



Apex Healthcare Berhad

(473108-T)

134/2, Kompleks Perniagaan Munshi Abdullah
Jalan Munshi Abdullah

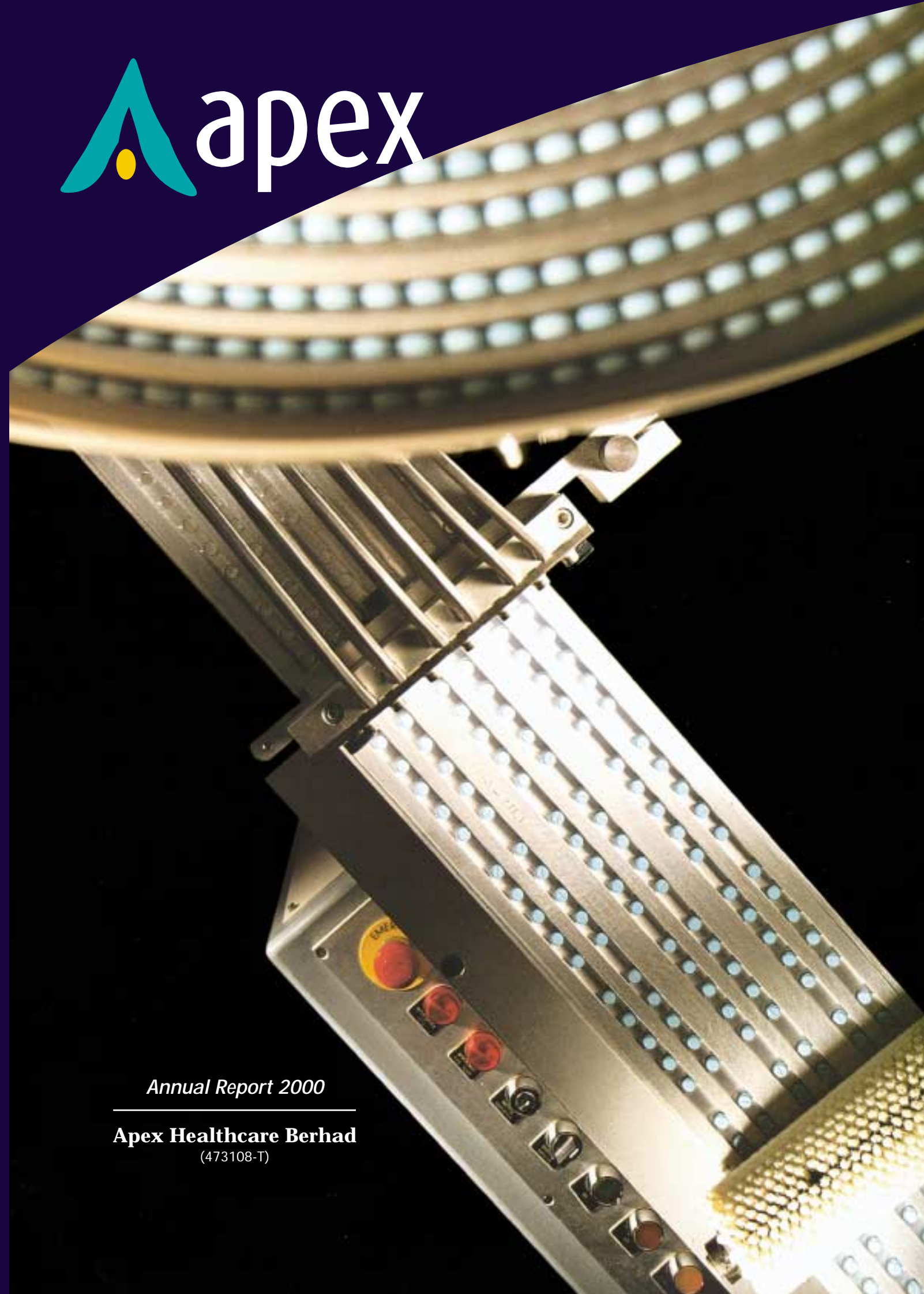
75100 Melaka

Tel: 06-2847381 Fax: 06-2832140

Annual Report 2000

Apex Healthcare Berhad

(473108-T)



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Cover

A blister packaging line at Xepa Soul Pattinson. The latest integrated IMA blister and carton line is capable of producing 8,000 aluminium blisters an hour.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Second Annual General Meeting of Apex Healthcare Berhad will be held at Bunga Melati, 7th Floor, Renaissance Melaka Hotel, Jalan Bendahara, 75100 Melaka on Wednesday, 23 May 2001 at 10.30 a.m.

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2000 together with the Directors' and Auditors' Reports thereon.

RESOLUTION 1

2. To declare a first and final tax exempt dividend of 6 sen per share for the financial year ended 31 December 2000.

RESOLUTION 2

3. To approve the payment of Directors' fees for the financial year ended 31 December 2000.

RESOLUTION 3

4. To re-elect the following Directors who retire by rotation in accordance with Article 89 of the Company's Articles of Association and being eligible offer themselves for re-election:-

- i. Ki Tak Sang @ Kee Tak Sang

RESOLUTION 4

- ii. Jackson Chevalier Yap-Kit-Siong

RESOLUTION 5

- iii. Leong Khai Cheong

RESOLUTION 6

5. To consider and if thought fit, to pass the following resolution as an ordinary resolution:-
"THAT Kee Tah Peng @ Hee Teck Peng, retiring in accordance with Section 129 of the Companies Act, 1965 be and is hereby re-appointed a Director of the Company and to hold office until the next Annual General Meeting."

RESOLUTION 7

6. To re-appoint Messrs Pricewaterhouse-Coopers as the Company's Auditors and to authorise the Directors to fix their remuneration.

RESOLUTION 8

7. Special Business

To consider and if thought fit, to pass the following resolution, with or without modifications, as ordinary resolution of the Company:-

As Ordinary Resolution

- Authority under Section 132D of the Companies Act, 1965 for the Directors to Issue Shares

"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 the Kuala Lumpur Stock Exchange 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."

RESOLUTION 9

8. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 1965.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN THAT a first and final tax exempt dividend of 6 sen for the financial year ended 31 December 2000, if approved, will be paid on 28 June 2001. The entitlement date for the payment is 8 June 2001. A depositor shall qualify for entitlement only in respect of:-

- a) Shares transferred into the Depositor's Securities Accounts before 12.30 p.m. on 8 June 2001 in respect of ordinary transfer; and
- b) Shares bought on the Kuala Lumpur Stock Exchange on a cum entitlement basis according to the Rules of the Kuala Lumpur Stock Exchange.

BY ORDER OF THE BOARD

YEOH CHONG KEAT (MIA 2736)

KWONG LIEN WAH (MIA 3422)

Secretaries

Melaka

8 May 2001

NOTES :

- i) A member of the Company who is entitled to attend and vote at this meeting is entitled to appoint a proxy/proxies, and in the case of a corporation, a duly authorised representative to attend and vote in its stead.
- ii) A proxy may but need not be a member of the Company. Where a member appoints more than one (1) proxy, he shall specify the proportions of his shareholdings to be represented by each proxy.
- iii) 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.
- iv) The instrument appointing a proxy must be deposited at the Registered Office of the Company situated at 134-2, Kompleks Perniagaan Munshi Abdullah, Jalan Munshi Abdullah, 75100 Melaka, not less than forty-eight (48) hours before the time set for holding this meeting or at any adjournment thereof.

**EXPLANATORY NOTE TO ORDINARY RESOLUTION 9
UNDER SPECIAL BUSINESS**

**Resolution Pursuant To Section 132D Of The
Companies Act, 1965**

The Ordinary Resolution proposed under Agenda 7, if passed, will give the Directors of the Company, from the date of the forthcoming Annual General Meeting, authority to issue and allot ordinary shares from the unissued capital of the Company being for such purposes as the Directors consider would be in the interest of the Company. This authority will, unless revoked or varied by the Company in a General Meeting, expire at the next Annual General Meeting of the Company.

Corporate Information

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Kee Tah Peng @ Hee Teck Peng
Executive Chairman

Dr Kee Kirk Chin
Managing Director

Ki Tak Sang @ Kee Tak Sang, PJK
Executive Director

NON-EXECUTIVE DIRECTORS

Jackson Chevalier Yap-Kit-Siong
Robert Dobson Millner
Mohd Ramli bin Samian

NON-EXECUTIVE INDEPENDENT DIRECTORS

Leong Khai Cheong
Md Ali bin Md Dewal

ALTERNATE DIRECTOR

Peter Raymond Robinson
(alternate to Mr Robert D Millner)



BOARD OF DIRECTORS ATTENDANCE RECORD

The Board of Directors met 5 times during Financial Year 2000 and the attendance record is as follows:

Director	Position	Attendance of Board Meetings in 2000					Total
		Mar	Apr	Jun	Aug	Nov	
Kee Tah Peng	Executive Chairman	•	•	•	•	•	5
Dr Kee Kirk Chin	Managing Director	•	•	•	•	•	5
Ki Tak Sang	Executive Director	•	•	•	•	•	5
Warren Tan Yan Meng*	Executive Director	•	•		•	•	4
Jackson Yap	Non-executive Director		•			•	2
Mohd Ramli bin Samian	Non-executive Director	•		•			2
Md Diah bin Mohammad*	Non-executive Director	•		•			2
Robert Millner	Non-executive Director		•		•	•	3
Peter Robinson**	Non-executive Director				•	•	2
Leong Khai Cheong	Non-executive Independent Director, Chairman of Audit Committee	•	•	•	•	•	5
Md Ali bin Md Dewal	Non-executive Independent Director	•	•		•	•	4
Rokiah bte Rajak*	Alternate Director				•		1
Michael Millner*	Alternate Director						0
Total Attendance		8	8	6	9	9	

* Resigned on 2nd April 2001

** Resigned and reappointed as alternate director on 2nd April 2001

FROM LEFT

Jackson Chevalier Yap-Kit-Siong

Peter Raymond Robinson

Dr Kee Kirk Chin
Managing Director

Robert Dobson Millner

Kee Tah Peng
Executive Chairman

Ki Tak Sang, PJK
Executive Director

Md Ali bin Md Dewal

Leong Khai Cheong

NOT PRESENT

Mohd Ramli bin Samian

Corporate Information

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AUDIT COMMITTEE

CHAIRMAN

Leong Khai Cheong (MIA 1301)

MEMBERS

Md Ali bin Md Dewal
Ki Tak Sang @ Kee Tak Sang, PJK

COMPANY SECRETARIES

Yeoh Chong Keat (MIA 2736)
Kwong Lien Wah (MIA 3422)

REGISTERED OFFICE

134/2, Kompleks Perniagaan
Munshi Abdullah
Jalan Munshi Abdullah
75100 Melaka
Tel: 06-2847381 Fax: 06-2832140

PRINCIPAL BANKERS

HSBC Bank Malaysia Berhad
777, Jalan Hang Tuah
75300 Melaka

Malayan Banking Berhad
Menara Maybank
100, Jalan Tun Perak
50050 Kuala Lumpur

OCBC Bank (Malaysia) Berhad
6, Lorong Hang Jebat
75200 Melaka

AUDITORS

PricewaterhouseCoopers
Public Accountants
12th Floor, Bangunan Yayasan Melaka
Jalan Hang Tuah
75300 Melaka

LEGAL ADVISORS

Chee Siah Le Kee & Partners
Advocates & Solicitors
105, Taman Melaka Raya
75000 Melaka

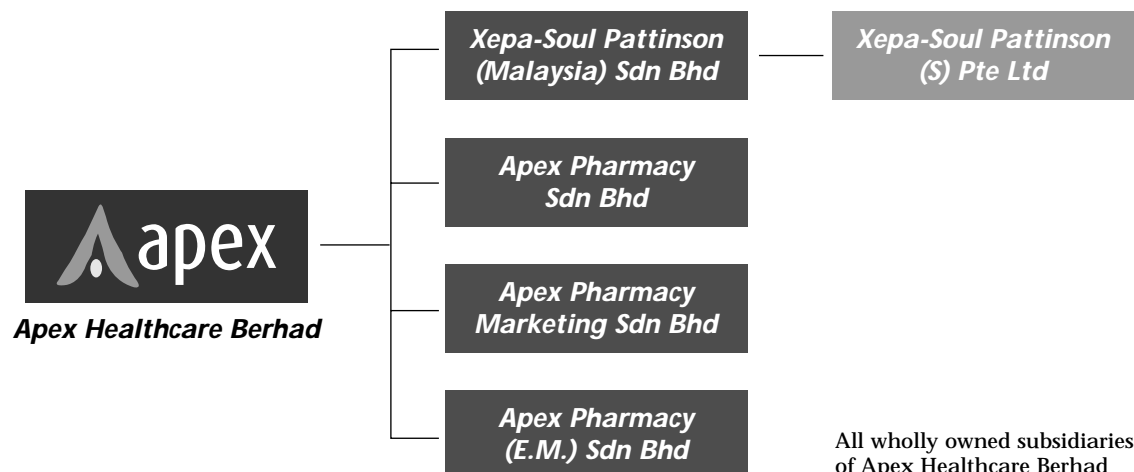
SHARE REGISTRARS

PFA Registration Services Sdn. Bhd.
Level 13, Uptown 1
No. 1, Jalan SS21/58
Damansara Uptown
47400 Petaling Jaya
Selangor Darul Ehsan
Tel: 03-77254888 Fax: 03-77222311

STOCK EXCHANGE LISTING

Kuala Lumpur Stock Exchange
(Second Board)
Stock Code: 7090
Stock Name: AHEALTH

Corporate Structure





On behalf of the Board of Directors, it is my pleasure to present to you the annual report and audited financial statements of the Group and the Company for the financial year ended 31st December 2000.

This annual report is the Group's first as a listed company. Apex Healthcare Berhad made an initial public offer of its 9,510,000 new ordinary shares of RM1.00 each at an issue price of RM1.50 on 15th May 2000, and was admitted to the Second Board of the Kuala Lumpur Stock Exchange on 26th June 2000.

In the 12 months to 31st December 2000, the Group achieved turnover of RM122.1 million. Profit before tax was RM10.32 million, exceeding the forecast made at the time of the Initial Public Offering of RM9.67 million.

Compared to the proforma consolidated results of the Group for 1999 (on the assumption that the Group had been in existence then), turnover grew by 12.2% while profit before tax rose by 17%. Earnings per share for the year under review was 20.7 sen.

DIVIDEND

In view of the favorable results, your Directors are pleased to recommend a first and final tax exempt dividend of 6.0 sen per ordinary share based on a share capital of 43,400,000 ordinary shares of RM1.00 each for the year ended 31 December 2000.

UTILIZATION OF PROCEEDS FROM INITIAL PUBLIC OFFER

The proceeds from the Group's initial public offering amounted to RM 14.26 million, of which RM 3 million is for building construction, RM 4 million is to part finance the purchase of plant machinery and equipment, RM 5.7 million is for working capital and RM 1.5 million is to defray listing expenses.

I am pleased to report that the construction of the new 2,030 square metre Supply Chain Management Centre and the fitting out of the Group's new Cephalosporin manufacturing facility has been

completed. A new integrated automatic line capable of producing and packaging 1 million blister packs per month has been installed and commissioned, while the new Tablet Press and Film Coating equipment is expected to be production-ready by the end of the second quarter 2001. Proceeds earmarked for working capital and listing expenses have been disbursed accordingly. Hence all the proceeds from the Initial Public Offer have been fully deployed.

EMPLOYEE SHARE OPTION SCHEME

On 7th February 2001, the Group announced its proposal to implement an Employees' Share Option Scheme for employees and Executive Directors of Apex Healthcare Berhad and its subsidiaries. Approval from the Securities Commission was received for the Scheme on 10th April 2001 and an Extraordinary General Meeting will be called in due course to obtain shareholders' approval.

CODE ON CORPORATE GOVERNANCE

The provisions of the revised Kuala Lumpur Stock Exchange Listing Requirements and the Code on Corporate Governance will come into effect on 1st June 2001. The Board endorses these moves and has already initiated steps, such as modifying board composition, setting up Internal Audit and the Remuneration and Nominations Committees, in order to achieve compliance by the target dates.

Accordingly, the resignations of Mr Michael Millner, Puan Rokiah bte Rajak, Mr Warren Tan Yan Meng and En Md Diah bin Mohammad were effected on 2nd April 2001. On behalf of the Board and the Company, I wish to extend my sincere appreciation to them for their invaluable contributions as Directors.

I am pleased to inform shareholders that the Board has appointed En Md Ali bin Md Dewal as its Senior Non-Executive Independent Director, to whom concerns of shareholders may be conveyed through the Company Secretaries.

Manufacturing

REVIEW OF OPERATIONS

The manufacturing division under Xepa-Soul Pattinson (Malaysia) Sdn Bhd performed well,

contributing 63% of the Group's profit before taxation. Two new products, *Zenpro*TM, a proton-pump inhibitor for the treatment of peptic ulcers, and *Zynace*TM, an ACE inhibitor for the treatment of hypertension were successfully launched.

Xepa-Soul Pattinson (Malaysia) Sdn Bhd's analytical laboratory has been certified to comply with ISO/IEC 17025, making us the first pharmaceutical manufacturer in Malaysia to be awarded this prestigious certification of quality. To accommodate future expansion, the opportunity was taken to acquire a 2-acre plot of land adjacent to the factory. The commissioning of the division's Virtual Private Network (VPN) has enhanced its communication capabilities.

PROSPECTS FOR THE CURRENT YEAR

The division is expected to record another year of satisfactory growth, underpinned by a program of new product releases and better export sales. Effort will be directed at continually building up brand awareness, by positioning *Xepa-Soul*TM as the generic pharmaceutical manufacturer of choice to doctors and healthcare professionals in clinics, hospitals, medical centers and pharmacies, both in Malaysia and in our export markets.

Retail Pharmacy

REVIEW OF OPERATIONS

Apex Pharmacy Sdn Bhd's turnover registered satisfactory growth, notwithstanding the highly competitive retail environment characterized by new openings by both independent and chain pharmacies, and high demand for qualified pharmacists.

The contribution of outlets opened during the previous year was fully realized in FY2000 and the introduction of a new logo consistent with the Group's corporate identity has raised its retail presence and strengthened consumer awareness. A new Apex Pharmacy was opened at the First World Hotel in Genting Highlands in December 2000, bringing the number of retail pharmacy outlets to 21.

PROSPECTS FOR THE CURRENT YEAR

During the current year there are plans to open new Apex Pharmacy outlets in Penang and Kuching. Existing outlets will be progressively upgraded. Effort will be directed towards continually improving our merchandise mix to ensure that Apex Pharmacy remains "Your Trusted Family Pharmacy" for its existing customers and a new generation of shoppers.

Marketing & Distribution

REVIEW OF OPERATIONS

The division, under Apex Pharmacy Marketing Sdn Bhd, performed well in 2000, recording a commendable growth in turnover of 24%. This has been achieved through successful launches of consumer healthcare lines, greater operating efficiencies and new pharmaceutical agencies. Investment in skills upgrading, warehousing facilities and IT infrastructure continue to bear fruit.

PROSPECTS FOR THE CURRENT YEAR

The division plans to open its sixth wholesale depot in Penang in 2001 and integrate the Group's existing depots in East Malaysia under Apex Pharmacy Marketing Sdn Bhd, bringing the total number of depots to 8. The merger of depots in Kuching and Kota Kinabalu (currently managed by Apex Pharmacy (E.M.) Sdn Bhd) will streamline operations and allow management to exploit greater efficiencies.

In addition, management will continue to identify higher value added product lines for marketing and distribution, always conscious of its aim of getting the right products at the right price and time to its customers.

SOCIAL RESPONSIBILITIES

The Company takes seriously its responsibility to be a good corporate citizen. Among other initiatives, I am pleased to report that our staff worked with the Lions & Leo Club (Ipoh) to conduct free community health screening, visited the elderly at the Sunrise Home for the Aged to conduct glucose screening and blood pressure testing and raised funds for Hospis Malaysia by producing and selling a "Nature's Cures" Year 2001 calendar.

ACKNOWLEDGEMENTS

On behalf of the Board of Directors, I would like to commend all staff for their dedication, commitment and diligence, especially those who pioneered with me in the 1960s.

In addition, I also wish to record my thanks to our valued customers, suppliers, bankers, advisors, relevant authorities, business associates and shareholders for contributing towards our IPO and listing on the Kuala Lumpur Stock Exchange and for their continued confidence and advice.

KEE TAH PENG

Executive Chairman

The Audit Committee of the Company was established on 3rd March 2000 and is governed by the following terms of reference:

TERMS OF REFERENCE

CONSTITUTION

The Board has established a Committee of the Board to be known as the Audit Committee.

MEMBERSHIP

- The Committee shall be appointed by the Board from amongst the directors of the Company and shall consist of not less than three (3) members. A quorum shall be two (2) members.
- The Committee shall hold office for a tenure of one (1) year only and shall thereafter retire from office and be eligible for re-appointment.
- Majority of the Committee shall not be:-
 - a) Executive directors of the Company or any related corporation;
 - b) A spouse, parent, brother, sister, son or adopted son, daughter or adopted daughter of an executive director of the Company or of any related corporation; or
 - c) Any person having a relationship which, in the opinion of the Board of Directors, would interfere with the exercise of independent judgement in carrying out the functions of the Audit Committee.
- The members of the Committee shall select a Chairman from among their members who is not an executive director or employee of the Company or any related corporation.
- If a member of the Committee resigns, dies or for any other reason ceases to be a member with the result that the number of members is reduced below three (3), the Board of Directors shall, within three (3) months of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

AUTHORITY

- The Committee is authorised by the Board to investigate any activity within its Terms of Reference. It is authorised to seek any information

it requires from any employees and all employees are directed to co-operate with any request made by the Committee.

- The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

FUNCTIONS

The functions of the Committee shall be:-

- a) to review:-
 - i. with the external auditor, the audit plan;
 - ii. with the external auditor, the evaluation of the system of internal accounting controls;
 - iii. with the external auditor, the audit reports;
 - iv. the assistance given by the Company's officers to the auditor;
 - v. the scope and results of the internal audit procedures;
 - vi. the Financial Statements of the Company and of the Group and thereafter to submit them to the Directors of the Company; and
 - vii. any related party transactions that may arise within the Company or Group.
- b) to consider the nomination of a person or persons as auditors together with such other functions as may be agreed to by the Audit Committee and the Board of Directors.

ATTENDANCE AT MEETINGS

- The Financial Controller, the head of Internal audit and a representative of the external auditors shall normally attend meetings. Other Board members may also attend the Audit Committee meeting with the consent of the Board of Directors.
- The Company Secretary shall be the Secretary of the Committee.

FREQUENCY OF MEETINGS

- Meetings shall be held not less than 4 times a year. The external auditors may request a meeting if they consider that one is necessary.

REPORTING PROCEDURES

- The Secretary shall circulate the minutes of meetings of the Audit Committee to all members of the Board.

AUDIT COMMITTEE ATTENDANCE RECORD

The Audit Committee met 3 times during Financial Year 2000 and the attendance record is as follows:

Director	Position	Attendance at Audit Committee Meetings 2000			Total
		Jun	Aug	Nov	
Leong Khai Cheong	Non-executive independent Director & Chairman of Audit Committee	•	•	•	3
Md Ali bin Md Dewal	Non-executive independent Director		•	•	2
Ki Tak Sang	Executive Director	•	•	•	3



Financial Statements

Directors' Report

The directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2000.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and the provision of management services. The principal activities of the Group consist of the manufacturing, distribution and retailing of pharmaceutical products. There was no significant change in these activities during the financial year.

FINANCIAL RESULTS

	Group RM	Company RM
Profit after taxation and net profit for the year	8,103,799	3,232,051

DIVIDENDS

No dividends have been declared or paid by the Company since the end of the previous financial period.

In respect of the financial year ended 31 December 2000, the directors recommend the payment of a first and final tax exempt dividend of 6 sen per share, amounting to RM2,604,000.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES

During the financial year, the following shares were issued by the Company:

Date of issue	Purpose and terms of issue	Number of ordinary shares of RM1 each
15 February 2000	Acquisition of the entire equity interest in Xepa-Soul Pattinson (Malaysia) Sendirian Berhad and Apex Pharmacy Sdn Bhd	33,889,998
12 June 2000	Public issue, at RM1.50 per share for cash consideration, in conjunction with the listing of the Company	9,510,000

DIRECTORS

The directors who have held office during the period since the date of the last report are:

Kee Tah Peng @ Hee Teck Peng	(appointed on 15 February 2000)
Dr Kee Kirk Chin	(appointed on 15 February 2000)
Ki Tak Sang @ Kee Tak Sang	(appointed on 15 February 2000)
Warren Tan Yan Meng	(appointed on 15 February 2000)
Jackson Chevalier Yap-Kit-Siong	(appointed on 15 February 2000)
Leong Khai Cheong	(appointed on 18 February 2000)
Robert Dobson Millner	(appointed on 23 February 2000)

Peter Raymond Robinson	(appointed on 23 February 2000)
Mohd Ramli bin Samian	(appointed on 25 February 2000)
Md Diah bin Mohammad	(appointed on 25 February 2000)
Md Ali bin Md Dewal	(appointed on 29 February 2000)
Michael John Millner	(appointed as alternate to Robert Dobson Millner on 23 February 2000)
Rokiah bte Rajak	(appointed as alternate to Mohd Ramli bin Samian on 25 February 2000)
Tan Soon Chiang	(resigned on 15 February 2000)
Mansor bin Kenit	(resigned on 15 February 2000)

Kee Tah Peng @ Hee Teck Peng retires pursuant to Section 129(2) of the Companies Act, 1965 and seeks re-election as director under Section 129(6) of the Act to hold office until the next Annual General Meeting of the Company.

In accordance with the Company's Articles of Association, Ki Tak Sang @ Kee Tak Sang, Jackson Chevalier Yap-Kit-Siong and Leong Khai Cheong retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling directors of the Company to 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 period, no director has received or become entitled to receive a benefit (other than benefits disclosed as directors' remuneration in Note 5 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

DIRECTORS' INTERESTS IN SHARES

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 were as follows:

	Number of ordinary shares of RM1 each			
	At date of appointment	Bought	Sold	At 31.12.2000
Direct interest				
Kee Tah Peng @ Hee Teck Peng	-	10,000	-	10,000
Dr Kee Kirk Chin	-	10,000	-	10,000
Ki Tak Sang @ Kee Tak Sang	-	10,000	-	10,000
Warren Tan Yan Meng	-	10,000	-	10,000
Jackson Chevalier Yap-Kit-Siong	-	10,000	-	10,000
Leong Khai Cheong	-	10,000	-	10,000
Robert Dobson Millner	-	10,000	-	10,000
Peter Raymond Robinson	-	10,000	-	10,000
Md Diah bin Mohammad	-	5,000	-	5,000
Md Ali bin Md Dewal	-	428,739	-	428,739
Michael John Millner	-	10,000	-	10,000
Rokiah bte Rajak	-	8,000	-	8,000
Indirect interest				
Kee Tah Peng @ Hee Teck Peng	-	17,272,604	-	17,272,604
Dr Kee Kirk Chin	-	17,272,604	-	17,272,604
Robert Dobson Millner	-	7,271,427	-	7,271,427
Md Ali bin Md Dewal	-	300,000	-	300,000
Michael John Millner	-	7,271,427	-	7,271,427

Directors' Report

(Continued)

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the income statements and balance sheets were made out, the directors took reasonable steps:

- (a) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- (b) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their value as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

- (a) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

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

- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

OTHER STATUTORY INFORMATION

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

In the opinion of the directors,

- (a) the results of the Group's and of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

SIGNIFICANT EVENTS

In conjunction with, and as an integral part of the listing and quotation of the entire issued and fully paid-up share capital of the Company on the Second Board of the Kuala Lumpur Stock Exchange, the Company undertook a restructuring scheme involving the following:

- (a) the acquisition of the entire issued and fully paid-up share capital of Xepa-Soul Pattinson (Malaysia) Sendirian Berhad and Apex Pharmacy Sdn Bhd for a total consideration of RM38,440,956 satisfied by the issuance of 33,889,998 new ordinary shares of RM1 each in the Company;
- (b) the acquisition of the entire issued and fully paid-up share capital of Apex Pharmacy Marketing Sdn Bhd and Apex Pharmacy (E.M.) Sdn Bhd for a total cash consideration of RM1,963,918 from Apex Pharmacy Sdn Bhd; and
- (c) a Public Issue of 9,510,000 new ordinary shares of RM1 each at an issue price of RM1.50 per share to the Malaysian public and eligible employees.

On 26 June 2000, the enlarged issued and fully paid-up share capital of 43,400,000 ordinary shares of RM1 each was listed on the Second Board of the Kuala Lumpur Stock Exchange.

AUDITORS

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

In accordance with a resolution of the Board of Directors dated 21 February 2001

KEE TAH PENG @ HEE TECK PENG
DIRECTOR

DR KEE KIRK CHIN
DIRECTOR

Melaka

21 February 2001

Statement by Directors

Pursuant to Section 169 (15) of The Companies Act, 1965

We, Kee Tah Peng @ Hee Teck Peng and Dr Kee Kirk Chin, two of the directors of Apex Healthcare Bhd., state that in the opinion of the directors, the financial statements set out on pages 16 to 37 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2000 and of the results and cash flows of the Group and of the Company for the financial year ended 31 December 2000 in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

In accordance with a resolution of the Board of Directors dated 21 February 2001

KEE TAH PENG @ HEE TECK PENG
DIRECTOR

DR KEE KIRK CHIN
DIRECTOR

Melaka

21 February 2001

Statutory Declaration

Pursuant to Section 169 (16) of The Companies Act, 1965

I, Kwong Lien Wah, the officer primarily responsible for the financial management of Apex Healthcare Bhd., do solemnly and sincerely declare that the financial statements set out on pages 16 to 37 are, to the best of my knowledge and belief, 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.

KWONG LIEN WAH

Subscribed and solemnly declared by the abovenamed Kwong Lien Wah at Melaka in Malaysia on 21 February 2001, before me.

COMMISSIONER FOR OATHS

Report of The Auditors to The Members

of Apex Healthcare Bhd. (473108-T)

ANNUAL REPORT 2000

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We have audited the financial statements set out on pages 16 to 37. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with approved auditing standards in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
 - (ii) the state of affairs of the Group and of the Company as at 31 December 2000 and of the results and cash flows of the Group and of the Company for the year ended on that date;

and

- (b) the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary companies have been properly kept in accordance with the provisions of the Act.

We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements 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.

Our audit reports on the financial statements of the subsidiary companies were not subject to any qualification or any adverse comment made under subsection (3) of section 174 of the Act.

PRICEWATERHOUSECOOPERS

(No. AF-1146)

Public Accountants

MOHD DARUIS BIN ZAINUDDIN

(No. 969/03/01 (J/PH))

Partner of the firm

Melaka

21 February 2001

Income Statements

for the financial year ended 31 December 2000

		Group	Proforma Group	Company	Period
	Note	Year ended 31.12.2000 RM	Year ended 31.12.1999 RM	Year ended 31.12.2000 RM	3.12.1998 to 31.12.1999 RM
Revenue	4	122,097,404	108,802,250	4,076,089	-
Cost of sales		(88,728,358)	(78,239,844)	(611,239)	-
Gross profit		33,369,046	30,562,406	3,464,850	-
Other operating income		534,760	30,251	197,411	-
Selling and distribution costs		(16,203,115)	(15,418,505)	(2,000)	-
Administrative expenses		(6,826,554)	(5,864,459)	(179,721)	-
Other operating expenses		(231,989)	(120,637)	(26,489)	-
Profit from operations	5	10,642,148	9,189,056	3,454,051	-
Finance cost	6	(319,904)	(422,784)	-	-
Profit before taxation		10,322,244	8,766,272	3,454,051	-
Taxation	7	(2,218,445)	(179,721)	(222,000)	-
Profit after taxation and net profit for the year		8,103,799	8,586,551	3,232,051	-
Earnings per share (sen)	8	20.7	25.3		
Dividends per share (sen)	9	6	N/A		

The notes on pages 21 to 37 form part of these financial statements.

Balance Sheets

as at 31 December 2000

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	Note	Group 2000 RM	Proforma Group 1999 RM	Company 2000 RM	1999 RM
Non current assets					
Property, plant and equipment	10	27,878,304	17,553,868	18,665	-
Intangible assets	11	-	497,170	-	489,151
Subsidiary companies	12	-	-	40,404,874	-
		27,878,304	18,051,038	40,423,539	489,151
Current assets					
Inventories	13	22,274,816	19,416,702	-	-
Trade and other receivables	14	24,896,787	26,103,405	8,701,186	-
Deposits with licensed banks		11,702,813	3,900,000	5,600,000	-
Cash and bank balances		3,423,638	1,829,751	167,854	2
		62,298,054	51,249,858	14,469,040	2
Less: Current liabilities					
Trade and other payables	15	17,165,321	21,588,719	237,210	489,151
Hire purchase liabilities	16	77,111	140,848	-	-
Provision for retirement benefits	17	456,876	361,926	-	-
Proposed directors' fees		33,000	-	33,000	-
Taxation		915,809	-	-	-
Proposed dividend		2,604,000	1,410,000	2,604,000	-
Short term borrowings	18	4,784,198	5,787,546	-	-
		26,036,315	29,289,039	2,874,210	489,151
Net current assets/(liabilities)		36,261,739	21,960,819	11,594,830	(489,149)
Less: Non current liabilities					
Hire purchase liabilities	16	-	76,994	-	-
Provision for retirement benefits	17	467,016	148,445	-	-
Term loans	19	-	34,400	-	-
Deferred taxation	20	-	169,000	-	-
		467,016	428,839	-	-
		63,673,027	39,583,018	52,018,369	2
Capital and reserves					
Share capital		43,400,000	33,890,000	43,400,000	2
Share premium		3,439,360	-	7,990,318	-
Revaluation reserve		5,627,818	-	-	-
Foreign currency translation reserve		13,032	-	-	-
Retained profits	22	11,192,817	5,693,018	628,051	-
Shareholders' equity		63,673,027	39,583,018	52,018,369	2

The notes on pages 21 to 37 form part of these financial statements.

Consolidated Statement of Changes in Equity

for the financial year ended 31 December 2000

	Note	Issued and fully paid ordinary shares of RM1 each		Non-distributable		Distributable	
		Number of shares	Nominal value RM	Revaluation reserve RM	Foreign currency translation reserve RM	Share premium RM	Retained profits RM
Group 2000							
At 1 January 2000		33,890,000	33,890,000	-	-	-	5,693,018
Surplus on revaluation of land and buildings		-	-	5,627,818	-	-	-
Share issue expenses		-	-	-	-	(1,315,640)	-
Currency translation differences		-	-	-	13,032	-	-
Net gain/(loss) not recognised in income statement		-	-	5,627,818	13,032	(1,315,640)	-
Issue of shares - Public Issue		9,510,000	9,510,000	-	-	4,755,000	-
Net profit		-	-	-	-	-	8,103,799
Dividend		-	-	-	-	-	(2,604,000)
At 31 December 2000		43,400,000	43,400,000	5,627,818	13,032	3,439,360	11,192,817
Proforma Group 1999							
At 1 January 1999		33,890,000	33,890,000	-	-	-	21,996,465
Net profit		-	-	-	-	-	8,586,551
Merger debit	23	-	-	-	-	-	(22,889,998)
Pre-merger dividends to former shareholders		-	-	-	-	-	(2,000,000)
At 31 December 1999		33,890,000	33,890,000	-	-	-	5,693,018

The share capital of the Group in the balance sheets are presented as if the business combination of the subsidiary companies under the merger method of consolidation had taken place on 1 January 1999.

The notes on pages 21 to 37 form part of these financial statements.

Company Statement of Changes in Equity

for the financial year ended 31 December 2000

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	Issued and fully paid ordinary shares of RM1 each		Non- distributable	Distributable	
	Number of shares	Nominal value RM	Share premium RM	Retained profits RM	Total RM
2000					
At 1 January 2000	2	2	-	-	2
Share issue expenses	-	-	(1,315,640)	-	(1,315,640)
Net loss not recognised in income statement	-	-	(1,315,640)	-	(1,315,640)
Issue of shares					
- acquisition of subsidiaries	33,889,998	33,889,998	4,550,958	-	38,440,956
- Public Issue	9,510,000	9,510,000	4,755,000	-	14,265,000
Net profit	-	-	-	3,232,051	3,232,051
Dividends	-	-	-	(2,604,000)	(2,604,000)
At 31 December 2000	43,400,000	43,400,000	7,990,318	628,051	52,018,369
1999					
At 3 December 1998 (date of incorporation)	-	-	-	-	-
Issue of shares					
- subscribers' shares	2	2	-	-	2
At 31 December 1999	2	2	-	-	2

The notes on pages 21 to 37 form part of these financial statements.

Cash Flow Statements

for the financial year ended 31 December 2000

		Group	Proforma Group	Company	Period
	Note	Year ended 31.12.2000 RM	Year ended 31.12.1999 RM	Year ended 31.12.2000 RM	3.12.1998 to 31.12.1999 RM
Cash flows from operating activities					
Net profit		8,103,799	8,586,551	3,232,051	-
Adjustments	24	4,828,515	2,790,992	84,071	-
Operating profit before working capital changes		12,932,314	11,377,543	3,316,122	-
Increase in inventories		(2,858,114)	(15,492)	-	-
Decrease/(increase) in receivables		1,113,688	(3,494,203)	(8,699,186)	
(Decrease)/increase in trade and other payables		(3,982,909)	(1,408,194)	(218,941)	489,151
Cash generated from/ (used in) operations		7,204,979	6,459,654	(5,602,005)	489,151
Interest paid		(288,619)	(388,730)	-	-
Tax paid		(1,359,642)	(2,347,388)	(224,000)	-
Interest received		202,875	150,181	197,411	-
Net cash generated from/ (used in) operating activities		5,759,593	3,873,717	(5,628,594)	489,151
Net cash flow used in investing activities	25	(8,039,414)	(2,095,847)	(2,868,554)	(489,151)
Net cash flow generated from/(used in) financing activities	26	12,970,541	(3,062,397)	14,265,000	2
Net increase/(decrease) in cash and cash equivalents		10,690,720	(1,284,527)	5,767,852	2
Cash and cash equivalents at the beginning of the financial year/period		2,577,171	3,861,698	2	-
Cash and cash equivalents at the end of the financial year/period	27	13,267,891	2,577,171	5,767,854	2

The notes on pages 21 to 37 form part of these financial statements.

1. GENERAL INFORMATION

The principal activities of the Company are investment holding and the provision of management services. The principal activities of the Group consist of the manufacturing, distribution and retailing of pharmaceutical products.

The number of employees at the end of the financial year was 461 (1999: 441) for the Group and 3 (1999: Nil) for the Company.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Second Board of Kuala Lumpur Stock Exchange.

The address of the registered office and the principal place of business of the Company is 134/2, Kompleks Perniagaan Munshi Abdullah, Jalan Munshi Abdullah, 75100 Melaka.

2. BASIS OF ACCOUNTING

The financial statements of the Group and of the Company have been prepared under the historical cost convention (as modified for the revaluation of land and buildings), unless otherwise indicated in the individual policy statements in Note 3 to the financial statements.

The financial statements comply with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

The preparation of financial statements in conformity with the applicable approved accounting standards and the provisions of the Companies Act require the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

(a) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary companies made up to the end of the year. Subsidiary companies are those companies in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

Subsidiary companies are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date control ceases.

A subsidiary acquired under a business combination which meets the conditions of a merger is consolidated using the merger method of accounting in accordance with Malaysian Accounting Standard No.2 "Accounting for Acquisitions and Mergers". Under the merger method of accounting, the results of the subsidiary companies are presented as if the merger had been effected throughout the current and previous financial years. On consolidation, the difference between the carrying value of the investment over the nominal value of the shares acquired is taken to merger reserve and this reserve is set off against retained profits.

The 1999 Proforma Group financial statements were presented as if the Company had been incorporated on 1 January 1999 and the merger had been effected on that date.

Other subsidiary companies are consolidated under the acquisition accounting method. Under the acquisition method of accounting, the results of subsidiary companies acquired or disposed of during

Notes to the Financial Statements

(Continued)

the financial year are included from the date of acquisition up to the date of disposal. At the date of acquisition, the fair values of the subsidiary companies' net assets are determined and these values reflected in the consolidated financial statements.

All intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, accounting policies for subsidiary companies have been changed to ensure consistency with the policies adopted by the Group.

(b) Property, plant and equipment

All property, plant and equipment are initially stated at cost. Land and buildings are subsequently shown at market value, based on valuations once in every five years by independent valuers, less subsequent amortisation/depreciation. All other property, plant and equipment are stated at historical cost less accumulated depreciation.

Surpluses arising on revaluation are credited to revaluation reserve. Any deficit arising from revaluation is charged against the revaluation reserve to the extent of a previous surplus held in the revaluation reserve for the same asset. In all other cases, a decrease in carrying amount is charged to income statement. On disposal of revalued assets, amounts in revaluation reserve relating to those assets are transferred to retained profits.

Freehold land is not amortised as it has an infinite life. Long leasehold land is amortised in equal instalments over the periods of the respective leases that range from 75 to 99 years. Depreciation of the other property, plant and equipment is calculated to write off the cost, or the revalued amounts, in equal instalments over their estimated useful lives.

The principal annual depreciation rates used for this purpose are as follows:

Buildings and shop units	2%
Plant, machinery and factory equipment	10-15%
Furniture, fittings and equipment	10 - 33 1/3%
Motor vehicles	20%

(c) Investments in subsidiary companies

Investments in subsidiary companies are stated at cost, unless the directors consider there has been a permanent diminution in value in which case provision is made for the diminution.

(d) Preliminary and pre-operating expenses

Preliminary and pre-operating expenses are expensed off to the income statement when incurred.

(e) Inventories

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

Cost is determined using the first in, first out and the weighted average methods. The cost of finished goods and work in progress consists of direct materials, direct labour, direct charges and production overheads.

Net realisable value is the estimate of the selling prices in the ordinary course of business, less the costs of completion and selling expenses.

(f) Receivables

Receivables are carried at anticipated realisable value. An estimate is made for doubtful debts based on a review of all outstanding amounts at the financial year end. Bad debts are written off during the year in which they are identified.

(g) Hire purchase

Property, plant and equipment acquired under hire purchase are capitalised in the financial statements and the corresponding obligations treated as a liability. Finance charges are allocated to the income statement over the period of the hire purchase to give a constant periodic rate of interest on the remaining hire purchase liabilities.

(h) Deferred taxation

Deferred taxation is provided on the liability method on all material timing differences between taxable and accounting profits. Debit balances on the deferred taxation account are not recognised unless their recovery is beyond reasonable doubt.

(i) Retirement benefits

Contributions to defined contribution plans are charged to the income statement in the year to which they relate.

One of the subsidiary companies operate a defined benefit retirement plan for its employees employed before 1 January 2001. The retirement plan is funded by the subsidiary company taking into account the recommendations of an independent qualified actuary. The retirement plan accounting cost is assessed using the projected benefit valuation method. Under this method, the cost of providing retirement benefits is charged to the income statement so as to spread the regular cost over the service lives of employees in accordance with the advice of an independent actuary who carries out a full valuation of the plan every three years. The retirement benefits obligation is measured at the present value of the estimated future cash flows using a discount rate of 6% per annum. All actuarial gains and losses are amortised over the average remaining working lives of the employees.

(j) Foreign currencies

The Group's foreign entity is an operation that is an integral part of the operations of the Group. Income statement of the foreign entity is translated into Ringgit Malaysia at the average exchange rate for the year and the balance sheet is translated at the exchange rate ruling at the balance sheet date. Exchange differences arising from the retranslation of the net investment in the foreign entity are taken to 'Foreign currency translation reserve' in shareholders' equity.

Monetary assets and liabilities in foreign currencies at balance sheet date are translated into Ringgit Malaysia at the exchange rates ruling at that date. Transactions in foreign currencies have been translated into Ringgit Malaysia at the exchange rates prevailing at the date of the transactions. Exchange differences arising from the translation of foreign currency amounts have been dealt with through the income statement.

The principal closing rates used in the translation of foreign currency amounts were as follows:

Foreign currency	2000 RM	1999 RM
1 US Dollar	3.795	3.795
1 Singapore Dollar	2.189	2.274

(k) Research and development costs

Research and development costs are expensed off to the income statement when incurred.

Notes to the Financial Statements

(Continued)

(l) Revenue recognition

Sales are recognised upon delivery of goods and services.

Interest income is recognised on the accrual basis.

Dividend income is recognised when the shareholder's right to receive payment is established.

(m) Operating leases

Leases of assets under which all the risks and benefits of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement in the year in which they are incurred.

(n) Dividends

Dividends over ordinary shares are accounted for in shareholders' equity as an appropriation of retained profits for the period in which they are declared or proposed.

(o) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts and short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(p) Comparatives

Comparatives have been extended to comply with the additional disclosure requirements of the new 13 MASB Standards that are applicable for the financial year ended 31 December 2000.

There are no changes in accounting policy that affect net profit attributable to shareholders as a result of the adoption of the above accounting standards in these financial statements, as the company was already following the recognition and measurement principles in those standards.

4. REVENUE

	Group	Proforma Group	Company	Period
	Year ended 31.12.2000 RM	Year ended 31.12.1999 RM	Year ended 31.12.2000 RM	3.12.1998 to 31.12.1999 RM
Sale of pharmaceutical products	122,097,404	108,802,250	-	-
Dividends from unquoted subsidiary companies	-	-	3,550,000	-
Management services fees	-	-	526,089	-
	<hr/> 122,097,404 <hr/>	<hr/> 108,802,250 <hr/>	<hr/> 4,076,089 <hr/>	<hr/> - <hr/>

5. PROFIT FROM OPERATIONS

Profit from operations is arrived at after charging/(crediting):

	Group	Proforma Group	Company	Period
	Year ended 31.12.2000 RM	Year ended 31.12.1999 RM	Year ended 31.12.2000 RM	3.12.1998 to 31.12.1999 RM
Directors' remuneration				
- fees	33,000	17,000	33,000	-
- other emoluments	1,694,853	1,466,239	442,956	-
Depreciation of property, plant and equipment	2,595,567	2,006,776	5,801	-
Auditors' remuneration				-
- current year	76,600	46,500	16,000	-
- prior year's underprovision	1,200	-	-	-
Foreign exchange loss/(gain)				
- realised	47,482	25,594	(58)	-
- unrealised	68,866	(19,507)	-	-
Rental expense	1,901,453	1,798,317	-	-
Rental income	(158,250)	(72,650)	-	-
Research and development expenses	304,204	154,616	-	-
Provision for retirement benefits	431,079	100,000	-	-
Profit on disposal of property, plant and equipment	(177,357)	(20,161)	-	-
Property, plant and equipment written off	44,416	56,637	-	-
Interest income	(202,875)	(150,181)	(197,411)	-
Preliminary and pre-operating expenses written off	15,550	-	7,531	-
Gross dividends from unquoted subsidiary companies	-	-	(3,550,000)	-
Staff costs	13,202,702	12,179,965	135,283	-

The cost of inventories of the Group and of the Company recognised as an expense during the financial year amounted to RM88,117,119 (1999: RM78,239,844) and RM Nil (1999: RM Nil) respectively.

The estimated monetary value of non-cash benefits provided to a director of the Company amounted to RM23,950 (1999: RM11,100).

6. FINANCE COST

	Group	Proforma Group	Company	Period
	Year ended 31.12.2000 RM	Year ended 31.12.1999 RM	Year ended 31.12.2000 RM	3.12.1998 to 31.12.1999 RM
Interest expense on borrowings	288,619	388,730	-	-
Bank commitment charges	31,285	34,054	-	-
	319,904	422,784	-	-

Notes to the Financial Statements

(Continued)

7. TAXATION

	Group	Proforma Group	Company	Period
	Year ended 31.12.2000 RM	Year ended 31.12.1999 RM	Year ended 31.12.2000 RM	3.12.1998 to 31.12.1999 RM
In respect of the financial year				
- income taxation in Malaysia	(2,387,445)	-	(222,000)	-
- deferred taxation	169,000	-	-	-
	(2,218,445)	-	(222,000)	-
In respect of prior years				
- income taxation in Malaysia	-	(179,721)	-	-
	(2,218,445)	(179,721)	(222,000)	-

The lower effective tax rate of the Group is mainly due to the availability of tax incentives for a subsidiary company. The lower effective tax rate of the Company is mainly due to tax exempt dividends from certain subsidiary companies which are not subject to tax.

8. EARNINGS PER SHARE

The Group's earnings per share has been calculated based on the net profit attributable to shareholders of RM8,103,799 (1999: RM8,586,551) and on the weighted average number of ordinary shares in issue during the financial year of 39,153,068 (1999: 33,890,000).

The weighted number of ordinary shares in issue during the financial years ended 31 December 2000 and 1999 were calculated as if the 33,889,998 ordinary shares issued for the acquisition of subsidiary companies had been issued since 1 January 1999.

9. DIVIDENDS

	Group and Company 2000		Proforma Group 1999	
	Gross per share Sen	Amount of dividend net of tax RM	Gross per share Sen	Amount of dividend net of tax RM
Pre-merger dividends paid to former shareholders	-	-	-	2,000,000
Proposed final tax exempt dividend	6	2,604,000	-	-
	6	2,604,000	-	2,000,000

10. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM	Buildings on freehold land RM	Long leasehold land RM	Buildings on leasehold land RM	Freehold shop units RM	Plant, machinery and factory equipment RM	Furniture, fittings and equipment RM	Motor vehicles RM	Total RM
Group									
Net book value as at 1.1.1999	280,000	160,602	2,546,564	6,359,168	1,329,176	2,710,598	3,693,919	706,707	17,786,734
Additions	-	-	-	27,780	-	491,910	1,064,884	372,394	1,956,968
Disposals	-	-	-	-	-	-	(155,156)	(24,598)	(179,754)
Transfers	-	-	-	-	-	-	(3,304)	-	(3,304)
Depreciation charge	-	(4,675)	(27,091)	(143,925)	(35,417)	(518,508)	(942,501)	(334,659)	(2,006,776)
Net book value as at 31.12.1999	280,000	155,927	2,519,473	6,243,023	1,293,759	2,684,000	3,657,842	719,844	17,553,868
Revaluation surplus	10,000	4,073	4,470,527	116,977	1,026,241	-	-	-	5,627,818
Additions	-	-	1,409,242	1,656,588	-	1,929,365	1,130,201	1,221,180	7,346,576
Disposals	-	-	-	-	-	-	(47,101)	(3,456)	(50,557)
Transfers	-	-	-	-	-	-	(3,834)	-	(3,834)
Depreciation charge	-	(3,200)	(88,080)	(160,332)	(46,400)	(686,894)	(1,146,194)	(464,467)	(2,595,567)
Net book value as at 31.12.2000	290,000	156,800	8,311,162	7,856,256	2,273,600	3,926,471	3,590,914	1,473,101	27,878,304
At 31.12.2000									
At cost	-	-	1,409,242	1,656,588	-	10,513,804	9,454,898	3,194,425	26,228,957
At valuation	290,000	160,000	6,990,000	6,360,000	2,320,000	-	-	-	16,120,000
Accumulated depreciation	290,000	160,000	8,399,242	8,016,588	2,320,000	10,513,804	9,454,898	3,194,425	42,348,957
	-	(3,200)	(88,080)	(160,332)	(46,400)	(6,587,333)	(5,863,984)	(1,721,324)	(14,470,653)
Net book value	290,000	156,800	8,311,162	7,856,256	2,273,600	3,926,471	3,590,914	1,473,101	27,878,304
At 31.12.1999									
At cost	280,000	233,744	2,671,545	7,101,381	1,770,844	8,672,310	8,532,376	2,386,920	31,649,120
Accumulated depreciation	-	(77,817)	(152,072)	(858,358)	(477,085)	(5,988,310)	(4,874,534)	(1,667,076)	(14,095,252)
Net book value	280,000	155,927	2,519,473	6,243,023	1,293,759	2,684,000	3,657,842	719,844	17,553,868

Notes to the Financial Statements

(Continued)

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company - 2000	Furniture, fittings and equipment RM	Total RM
Net book value as at 31.12.1999	-	-
Additions	24,466	24,466
Depreciation charge	(5,801)	(5,801)
	<hr/>	<hr/>
Net book value as at 31.12.2000	18,665	18,665
	<hr/>	<hr/>
At cost	24,466	24,466
Accumulated depreciation	(5,801)	(5,801)
	<hr/>	<hr/>
Net book value	18,665	18,665
	<hr/>	<hr/>

The land and buildings of the Group were revalued by the directors in 2000 based on valuations carried out by professional valuers to reflect market value for existing use. The book values of the land and buildings were adjusted to reflect the revaluations and the resultant surpluses were credited to revaluation reserve.

The net book values of the revalued land and buildings, had these assets been carried at cost less accumulated depreciation are as follows:

	Group 2000 RM	Proforma Group 1999 RM
Freehold land	280,000	280,000
Buildings on freehold land	151,253	155,927
Long leasehold land	2,492,381	2,519,473
Buildings on leasehold land	6,100,995	6,243,023
Freehold shop units	1,258,341	1,293,759
	<hr/>	<hr/>
	10,282,970	10,492,182
	<hr/>	<hr/>

The net book value of assets acquired under hire purchase agreements amounted to RM168,762 (1999: RM484,413) for the Group and RM Nil (1999: RM Nil) for the Company.

The net book value of property, plant and equipment charged as security for bank borrowings as at 31 December 2000 amounted to RM19,779,632 (1999: RM11,456,128) for the Group and RM Nil (1999: RM Nil) for the Company.

11. INTANGIBLE ASSETS

	Preliminary and pre-operating expenses RM	Share issue expenses RM	Total RM
Group 2000			
Net book value as at 1 January	12,968	484,202	497,170
Incurred	2,582	877,588	880,170
Expensed off	(15,550)	(46,150)	(61,700)
Set off against the share premium reserve	-	(1,315,640)	(1,315,640)
Net book value as at 31 December	-	-	-
Proforma Group 1999			
Net book value as at 1 January	-	-	-
Incurred	12,968	484,202	497,170
Net book value as at 31 December	12,968	484,202	497,170
Company 2000			
Net book value as at 1 January	4,949	484,202	489,151
Incurred	2,582	877,588	880,170
Expensed off	(7,531)	(46,150)	(53,681)
Set off against the share premium reserve	-	(1,315,640)	(1,315,640)
Net book value as at 31 December	-	-	-
1999			
Net book value as at 3 December 1998 (date of incorporation)	-	-	-
Incurred	4,949	484,202	489,151
Net book value as at 31 December	4,949	484,202	489,151

Included in the preliminary and pre-operating expenses for 1999 are amounts of RM1,813 and RM900 being auditors' remuneration for the Group and the Company respectively.

Notes to the Financial Statements

(Continued)

12. SUBSIDIARY COMPANIES

The unquoted subsidiary companies are as follows:

Name of company	Principal activity	Equity interest	
		2000 %	1999 %
Xepa-Soul Pattinson (Malaysia) Sendirian Berhad	Manufacturing of pharmaceutical products	100	-
Apex Pharmacy Marketing Sdn Bhd	Marketing and distribution of pharmaceutical products	100	-
Apex Pharmacy Sdn Bhd	Retailing of pharmaceutical products	100	-
Apex Pharmacy (E.M.) Sdn Bhd	Retailing, marketing and distribution of pharmaceutical products in East Malaysia	100	-
Subsidiary of Xepa-Soul Pattinson (Malaysia) Sendirian Berhad			
*Xepa-Soul Pattinson (S) Pte Ltd	Marketing and distribution of pharmaceutical products	100	-

*Audited by PricewaterhouseCoopers, Singapore

Except for Xepa-Soul Pattinson (S) Pte Ltd which is incorporated in Singapore, the other subsidiary companies are incorporated in Malaysia.

13. INVENTORIES

	Group 2000 RM	Proforma Group 1999 RM
At cost		
Raw materials	2,241,941	2,396,941
Work in progress	191,722	203,090
Finished goods	2,609,835	3,298,618
Pharmaceutical items held for sale	17,231,318	13,518,053
	<hr/> 22,274,816 <hr/>	<hr/> 19,416,702 <hr/>

14. TRADE AND OTHER RECEIVABLES

	Group 2000 RM	Proforma Group 1999 RM	Company 2000 RM	1999 RM
Trade receivables	24,058,359	23,951,534	-	-
Provision for doubtful debts	(1,201,338)	(1,051,173)	-	-
	22,857,021	22,900,361	-	-
Bills receivable	550,293	791,264	-	-
Amounts due from subsidiary companies:				
- interest bearing	-	-	3,150,000	-
- non-interest bearing	-	-	3,481,549	-
Dividends receivable from subsidiary companies	-	-	2,066,000	-
Other receivables	601,552	331,319	-	-
Deposits	655,039	526,514	-	-
Prepayments in respect of land purchase	-	1,409,242	-	-
Other prepayments	229,660	46,633	1,637	-
Tax refundable	3,222	98,072	2,000	-
	24,896,787	26,103,405	8,701,186	-

The amounts due from subsidiary companies are unsecured and have no fixed terms of repayment. Interest is chargeable by the Company at the rate of 7.8% (1999: Nil) per annum on certain amounts due from the subsidiary companies.

15. TRADE AND OTHER PAYABLES

	Group 2000 RM	Proforma Group 1999 RM	Company 2000 RM	1999 RM
Trade payables	14,686,224	20,201,645	73,799	489,151
Trade accruals	2,479,097	1,387,074	163,411	-
	17,165,321	21,588,719	237,210	489,151

Notes to the Financial Statements

(Continued)

	Group 2000 RM	Proforma Group 1999 RM
16. HIRE PURCHASE LIABILITIES		
Analysis of hire purchase commitments:		
Not later than one year	83,293	163,593
Later than one year and no later than five years	3,681	86,975
	<hr/>	<hr/>
	86,974	250,568
Less: Finance charges	(9,863)	(32,726)
	<hr/>	<hr/>
	77,111	217,842
	<hr/>	<hr/>
Representing:		
Current	77,111	140,848
Long term	-	76,994
	<hr/>	<hr/>
	77,111	217,842
	<hr/>	<hr/>
17. PROVISION FOR RETIREMENT BENEFITS		
At 1 January	510,371	410,371
Charged to income statement	431,079	100,000
Utilised during the financial year	(17,558)	-
	<hr/>	<hr/>
At 31 December	923,892	510,371
	<hr/>	<hr/>
Representing:		
Current	456,876	361,926
Long term	467,016	148,445
	<hr/>	<hr/>
	923,892	510,371
	<hr/>	<hr/>

A subsidiary company operates a defined benefit retirement plan for its eligible employees employed before 1 January 2001. The plan is valued by an independent qualified actuary every three years using the projected benefit valuation method. The latest valuation was carried out as at 31 December 2000 and this valuation showed that there was a shortfall of RM1,117,788 which would be amortised over the expected remaining working lives of the employees.

18. SHORT TERM BORROWINGS

	Group 2000 RM	Proforma Group 1999 RM
Secured		
Trade financing facilities	1,635,985	937,950
Term loans (Note 19)	34,400	880,865
Unsecured		
Trade financing facilities	1,255,253	816,151
Bank overdrafts	1,858,560	3,152,580
	<hr/> 4,784,198 <hr/>	<hr/> 5,787,546 <hr/>

The secured bank borrowings are secured by way of a debenture incorporating all the fixed and floating assets of a subsidiary company, legal charge over the subsidiary company's leasehold land and building and corporate guarantees given by the Company.

Interest rates on the short term borrowings varied from 3.1% to 8.8% (1999:8.8% to 10.5%) per annum during the year.

19. TERM LOANS (SECURED)

	Group 2000 RM	Proforma Group 1999 RM
Not later than one year (Note 18)	34,400	880,865
Later than one year and no later than 5 years	-	34,400
	<hr/> 34,400 <hr/>	<hr/> 915,265 <hr/>

20. DEFERRED TAXATION

Balance as at 1 January	169,000	169,000
Credited to income statement	(169,000)	-
	<hr/> - <hr/>	<hr/> 169,000 <hr/>

The Group has no foreseeable intention to dispose of the revalued properties and hence the related tax effect of the revaluation surplus is not expected to crystallise.

Notes to the Financial Statements

(Continued)

21. AUTHORISED SHARE CAPITAL

	Group 2000 RM	Proforma Group 1999 RM	Company 2000 RM	1999 RM
At 1 January/date of incorporation	100,000	100,000	100,000	100,000
Increased during the financial year	99,900,000	-	99,900,000	-
At 31 December	100,000,000	100,000	100,000,000	100,000

22. RETAINED PROFITS

As at 31 December 2000, subject to agreement with the tax authorities, the Company has sufficient Malaysian (Section 108) tax credits available to frank all of its retained profits if paid out as dividends.

23. MERGER DEBIT

The merger debit is the difference between the nominal value of shares of the Company issued as consideration and the nominal value of the shares of Xepa-Soul Pattinson (Malaysia) Sendirian Berhad and Apex Pharmacy Sdn Bhd transferred to the Company and is derived from the following:

	Group 2000 RM	Proforma Group 1999 RM
Nominal value of shares issued for the acquisition of Xepa-Soul Pattinson (Malaysia) Sendirian Berhad and Apex Pharmacy Sdn Bhd	-	33,889,998
Nominal value of shares acquired	-	(11,000,000)
	-	22,889,998

	Group	Proforma Group	Company	Period
	Year ended 31.12.2000 RM	Year ended 31.12.1999 RM	Year ended 31.12.2000 RM	3.12.1998 to 31.12.1999 RM
24. ADJUSTMENTS				
Depreciation of property, plant and equipment	2,595,567	2,006,776	5,801	-
Property, plant and equipment written off	44,416	56,637	-	-
Interest expense	288,619	388,730	-	-
Preliminary and pre-operating expenses written off	15,550	-	7,531	-
Loss on disposal of subsidiary companies	-	329,470	-	-
Deferred expenses written off	46,150	-	46,150	-
Interest income	(202,875)	(150,181)	(197,411)	-
Profit on disposal of property, plant and equipment	(177,357)	(20,161)	-	-
Taxation	2,218,445	179,721	222,000	-
	<u>4,828,515</u>	<u>2,790,992</u>	<u>84,071</u>	<u>-</u>
25. NET CASH FLOW USED IN INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(7,346,576)	(1,956,968)	(24,466)	-
Proceeds from disposal of property, plant and equipment	187,332	146,581	-	-
Proceeds from disposal of subsidiary companies	-	211,710	-	-
Acquisition of subsidiary companies paid by cash	-	-	(1,963,918)	-
Share issue expenses paid	(877,588)	(484,202)	(877,588)	(484,202)
Preliminary and pre-operating expenses paid	(2,582)	(12,968)	(2,582)	(4,949)
	<u>(8,039,414)</u>	<u>(2,095,847)</u>	<u>(2,868,554)</u>	<u>(489,151)</u>

Notes to the Financial Statements

(Continued)

	Group	Proforma Group	Company	Period
	Year ended 31.12.2000 RM	Year ended 31.12.1999 RM	Year ended 31.12.2000 RM	3.12.1998 to 31.12.1999 RM
26. NET CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issues of shares	14,265,000	-	14,265,000	2
Pre-merger dividends paid	(1,410,000)	(1,866,000)	-	-
Trade financing facilities raised/(repaid)	1,137,137	(154,547)	-	-
Repayment of term loans	(880,865)	(964,879)	-	-
Repayment of hire purchase creditors	(140,731)	(76,973)	-	-
	<u>12,970,541</u>	<u>(3,062,397)</u>	<u>14,265,000</u>	<u>2</u>
27. CASH AND CASH EQUIVALENTS AT END OF THE YEAR/PERIOD				
Deposits with licensed banks	11,702,813	3,900,000	5,600,000	-
Cash and bank balances	3,423,638	1,829,751	167,854	2
Bank overdrafts	(1,858,560)	(3,152,580)	-	-
	<u>13,267,891</u>	<u>2,577,171</u>	<u>5,767,854</u>	<u>2</u>
28. COMMITMENTS				
(a) Capital commitments			Group 2000 RM	Proforma Group 1999 RM
Authorised capital expenditure in respect of purchase of property, plant and equipment:				
Contracted for			3,060,646	1,717,892
Not contracted for			6,389,800	5,553,000
			<u>9,450,446</u>	<u>7,270,892</u>
(b) Operating lease commitments				
The future minimum lease payments under non - cancellable operating leases are as follows:				
Not later than one year			1,147,235	1,819,162
Later than one year and no later than five years			1,096,476	1,789,048
			<u>2,243,711</u>	<u>3,608,210</u>

29. CONTINGENT LIABILITIES (UNSECURED)

	Company	
	2000 RM	1999 RM
Corporate guarantee in respect of credit facilities for subsidiary companies	13,850,000	-

30. SEGMENT REPORTING

No segmental information is presented as the Group is primarily engaged in the pharmaceutical industry in Malaysia.

31. SIGNIFICANT RELATED PARTY DISCLOSURES

In addition to related party disclosures mentioned elsewhere in the financial statements, other related party information is set out below.

	Group 2000 RM	Proforma Group 1999 RM
Sale of goods to Grafton Pharmasia Pte Ltd	4,382,748	4,765,652

Grafton Pharmasia Pte Ltd is a subsidiary company of United Medicorp Pte Ltd, which holds 30% equity interest in Apex Pharmacy Holdings Sdn Bhd, a substantial shareholder of Apex Healthcare Berhad. Sales to this company are based on an agreement that it acts as the sole distributing agent for the Group's products in Singapore. On an average, the goods were sold to this company on the basis that it earns a range of 5% to 15% contribution margin over the selling prices of the Group's products, depending on the customer type and size of the orders.

32. SUBSEQUENT EVENT

On 7 February 2001, the Group announced its proposal to implement an Employees' Share Option Scheme ("ESOS") for employees and Executive Directors of Apex Healthcare Berhad ("AHB") and its subsidiary companies. The proposed ESOS is conditional upon and subject to approvals being obtained from the following:

- (i) the Securities Commission for the Proposed ESOS as well as the submission of the Bye-Laws of the Proposed ESOS.
- (ii) the Kuala Lumpur Stock Exchange for the Bye-Laws of the Proposed ESOS and the approval-in-principle for the listing of and quotation for the new AHB shares to be issued pursuant to the exercise of the options granted under the Proposed ESOS.
- (iii) the shareholders of AHB at an Extraordinary General Meeting to be convened; and
- (iv) any other relevant regulatory authorities.

Properties

Details of properties of the AHB Group are as follows:-

Registered Owner & Address	Land area sq. ft.	Built-up area sq. ft.	Existing use / Description	Tenure / Age of building	Net Book Value as at 31.12.2000 RM
Apex Pharmacy Sdn Bhd					
Unit No. F120 First Floor, Holiday Plaza Jalan Dato' Sulaiman Century Garden, Johor Bahru Johor Darul Takzim	-	1,707.91	Leased / 1 parcel of commercial space located on the 1st floor of Holiday Plaza	Freehold / 16 years old	901,600
Unit Nos. B5 & B6 Level 1, Block B Pusat Bandar Damansara Jalan Damanlela Kuala Lumpur	-	2,688.04	Pharmacy outlet / 2 units of intermediate shoplots	Freehold / 16 years old	1,372,000
Lot No. 99 Town Area XXXVIII (38) District of Melaka Tengah Melaka	1,679.17	2,928.00	Leased / 2-storey shophouse	Leasehold (exp. 2075) / 26 years old	186,800
Lot Nos. 564, 569 & 571 Town Area XIX (19) District of Melaka Tengah Melaka	1,398.02	3,557.07	Pharmacy outlet / 3-storey warehouse	Freehold / 36 years old	446,800
Unit No. 48 Erected on Lot No. PT 1718 Town Area XXI (21) District of Melaka Tengah Melaka	1,469.92	6,489.00	Warehouse / 4 1/2 storey shop office	Leasehold (exp. 2084) / 10 years old	737,955
Lots Nos. PT 1889, PT 1890 and PT 1891 Town of Bandar Sunway District of Petaling Selangor Darul Ehsan	8,347.00	8,919.48	Warehouse / 2 adjoining intermediate units and 1 corner unit of 1 1/2 storey light industrial terrace factory	Leasehold (exp. 2096) / 9 years old	1,390,225

Registered Owner & Address	Land area sq. ft.	Built-up area sq. ft.	Existing use / Description	Tenure / Age of building	Net Book Value as at 31.12.2000 RM
Xepa-Soul Pattinson (Malaysia) Sdn Bhd					
Lot Nos. PT 1375, PT 1376 and PT 1377 Mukim of Bertam District of Melaka Tengah Melaka (Cheng Industrial Estate - Phase 1)	314,995.00	101,476.00	Factory Complex / 1 1/2-storey factory building	Leasehold (exp. 2096) / 8 years old	12,457,724
Lot Nos. PT 1374, Mukim of Bertam District of Melaka Tengah Melaka (Cheng Industrial Estate - Phase 1)	104,388.00	-	Vacant land	Leasehold (exp. 2096)	1,364,714
	432,277.11	127,765.50			18,887,818

Shareholding Statistics

SHARE CAPITAL

Authorised capital	:	RM100,000,000
Issued and Fully Paid Up Capital	:	RM43,400,000
Class of shares	:	Ordinary shares of RM1.00 each
Voting rights	:	1 vote per ordinary share

ANALYSIS OF SHAREHOLDINGS

As at 23rd March 2001

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares held	% of shares held
1 - 1,000	1,820	60.93	1,820,000	4.19
1,001 - 5,000	886	29.66	2,519,000	5.80
5,001 - 10,000	185	6.20	1,494,000	3.44
10,001 - 1,000,000	92	3.08	5,900,387	13.60
Over 1,000,000	4	0.13	31,666,613	72.97
Total	2,987	100.00	43,400,000	100.00

20 LARGEST SHAREHOLDERS

As at 23rd March 2001

	Name of Shareholders	No. of Shares held	%
1	Apex Pharmacy Holdings Sdn Bhd	17,370,604	40.02
2	TCL Nominees (Asing) Sdn Bhd <i>Washington H Soul Pattinson & Co Ltd</i>	7,211,427	16.62
3	Bank Pembangunan dan Infrastruktur Malaysia Bhd	5,882,104	13.55
4	Permodalan Nasional Bhd	1,202,478	2.77
5	HSBC Nominees (Tempatan) Sdn Bhd <i>HSBC (M) Trustee Bhd for OSK-UOB Small Cap Opportunity Unit Trust</i>	652,000	1.50
6	Oritegap Sdn Bhd	600,000	1.38
7	Suria Riang Sdn Bhd	540,000	1.24
8	Md Ali bin Md Dewal	428,739	0.99
9	Rosina binti Aladad Khan	300,000	0.69
10	Bumiputra-Commerce Trustee Bhd <i>Amanah Saham Darul Iman</i>	290,000	0.67
11	Syarikat Nominee Bumiputra (Tempatan) Sdn Bhd <i>Bumiputra-Commerce Trustee Bhd for Pacific Dana Aman</i>	264,000	0.61
12	BHLB Trustee Bhd <i>Pacific Recovery Fund</i>	227,000	0.52
13	Universal Trustee (Malaysia) Bhd <i>Pacific Premier Fund</i>	192,000	0.44
14	Arab-Malaysian Nominees (Tempatan) Sdn Bhd <i>Arab Malaysian Trustees Bhd for Pacific Pearl Fund</i>	189,000	0.44
15	Tengku Puan Nor Sa'adah binti al-Marhum Sultan Sulaiman Shah	182,648	0.42
16	Washington H Soul Pattinson & Co Ltd	131,000	0.30
17	BHLB Trustee Bhd <i>Pacific Income Fund</i>	90,000	0.21
18	Chia Ting Poh @ Cheah Ting Poh	79,000	0.18
19	Intiteguh Sdn Bhd	73,000	0.17
20	Ong Loo Choon	72,000	0.17
Total		35,977,000	82.90

SUBSTANTIAL SHAREHOLDERS

As per register of substantial shareholders as at 23rd March 2001

Name	Direct		Indirect	
	No. of ordinary shares	%	No. of ordinary shares	%
Apex Pharmacy Holdings Sdn Bhd	17,370,604	40.02	-	-
Washington H Soul Pattinson & Company Limited	7,342,427	16.92	-	-
Bank Pembangunan dan Infrastruktur Malaysia Bhd	5,882,104	13.55	-	-
Permodalan Nasional Bhd	1,202,478	2.77	-	-
TCL Nominees (Asing) Sdn Bhd	7,211,427 ⁽²⁾	16.62	-	-
Xepa Holdings Sdn Bhd	-	-	17,370,604 ⁽¹⁾	40.02
United Medicorp Pte Ltd	-	-	17,370,604 ⁽¹⁾	40.02
Yayasan Pelaburan Bumiputra	-	-	1,202,478 ⁽¹⁾	2.77
Apex Holdings (Pte) Ltd	-	-	17,370,604 ⁽¹⁾	40.02
Xepa Holdings Pte Ltd	-	-	17,370,604 ⁽¹⁾	40.02
Kee Tah Peng @ Hee Teck Peng	10,000	0.02	17,370,604 ⁽¹⁾	40.02
Dr Kee Kirk Chin	10,000	0.02	17,370,604 ⁽¹⁾	40.02
Yang Liew Fang	-	-	17,370,604 ⁽¹⁾	40.02
Kee Kirk Chuen	4,000	0.01	17,370,604 ⁽¹⁾	40.02
Dr Kee Loo	-	-	17,370,604 ⁽¹⁾	40.02
United Engineers Limited	-	-	17,370,604 ⁽¹⁾	40.02
Robert Dobson Millner	10,000	0.02	7,342,427 ⁽¹⁾	16.92
Michael John Millner	10,000	0.02	7,342,427 ⁽¹⁾	16.92

Notes:

(1) Deemed interested by virtue of Section 64(4)(C) of the Companies Act, 1965

(2) As Bare Trustee

Shareholding Statistics

(Continued)

LIST OF DIRECTORS' SHAREHOLDINGS

As at 21st January 2001

Name of Director	Direct No. of Ordinary Shares held	%	Indirect No. of Ordinary Shares held	%
Kee Tah Peng @ Hee Teck Peng	10,000	0.02	17,322,604 ⁽¹⁾	39.91
Kee Kirk Chin	10,000	0.02	17,322,604 ⁽¹⁾	39.91
Ki Tak Sang @ Kee Tak Sang	10,000	0.02	-	-
Tan Yan Meng, Warren ⁽³⁾	10,000	0.02	-	-
Jackson Chevalier Yap-Kit-Siong	10,000 ⁽²⁾	0.02	-	-
Leong Khai Cheong	10,000	0.02	-	-
Robert Dobson Millner	10,000	0.02	7,271,427 ⁽¹⁾	16.75
Md Ali bin Md Dewal	428,739	0.99	-	-
Mohd Ramli bin Samian	10,000 ⁽²⁾	0.02	-	-
Md Diah bin Mohammad ⁽³⁾	5,000	0.01	-	-
Rokiah binti Rajak ^(3,6)	8,000	0.02	-	-
Peter Raymond Robinson ⁽⁴⁾	10,000	0.02	-	-
Michael John Millner ^(3,5)	10,000	0.02	7,271,427 ⁽¹⁾	16.75

Notes:

(1) Deemed interested by virtue of Section 64(4)(C) of the Companies Act, 1965

(2) Held through nominees

(3) Resigned on 2nd April 2001

(4) Resigned on 2nd April 2001 and reappointed as alternate to Robert Dobson Millner

(5) Alternate to Robert Dobson Millner

(6) Alternate to Mohd Ramli bin Samian



Apex Healthcare Berhad (473108-T)
(Incorporated in Malaysia)

Proxy Form

No. of shares held

I/We, _____ NRIC/Company No. _____
(Please use block letters)

of _____
(Full Address)

being a member/members of APEX HEALTHCARE BERHAD hereby appoint

_____ of _____
or failing him, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the Second Annual General Meeting of the Company to be held at Bunga Melati, 7th Floor, Renaissance Melaka Hotel, Jalan Bendahara, 75100 Melaka on Wednesday, 23 May 2001 at 10.30 a.m. and at any adjournment thereof on the following resolutions referred to in the Notice of Annual General Meeting.
My/Our proxy is to vote as indicated below:-

RESOLUTIONS	*FOR	*AGAINST
ORDINARY BUSINESS		
1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2000 together with the Directors' and Auditors' Reports thereon		
2. To declare a first and final tax exempt dividend of 6 sen per share for the financial year ended 31 December 2000		
3. To approve the payment of Directors' fees for the financial year ended 31 December 2000		
4. To re-elect Ki Tak Sang @ Kee Tak Sang retiring in accordance with Article 89 of the Company's Articles of Association		
5. To re-elect Jackson Chevalier Yap-Kit-Siong retiring in accordance with Article 89 of the Company's Articles of Association		
6. To re-elect Leong Khai Cheong retiring in accordance with Article 89 of the Company's Articles of Association		
7. To re-appoint Kee Tah Peng @ Hee Teck Peng retiring in accordance with Section 129 of the Companies Act, 1965		
8. To re-appoint Messrs PricewaterhouseCoopers as the Company's Auditors and to authorise the Directors to fix their remuneration		
SPECIAL BUSINESS		
9. To authorise Directors to allot and 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 _____ 2001

Signature of Member(s) or Common Seal

Notes:

- A member of the Company who is entitled to attend and vote at this meeting is entitled to appoint a proxy/proxies, and in the case of a corporation, a duly authorised representative to attend and vote in its stead.
- A proxy may but need not be a member of the Company. Where a member appoints more than one (1) proxy, he shall specify the proportions of his shareholdings to be represented by each proxy.
- 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.
- The instrument appointing a proxy must be deposited at the Registered Office of the Company situated at 134-2, Kompleks Perniagaan Munshi Abdullah, Jalan Munshi Abdullah, 75100

Melaka, not less than forty-eight (48) hours before the time set for holding this meeting or at any adjournment thereof.

**EXPLANATORY NOTE TO ORDINARY RESOLUTION 9
UNDER SPECIAL BUSINESS**

Resolution Pursuant To Section 132D Of The Companies Act, 1965

The Ordinary Resolution proposed under Agenda 7, if passed, will give the Directors of the Company, from the date of the forthcoming Annual General Meeting, authority to issue and allot ordinary shares from the unissued capital of the Company being for such purposes as the Directors consider would be in the interest of the Company. This authority will, unless revoked or varied by the Company in a General Meeting, expire at the next Annual General Meeting of the Company.

STAMP

The Company Secretaries

Apex Healthcare Berhad (473108-T)

134/2, Kompleks Perniagaan Munshi Abdullah
Jalan Munshi Abdullah
75100 Melaka