents at the beginning of the interim period</b>	<b>11,157</b>
Currency translation differences	-
<b>Cash and cash equivalents at the end of the interim period</b>	<b><u>5,282</u></b> =====

**Note:** There are no comparative figures as this is the third interim Cash Flow Statement prepared in accordance with MASB 26 – “Interim Financial Reporting”.



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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER  
ENDED 31 MARCH 2003**

**NOTES TO THE INTERIM REPORT FOR THE PERIOD ENDED 31 MARCH 2003**

1. Accounting policies and methods of computation

The interim financial report is unaudited and has been prepared in compliance with MASB Standard No.26, "Interim Financial Reporting" and Paragraph 9.22 of the Kuala Lumpur Stock Exchange Listing Requirements. It should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2002.

The accounting policies and presentation adopted for the interim financial report are consistent with those adopted in the financial statements for the year ended 31 December 2002 except for the change in accounting policy on the recognition of deferred taxation in compliance with MASB Standard No.25 "Income Taxes" which came into effect for financial statements covering periods beginning on or after 1 July 2002.

The Group revalued its land and buildings in financial year ended 31 December 2000 and a revaluation surplus of RM5.6 million was recognized in that financial year. No deferred taxation was accounted for on the revaluation surplus pursuant to the International Accounting Standards 12, Income Taxes. Subsequent to the adoption of MASB 25 in this interim period, a deferred taxation at the prevailing rate of tax of 28% has been recognized in the condensed financial statements and the revaluation reserve was adjusted accordingly. The effects arising from the adoption of MASB 25 have been adjusted retrospectively.

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

	<b>As previously reported</b>	<b>Effect of change in policy</b>	<b>As restated</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Balance Sheet:			
At 1 January 2003			
- Revaluation reserves	5,628	(1,574)	4,054
- Retained profits	23,944	(196)	23,748
- Deferred tax	368	1,770	2,138
At 1 January 2002			
- Revaluation reserves	5,628	(1,574)	4,054
- Retained profits	18,158	(212)	17,946
- Deferred tax	395	1,786	2,181

2. Audit report qualifications of the preceding annual financial statements

The Auditors had reported without any qualifications on the Group's audited financial statements for the year ended 31 December 2002.

3. Seasonality or cyclicity of interim operations

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



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER  
ENDED 31 MARCH 2003

**NOTES TO THE INTERIM REPORT FOR THE PERIOD ENDED 31 MARCH 2003 (continued)**

4. Unusual items

Other than the effects arising from the adoption of MASB 25 as reflected in note 1 above, there were no unusual items that affected the assets, liabilities, equity, net income or cash flows for the interim period ended 31 March 2003.

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

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

6. Issuances, cancellations, repurchases, resale and repayments of debt and equity securities

There were no issuance and/or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the interim period ended 31 March 2003.

7. Dividends paid

There were no dividends paid during the interim period ended 31 March 2003.

8. Segmental Reporting

<b>BUSINESS SEGMENTS</b>	Manufactu- ring	Retailing and distribution	Investment holding	<b>GROUP</b>
<b>PERIOD ENDED 31/03/2003</b>	RM'000	RM'000	RM'000	RM'000
Total Revenue	9,982	40,225	299	50,506
Inter-segment revenue	(3,950)	-	(299)	(4,249)
External Revenue	6,032	40,225	-	46,257
Profit from ordinary activities before tax	2,178	1,608	111	3,897
<b>PERIOD ENDED 31/03/2002</b>	RM'000	RM'000	RM'000	RM'000
Total Revenue	9,369	33,661	162	43,192
Inter-segment revenue	(3,686)	-	(162)	(3,848)
External Revenue	5,683	33,661	-	39,344
Profit from ordinary activities before tax	1,867	1,420	29	3,316



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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER  
ENDED 31 MARCH 2003**

**NOTES TO THE INTERIM REPORT FOR THE PERIOD ENDED 31 MARCH 2003(continued)**

9. Valuations of Property, Plant & Equipment

The carrying value of land and buildings is based on a valuation carried out in year 2000 by independent qualified valuers using the comparison and investment method that have been brought forward, without amendment from the previous year's audited financial statements.

10 Significant Post Balance Sheet Events

There were no significant events that had arisen subsequent to the end of the interim period ended 31 March 2003.

11 Changes in Group Composition

The Group did not undertake any business combinations, acquisitions or disposals of subsidiaries and long-term investments, restructuring or discontinuation of operations during the interim period ended 31 March 2003.

12. Changes in Contingent liabilities or Contingent assets.

(i) Corporate guarantees that have been furnished by the Company to banks in respect of credit facilities utilized by its subsidiaries increased to RM4.4 million at 31 March 2003 from RM2.7 million at 31 December 2002.

(ii) There were no contingent assets since the end of the last annual balance sheet date.

13. Capital Commitments

Capital commitments not provided for in the financial statements as at 31 March 2003 are as follows:

<u>Property, Plant and Equipment</u>	<u>RM'000</u>
Authorised and contracted	414
Authorised but not contracted	<u>7,777</u>
	<u>8,191</u>

14. Related Party Transactions

Significant related party transactions of the Group for the interim period ended 31 March 2003 are as follows:

	<u>RM'000</u>
With Grafton Pharmasia Pte Ltd	
Sale of goods	1,677
Purchase of goods	841
With Grafton Laboratories Pte Ltd	
Royalty	71

Grafton Pharmasia Pte Ltd and Grafton Laboratories Pte Ltd are both subsidiaries of United Medicorp Pte Ltd, which holds 30% equity interest in Apex Pharmacy Holdings Sdn Bhd, a substantial shareholder of the Company.



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER  
ENDED 31 MARCH 2003

**NOTES TO THE INTERIM REPORT FOR THE YEAR ENDED 31 MARCH 2003(continued)**

15. Tax charge

	<b>3 MONTHS ENDED</b>		<b>PERIOD ENDED</b>	
	<b>31/03/2003</b>	<b>31/03/2002</b>	<b>31/03/2003</b>	<b>31/03/2002</b>
	RM'000	RM'000	RM'000	RM'000
In respect of current period:				
- income tax	937	744	937	744
- deferred tax	149	130	149	130
	1086	874	1086	874
In respect of prior year:				
- income tax	-	-	-	-
	1,086	874	1,086	874

16. Sale of Unquoted Investments and/or Properties

There were no sales of unquoted investments and/or properties during the interim period ended 31 March 2003.

17. Quoted Securities

- (i) There were no acquisitions or disposals of quoted securities during the interim period ended 31 March 2003.
- (ii) There were no quoted securities held at 31 March 2003.

18. Status of Corporate Proposals

Approval has been received by the Company from the relevant authorities for the proposed bonus issue of up to 23,870,000 new ordinary shares of RM1.00 each in the Company credited as fully paid on the basis of one (1) bonus share for every two (2) existing ordinary shares of RM1.00 each in the Company by way of capitalization from the share premium and retained profits of the Company. Shareholders' approval for the proposed Bonus Issue will be sought at the forthcoming Extraordinary General Meeting scheduled on 21 May 2003.

19. Group Borrowings and Debt Securities

- (i) The Group's current bank borrowings denominated in Ringgit Malaysia as at 31 March 2003 are as follows:

<b>Bank borrowings</b>	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Domestic			
- Banks	-	2,987	2,987
- Others	-	-	-
<b>TOTAL</b>	-	<b>2,987</b>	<b>2,987</b>

- (ii) The Group did not have any non-current bank borrowings and debt securities denominated either in Ringgit Malaysia or foreign currency as at 31 March 2003.





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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER  
ENDED 31 MARCH 2003**

**NOTES TO THE INTERIM REPORT FOR THE YEAR ENDED 31 MARCH 2003(continued)**

**20. Off Balance Sheet Financial Instruments**

- (i) At 14 May 2003, the Group's outstanding forward foreign exchange contracts to hedge its trade receivables are as follows –

Contracted amount in S\$'000	RM'000 equivalent	Contractual rate	Maturity date
111	240	2.144 to 2.155	30 September 2003
37	80	2.180	31 October 2003
148	320		

- (ii) The Group does not anticipate any market or credit risks arising from these financial instruments.
- (iii) The Group enters into short-term forward foreign exchange contracts to manage its exposure to fluctuations in foreign currency exchange rates on specific transactions arising from trade receivables.
- (iv) 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.

**21. Material Litigations**

The Company and its subsidiaries have no outstanding material litigations at the date of this report.

**22. Material changes in the profit before taxation for the quarter**

For the quarter under review, the Group's profit before tax is RM 3.90 million, a 14% increase over RM 3.43 million recorded in the immediate preceding quarter. The group's products and services continue to enjoy strong demand notwithstanding the challenging business environment.

**23. Review of Performance**

The Group recorded a turnover of RM 46.3 million and profit before tax of RM 3.90 million for the current quarter and the interim period ended 31 March 2003, increases of 18% over that recorded for the same interim period of the previous year.

During the quarter under review, the Group completed its previously announced acquisition of a plot of industrial land in Subang Jaya, on which a new warehouse and corporate offices will be built. The retail division opened its 23<sup>rd</sup> outlet in the Tesco Hypermarket at Damansara Mutiara. New products introduced by the manufacturing subsidiary in the last quarter continued to record good sales. The distribution division's own-brand 'OtoScan' ear thermometer was launched in the quarter and was well received by pharmacies and clinics.



**APEX HEALTHCARE BERHAD**

(473108-T)

Incorporated in Malaysia

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER  
ENDED 31 MARCH 2003**

**NOTES TO THE INTERIM REPORT FOR THE YEAR ENDED 31 MARCH 2003(continued)**

24. Prospects for the next interim period

The unexpected outbreak of SARS in many countries including Malaysia has severely affected many industries and significantly impacted on regional economies. Growth forecasts have been accordingly reduced.

The Board believes that the Group's strategies have served well and continue to be appropriate to the current trading circumstances. The Board remains confident that the Group's performance for the remainder of the year will be satisfactory.

25. Profit Forecast

Not applicable.

26. Dividends

The Board of Directors does not recommend any interim dividend for the period ended 31 March 2003

27. Earnings per share

		3 MONTHS ENDED		PERIOD ENDED	
		31/03/2003	31/03/2002	31/03/2003	31/03/2002
<b>Basic Earnings per share</b>					
Net profit for the period	RM'000	2,811	2,442	2,811	2,442
Weighted average number of ordinary shares in issue	'000	43,544	43,411	43,544	43,411
Basic earnings per share	sen	<b>6.46</b>	<b>5.62</b>	<b>6.46</b>	<b>5.62</b>
<b>Diluted Earnings per share</b>					
Net profit for the period	RM'000	2,811	2,442	2,811	2,442
Weighted average number of ordinary shares in issue	'000	43,544	43,411	43,544	43,411
Adjustment for share options	'000	118	849	118	849
Weighted average number of ordinary shares in issue for diluted earnings per share	'000	43,662	44,260	43,662	44,260
Diluted earnings per share	sen	<b>6.44</b>	<b>5.52</b>	<b>6.44</b>	<b>5.52</b>